STATUTES OF CALIFORNIA

1987–88

REGULAR SESSION

1987 CHAPTERS

CHAPTER 1

An act relating to a special election to fill vacancies on the City Council of Union City, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 14, 1987. Filed with Secretary of State January 15, 1987.]

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

SECTION 1. Notwithstanding any other provision of law, special elections called pursuant to Section 36512 of the Government Code to fill vacancies occurring on the City Council of the City of Union City during 1986 may be consolidated by the city council as provided in this act. All candidates at the consolidated election for these offices shall stand for election for all vacancies to be filled. Candidates receiving a plurality of votes at the election are elected to fill the vacancies on the city council.

The Legislature finds and declares that the unusual circumstance of two vacancies being created on the City Council of Union City at nearly the same time require this special authorization to consolidate special elections to fill the vacancies. Consolidation of these elections will result in a savings of public moneys and will avoid the confusion that could otherwise result from separate elections to fill these offices.

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 permit consolidation of elections to fill vacancies created in late 1986 on the City Council of the City of Union City, and to thereby avoid confusion of the electorate, it is necessary that this act take effect immediately.

CHAPTER 2

An act to amend Sections 5000.5 and 5010.7 of, and to repeal Section 5007 of, the Education Code, to amend Section 23302.1 of, and to add Section 14009 to, the Elections Code, and to amend Section 36503.5 of the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 2, 1987. Filed with Secretary of State March 3, 1987.]

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

SECTION 1. Section 5000.5 of the Education Code is amended to read:

5000.5. (a) Notwithstanding any other provision of law, except as provided under Section 5008, after the initial election of governing board members in any school district, or members of a county board of education, the election of governing board members for the district or members of the county board of education may, upon the adoption of an appropriate resolution by the governing board or the county board of education, respectively, be established to regularly occur on the same day upon which a primary, municipal, or general election is held. If a district is located in more than one county, the district may not consolidate an election if any county in which the district is located denies the request for consolidation. In the event of consolidation, the election of governing board members or members of the county board of education shall be conducted in accordance with all applicable procedural requirements of the Elections Code pertaining to that primary, municipal, or general election, and shall thereafter occur in consolidation with that election.

(b) The resolution of the governing board or county board of education shall be adopted and submitted to the board of supervisors, for purposes of subdivision (a), no later than 240 days prior to the date of the currently scheduled election for the governing board members of the district or for the members of the county board of education.

(c) 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, or the consolidation will incur additional costs to the county. Prior to the adoption of a resolution to either approve or deny a consolidation request, the board or boards of supervisors shall each obtain from the county clerk, as defined under Section 23503 of the Elections Code, a report on the cost effectiveness of the proposed action, and provide public notices of the proceedings in which the resolution is to be considered for adoption, pursuant to Section 25151 of the Government Code.

(d) An election day established pursuant to subdivision (a) shall be prescribed to occur not less than one month, nor more than 12 months, subsequent to the election day prescribed in subdivision (a) of Section 5000 or pursuant to Section 1007, as appropriate. As described in this subdivision, "12 months" means the period from the election day prescribed in subdivision (a) of Section 5000 or pursuant to Section 1007, as appropriate, to the first Tuesday after the first Monday in the 12th month subsequent to that day, inclusive.

(e) In the event that the election day for a school district governing board or county board of education is established pursuant to subdivision (a), the term of office of all then incumbent members

of that governing board or county board of education shall be extended accordingly.

(f) This section shall not apply to the County of San Diego, pursuant to Section 5000.1, and Section 23509.1 of the Elections Code.

SEC. 2. Section 5007 of the Education Code is repealed.

SEC. 3. Section 5010.7 of the Education Code is amended to read:

5010.7. (a) Notwithstanding any other provision of law, a community college district may, by resolution, require that its trustee general elections be held on the same day as the statewide general election or a municipal election, except that the board of supervisors of any county in which the district will hold an election may deny any request for consolidation if it finds that the ballot style, voting equipment, or computer capacity is such that additional elections or materials cannot be handled. If a district is located in more than one county the district may not consolidate an election if any county in which the district is located denies the request for consolidation.

(b) If, pursuant to subdivision (a), a general trustee election is held on the same day as a statewide election, those trustees whose four-year terms of office would have, prior to the adoption of the resolution, expired prior to that election shall, instead, continue in their offices until successors are elected and qualified.

(c) If a district governing board adopts a resolution pursuant to subdivision (a), general trustee elections following the adoption of the ordinance shall be conducted on the date specified by the governing board in accordance with subdivision (a) unless the resolution in question is later repealed by the governing board.

SEC. 4. Section 14009 is added to the Elections Code, to read:

14009. Notwithstanding any other provision of law, the Registrar-Recorder of the County of Los Angeles and the Registrar of Voters of Orange County may, pursuant to agreement between those counties, perform, either on behalf of the other, any and all duties relating to the conducting of the election, the counting of votes, and any other election procedures to the extent that those duties are for the conduct of an election of governing board members for any school district whose territory lies within both the County of Los Angeles and Orange County, pursuant to the consolidation of that election with a primary, municipal, or general election under Section 5000.5 of the Education Code.

SEC. 5. Section 23302.1 of the Elections Code is amended 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. As described in this subdivision, "one year" means the period from the election day described in subdivision (a) to the first Tuesday after the first Monday in the 12th month subsequent to that day, inclusive.

(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. 6. 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. As described in this subdivision, "12 months" means the period between the day upon which the term of office would otherwise have commenced and the first Tuesday after the second Monday in the 12th month before or after that day, inclusive.

(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.

SEC. 7. Due to the unique circumstances concerning the ballot style and voting equipment of the County of Los Angeles and Orange County, and the ability of the boards of supervisors of those counties to approve a consolidation of a governing board election with a primary, municipal, or general election as authorized by Section 5000.5 of the Education Code, the Legislature finds and declares, for purposes of Section 4 of this act, that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 8. The Legislature hereby finds and declares that the amendments set forth in Section 6 of this act are declaratory of, and do not constitute a substantive change in, existing law.

SEC. 9. The Legislature intends that the amendments set forth in Sections 1–5 inclusive shall not apply to special elections.

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 clarify certain statutory provisions relating to the scheduling of school district and municipal elections without undue delay, which provisions took effect on January 1, 1987, and to facilitate the consolidation of certain elections for school districts having territory in both the County of Los Angeles and Orange County, it is necessary that this act take effect immediately.

CHAPTER 3

An act to amend, repeal, and add Section 128 of the Code of Civil Procedure, relating to contempt, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 10, 1987. Filed with Secretary of State March 11, 1987.]

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

SECTION 1. Section 128 of the Code of Civil Procedure is amended to read:

128. (a) Every court shall have the power to do all of the following:

(1) To preserve and enforce order in its immediate presence.

(2) To enforce order in the proceedings before it, or before a person or persons empowered to conduct a judicial investigation under its authority.

(3) To provide for the orderly conduct of proceedings before it, or its officers.

(4) To compel obedience to its judgments, orders, and process, and to the orders of a judge out of court, in an action or proceeding pending therein.

(5) To control in furtherance of justice, the conduct of its ministerial officers, and of all other persons in any manner connected with a judicial proceeding before it, in every matter pertaining thereto.

(6) To compel the attendance of persons to testify in an action or proceeding pending therein, in the cases and manner provided in this code.

(7) To administer oaths in an action or proceeding pending therein, and in all other cases where it may be necessary in the exercise of its powers and duties.

(8) To amend and control its process and orders so as to make them conform to law and justice.

(b) Notwithstanding Section 1211 or any other provision of law, if an order of contempt is made affecting an attorney, his or her agent, investigator, or any person acting under the attorney's direction, in

the preparation and conduct of any action or proceeding, the execution of any sentence shall be stayed pending the filing within three judicial days of a petition for extraordinary relief testing the lawfulness of the court's order, the violation of which is the basis of the contempt except for the conduct as may be proscribed by subdivision (b) of Section 6068 of the Business and Professions Code, relating to an attorney's duty to maintain respect due to the courts and judicial officers.

(c) Notwithstanding Section 1211 or any other provision of law, if an order of contempt is made affecting a public safety employee acting within the scope of employment for reason of the employee's failure to comply with a duly issued subpoena or subpoena duces tecum, the execution of any sentence shall be stayed pending the filing within three judicial days of a petition for extraordinary relief testing the lawfulness of the court's order, a violation of which is the basis for the contempt.

As used in this subdivision, "public safety employee" includes any peace officer, firefighter, paramedic, or any other employee of a public law enforcement agency whose duty is either to maintain official records or to analyze or present evidence for investigative or prosecutorial purposes.

(d) Notwithstanding Section 1211 or any other provision of law, if an order of contempt is made affecting the victim of a sexual assault, where the contempt consists of refusing to testify concerning that sexual assault, the execution of any sentence shall be stayed pending the filing within three judicial days of a petition for extraordinary relief testing the lawfulness of the court's order, a violation of which is the basis for the contempt.

As used in this subdivision, "sexual assault" means any act made punishable by Section 261, 262, 264.1, 285, 286, 288, 288a, or 289 of the Penal Code.

(e) Notwithstanding Section 1211 or any other provision of law, if an order of contempt is made affecting county government or its governing body acting pursuant to its constitutional or statutory authority, the execution of any sentence shall be stayed for 30 days, and for such additional period as may be granted by a reviewing court upon the filing of a petition for extraordinary relief to test the lawfulness of the court's order, a violation of which is the basis for the contempt.

If a petition is filed in accordance with the provisions of this subdivision, execution of the contempt order shall, upon denial of the petition, be stayed for five judicial days after the petition for extraordinary relief is denied.

SEC. 2. Section 128 is added to the Code of Civil Procedure, to read:

128. (a) Every court shall have the power to do all of the following:

(1) To preserve and enforce order in its immediate presence.

(2) To enforce order in the proceedings before it, or before a

person or persons empowered to conduct a judicial investigation under its authority.

(3) To provide for the orderly conduct of proceedings before it, or its officers.

(4) To compel obedience to its judgments, orders, and process, and to the orders of a judge out of court, in an action or proceeding pending therein.

(5) To control in furtherance of justice, the conduct of its ministerial officers, and of all other persons in any manner connected with a judicial proceeding before it, in every matter pertaining thereto.

(6) To compel the attendance of persons to testify in an action or proceeding pending therein, in the cases and manner provided in this code.

(7) To administer oaths in an action or proceeding pending therein, and in all other cases where it may be necessary in the exercise of its powers and duties.

(8) To amend and control its process and orders so as to make them conform to law and justice.

(b) Notwithstanding Section 1211 or any other provision of law, if an order of contempt is made affecting an attorney, his or her agent, investigator, or any person acting under the attorney's direction, in the preparation and conduct of any action or proceeding, the execution of any sentence shall be stayed pending the filing within three judicial days of a petition for extraordinary relief testing the lawfulness of the court's order, the violation of which is the basis of the contempt except for the conduct as may be proscribed by subdivision (b) of Section 6068 of the Business and Professions Code, relating to an attorney's duty to maintain respect due to the courts and judicial officers.

(c) Notwithstanding Section 1211 or any other provision of law, if an order of contempt is made affecting a public safety employee acting within the scope of employment for reason of the employee's failure to comply with a duly issued subpoena or subpoena duces tecum, the execution of any sentence shall be stayed pending the filing within three judicial days of a petition for extraordinary relief testing the lawfulness of the court's order, a violation of which is the basis for the contempt.

As used in this subdivision, "public safety employee" includes any peace officer, firefighter, paramedic, or any other employee of a public law enforcement agency whose duty is either to maintain official records or to analyze or present evidence for investigative or prosecutorial purposes.

(d) Notwithstanding Section 1211 or any other provision of law, if an order of contempt is made affecting the victim of a sexual assault, where the contempt consists of refusing to testify concerning that sexual assault, the execution of any sentence shall be stayed pending the filing within three judicial days of a petition for extraordinary relief testing the lawfulness of the court's order, a violation of which

is the basis for the contempt.

As used in this subdivision, "sexual assault" means any act made punishable by Section 261, 262, 264.1, 285, 286, 288, 288a, or 289 of the Penal Code.

SEC. 3. Section 128 of the Code of Civil Procedure as amended by Section 1 of this act shall remain in effect only until two years after the effective date of this act and on that date is repealed, and Section 2 of this act shall become operative on that date, unless a later enacted statute 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:

It is necessary for this act to take effect immediately because the effective and continuous functioning of county government requires an orderly process for the resolution of issues raised in connection with a contempt order.

CHAPTER 4

An act to amend Section 1719 of the Civil Code, and to amend Section 1033 of the Code of Civil Procedure, relating to civil procedure, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 17, 1987. Filed with Secretary of State March 17, 1987.]

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, or because the maker instructed the drawee to stop payment, and who fails to pay the same amount in cash to the payee within 30 days following a written demand therefor informing the maker of the provisions of this section, 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. However, there shall be no cause of action under this section if a maker stops payment in order to resolve a good faith dispute with the payee. The payee is entitled to the damages only upon proving by clear and

convincing evidence that there was no good faith dispute, as defined in subdivision (b).

(b) For purposes of this section, in the case of a stop payment the existence of a "good faith dispute" shall be determined by the trier of fact. A "good faith dispute" is one in which the court finds that the maker had a reasonable belief of his or her legal entitlement to withhold payment. Grounds to such entitlement include, but are not limited to, the following: services were not rendered, goods were not delivered, goods or services purchased are faulty, not as promised, or otherwise unsatisfactory, or there was an overcharge.

(c) In the case of a stop payment, the notice to the maker required by this section shall be in substantially the following form:

NOTICE

To: _____
(name of maker)

_____ is the payee of a check you wrote
(name of payee)

for $ _____ . The check was not paid because
(amount)

you stopped payment, and the payee demands payment. You may have a good faith dispute as to whether you owe the full amount. If you do not have a good faith dispute with the payee and fail to pay the payee the full amount of the check in cash within 30 days after this notice was mailed, you could be sued and held responsible to pay at least all of the following:

(1) The amount of the check.

(2) Damages of at least $100 or, if higher, three times the amount of the check up to $500.

(3) The cost of mailing this notice.

If the court determines that you do have a good faith dispute with the payee, you will not have to pay the damages and mailing cost mentioned above. If you stopped payment because you have a good faith dispute with the payee, you should try to work out your dispute with the payee. You can contact the payee at:

_____
(name of payee)

_____
(street address)

_____
(telephone number)

You may wish to contact a lawyer to discuss your legal rights and responsibilities.

_____
(name of sender of notice)

(d) In the case of a stop payment, a court may not award damages or costs under this section unless the court receives into evidence a

copy of the written demand which, in that case, shall have been sent to the maker and a signed certified mail receipt showing delivery of the written demand to the maker's address.

(e) A cause of action under this section may be brought in small claims court, if it does not exceed the jurisdiction of that court, or in any other appropriate court. The payee shall, in order to recover damages because the maker instructed the drawee to stop payment, show to the satisfaction of the trier of fact that there was a reasonable effort on the part of the payee to reconcile and resolve the dispute prior to pursuing the dispute through the courts.

(f) A cause of action under this section 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 treble damages than is charged the payee for collecting the face amount of the check, draft, or order. This subdivision shall not apply to an action brought in small claims court.

SEC. 2. Section 1033 of the Code of Civil Procedure is amended to read:

1033. (a) In the superior court, 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.

(b) In a municipal or justice court, where a prevailing plaintiff recovers less than the amount prescribed by law as the maximum limitation upon the jurisdiction of the small claims court, the following shall apply:

(1) Where the party could have brought the action in the small claims court, the court may, in its discretion, allow or deny costs to the prevailing party, or may allow costs in part in any amount as it deems proper.

(2) Where the party could not have brought the action in small claims court, costs and necessary disbursements shall be limited to the actual cost of the filing fee and the actual cost of service of process. However, those costs shall only be awarded to the plaintiff if the court is satisfied that prior to the commencement of the action, the plaintiff informed the defendant in writing of the intended legal action against the defendant and that legal action could result in a judgment against the defendant which would include the costs and necessary disbursements allowed by this paragraph.

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 a chaptering problem which occurred in 1986 may be corrected as soon as possible, and in order to ensure consistency in the award of court costs, it is necessary that this act go into immediate effect.

CHAPTER 5

An act to amend Section 11106 of, and to amend and repeal Section 11100 of, the Health and Safety Code, relating to controlled substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 17, 1987. Filed with Secretary of State March 17, 1987.]

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

SECTION 1. Section 11100 of the Health and Safety Code, as added by Section 2 of Chapter 1028 of the Statutes of 1986, is repealed.

SEC. 2. Section 11100 of the Health and Safety Code, as added by Section 3 of Chapter 1028 of the Statutes of 1986, is amended to read:

11100. (a) Any manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes any of the following substances to any person in this state shall submit a report to the Department of Justice of all of those transactions:

(1) Phenyl-2-propanone.
(2) Methylamine.
(3) Ethylamine.
(4) D-lysergic acid.
(5) Ergotamine tartrate.
(6) Diethyl malonate.
(7) Malonic acid.
(8) Ethyl malonate.
(9) Barbituric acid.
(10) Piperidine.
(11) N-acetylanthranilic acid.
(12) Pyrrolidine.
(13) Phenylacetic acid.
(14) Anthranilic acid.
(15) Morpholine.
(16) Ephedrine.
(17) Pseudoephedrine; norpseudoephedrine; and phenylpropanolamine.

(b) The Department of Justice may adopt rules and regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code that add substances to subdivision (a) if the substance is a precursor to a controlled substance and delete substances from subdivision (a). However, no regulation adding or deleting a substance shall have any effect beyond March 1 of the year following the calendar year during which

the regulation was adopted.

(c) (1) Any manufacturer, wholesaler, retailer, or other person shall, prior to selling, transferring, or otherwise furnishing any substance specified in subdivision (a) to a person in this state, require proper identification from the purchaser.

(2) For the purposes of this subdivision, "proper identification" means a motor vehicle operator's license or other official state-issued identification of the purchaser which contains a photograph of the purchaser, and includes the residential or mailing address of the purchaser, other than a post office box number, the motor vehicle license number of any motor vehicle owned or operated by the purchaser, a letter of authorization from the business for which any substance specified in subdivision (a) is being furnished, which includes the business license number and address of the business, a full description of how the substance is to be used, and the signature of the purchaser. The person selling, transferring, or otherwise furnishing any substance specified in subdivision (a) shall affix his or her signature as a witness to the signature and identification of the purchaser.

(3) A violation of this subdivision is a misdemeanor.

(d) Any manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes the substance specified in subdivision (a) to a person in this state shall, not less than 21 days prior to delivery of the substance, submit a report of the transaction, which includes the identification information specified in subdivision (c), to the Department of Justice. However, the Department of Justice may authorize the submission of the reports on a monthly basis with respect to repeated, regular transactions between the furnisher and the recipient involving the same substance if the Department of Justice determines that either of the following exist:

(1) A pattern of regular supply of the substance exists between the manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes such substance and the recipient of the substance.

(2) The recipient has established a record of utilization of the substance for lawful purposes.

(e) This section shall not apply to any of the following:

(1) Any pharmacist or other authorized person who sells or furnishes a substance upon the prescription of a physician, dentist, podiatrist, or veterinarian.

(2) Any physician, dentist, podiatrist, or veterinarian who administers or furnishes a substance to his or her patients.

(3) Any manufacturer or wholesaler licensed by the California State Board of Pharmacy who sells, transfers, or otherwise furnishes a substance to a licensed pharmacy, physician, dentist, podiatrist, or veterinarian.

(4) Any sale, transfer, furnishing, or receipt of any drug which contains any substance listed in paragraph (16) or (17) of subdivision (a) and which is lawfully sold, tranferred, or furnished, over the

counter without a prescription pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.) or regulations adopted thereunder.

(f) (1) Any person specified in subdivision (d) who does not submit a report as required by that subdivision or who knowingly submits a report with false or fictitious information shall be punished by imprisonment in the county jail not exceeding six months or by a fine not exceeding five thousand dollars ($5,000) or by both the fine and imprisonment.

(2) Any person specified in subdivision (d) who has previously been convicted of a violation of paragraph (1) shall, upon a subsequent conviction thereof, be punished by imprisonment in the state prison, or by imprisonment in the county jail not exceeding one year, or by a fine not exceeding one hundred thousand dollars ($100,000), or by both the fine and imprisonment.

This section shall become operative on April 1, 1987.

SEC. 3. Section 11106 of the Health and Safety Code is amended to read:

11106. (a) Any manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes any substance specified in subdivision (a) of Section 11100 to a person in this state or who receives from a source outside of the state any substance specified in subdivision (a) of Section 11100 shall obtain a permit for the conduct of that business from the Department of Justice. However, no permit shall be required of any manufacturer, wholesaler, retailer, or other person for the sale, transfer, furnishing, or receipt of any drug which contains any substance listed in paragraph (16) or (17) of subdivision (a) of Section 11100 and which is lawfully sold, tranferred, or furnished over the counter without a prescription or by a prescription pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.) or regulations adopted thereunder.

(b) Applications for permits shall be filed in writing and signed by the applicant, and shall set forth the name of the applicant, the business in which the applicant is engaged, the business address of the applicant, and a full description of any substance sold, transferred, or otherwise furnished, or received.

(c) The department may grant permits on forms prescribed by it, which shall be effective for not more than one year from the date of issuance. Applications and permits shall be uniform throughout the state, on forms prescribed by the department.

(d) Each applicant shall pay at the time of filing an application for a permit a fee determined by the department which shall not exceed the application processing costs of the department.

(e) A permit granted pursuant to this article may be renewed one year from the date of issuance, and annually thereafter, upon the filing of a renewal application and the payment of a permit renewal fee not to exceed the application processing costs of the department.

(f) Selling, transferring, or otherwise furnishing, or receiving any

substance specified in subdivision (a) of Section 11100 without a permit, is a misdemeanor or a felony.

(g) This section shall become operative on April 1, 1987.

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 properly control substances constituting a menace to public health and safety, it is necessary that this act take effect immediately.

CHAPTER 6

An act to add Sections 16312, 16313, and 16654 to the Government Code, relating to state bonds, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 20, 1987. Filed with Secretary of State March 23, 1987.]

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

SECTION 1. Section 16312 is added to the Government Code, to read:

16312. (a) Notwithstanding and in addition to any other provision of law permitting withdrawal of moneys from the General Fund for deposit into a special fund for the purpose of carrying out a program or project with repayment to the General Fund to come from the proceeds of the later sale of state bonds or notes, the Pooled Money Investment Board may instead make a loan from the Pooled Money Investment Account directly to any such special fund, on such terms and conditions as the board may determine, upon request made to the board by an appropriate official. Any official authorized by law to seek, authorize, or approve a withdrawal of moneys from the General Fund for these purposes may in the alternative request a loan from the board as provided in this section and execute such documents as are required by the board to obtain and repay the loan. Interest on the loan shall be determined as provided in Section 16314.

(b) The Pooled Money Investment Board may also make a loan from the Pooled Money Investment Account to any special fund for the purpose of carrying out a program or project that is authorized to be financed by issuing bonds, notes, or other evidence of indebtedness, where the special fund does not qualify under subdivision (a). Any loan shall be subject to those terms and conditions as the board shall determine and interest shall be determined as provided in Section 16314.

Any state agency or other entity of state government that has authority to issue bonds may request a loan from the Pooled Money

Investment Account and execute such documents as are required by the board to obtain and repay the loan.

(c) When a loan is made pursuant to subdivision (a) or (b) to a special fund to carry out a state general obligation bond program, the Treasurer shall determine whether the program is self-liquidating. For a self-liquidating program, the special fund shall pay the loan interest out of the proceeds derived from bond sales. The General Fund shall pay the loan interest for any non-self-liquidating programs.

(d) Notwithstanding Section 13340, amounts required to pay interest on loans made to non-self-liquidating general obligation bond programs are hereby continuously appropriated from the General Fund.

The Legislature hereby finds and declares that these appropriations for interest payments regarding general obligation bond programs are appropriations for debt service as defined in Section 8 of Article XIII B of the California Constitution and therefore are exempt from the appropriations limit set by that article.

SEC. 2. Section 16313 is added to the Government Code, to read:

16313. Notwithstanding and in addition to any other provision of law permitting loans to state agencies from the Pooled Money Investment Account, the Pooled Money Investment Board may make a loan, on such terms and conditions as the board may determine, from the Pooled Money Investment Account to any state agency in order to prepay or replace existing financing when the board determines it is in the best interest of the state to do so. Interest on the loans shall be determined as provided in Section 16314.

Any state agency with existing financing may request a loan from the Pooled Money Investment Account to replace existing financing and may execute such documents as are required by the board to obtain and repay the loan.

SEC. 3. Section 16654 is added to the Government Code, to read:

16654. The Controller shall establish and maintain accounts and perform accounting transactions as determined by the Treasurer to be necessary to comply with all provisions of federal law and regulations pertaining to retaining the bondholders' exemption from federal income taxation on interest paid on state bonds.

State agencies administering state bond programs shall provide the Treasurer with all program and fiscal information as determined by the Treasurer to be necessary to comply with these federal provisions.

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 California Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Federal Tax Reform Act of 1986 imposes rebate requirements that severely limit the issuance of tax exempt bonds. Consequently,

the loan authority provided by this act is required as soon as possible in order to allow the orderly continuation of the state's various bond programs. Therefore, it is necessary for this act to take effect immediately.

CHAPTER 7

An act to amend Section 19233 of the Business and Professions Code, relating to dry cleaning, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 27, 1987. Filed with Secretary of State March 27, 1987.]

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

SECTION 1. Section 19233 of the Business and Professions Code is amended to read:

19233. (a) The bureau shall require that all registrants maintain a surety bond in the sum of five thousand dollars ($5,000) or post security in the form of a bearer bond issued by the United States or the State of California in the amount of five thousand dollars ($5,000) or post five thousand dollars ($5,000) in cash, unless, after a determination as hereinafter provided, the bond or security is waived. A surety bond shall be duly executed by an admitted surety insurer, shall be continuous in form, shall be in favor of the people of the State of California, and the total aggregate liability on the bond shall in no event exceed the face amount thereof.

The surety bond shall be conditioned that the principal shall and will be liable for fraud and for all claims for damaged articles of clothing of persons with whom the registrant may deal as a registrant.

(b) Payments which are to be made from any security or pursuant to any bond which is required by this section shall be limited to payments of claims which have been approved by the final decision of a court.

(c) Any person injured by the breach of any condition to secure which the bond is given shall have a cause of action upon the bond in any court of competent jurisdiction to recover his or her damages not in excess of two hundred fifty dollars ($250) suffered by reason of that breach. The aggregate liability of the surety to all such persons shall not, however, exceed the sum of the bond.

(d) Bonds filed with the bureau pursuant to this article shall remain in full force and effect until the surety has terminated future liability by 30-day written notice to the bureau.

(e) In lieu of furnishing the bond required by this section, licensees may deposit with the bureau a bearer bond or bearer bonds having a market value of five thousand dollars ($5,000) or more, and

the deposit shall be permitted to receive annually any interest payable on such bond.

(f) The bureau shall waive the filing of the security or bond upon application and proof, as evidenced by a financial statement certified by a certified public accountant, that a third party has a net worth of at least one hundred thousand dollars ($100,000) and that the registrant's financial responsibility is guaranteed by that third party. The guaranty shall be a form provided by the bureau.

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 persons seeking registration for dry cleaning plants may have an alternative method of complying with a bond requirement which is operative on and after January 1, 1987, it is necessary that this act go into immediate effect.

CHAPTER 8

An act to amend Sections 74536, 74623, 74651, 74652, 74693, 74694, and 74837 of, and to add Sections 74622.5, 74652.5, 74922.5, and 74952.5 to, the Food and Agricultural Code, relating to agricultural marketing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 27, 1987. Filed with Secretary of State March 27, 1987.]

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

SECTION 1. Section 74536 of the Food and Agricultural Code is amended to read:

74536. "Vintner" means a winegrower, as defined in Section 23013 of the Business and Professions Code, who holds a winegrower's license issued by the Department of Alcoholic Beverage Control pursuant to Chapter 3 (commencing with Section 23300) of Division 9 of the Business and Professions Code, and who is engaged in producing must, grape juice, grape concentrate, wine, or products thereof, including high proof and brandy by processing winegrapes or field crushed must. A vintner who processes winegrapes in the preceding marketing season in a quantity of 100 tons or less is not subject to this chapter.

SEC. 2. Section 74622.5 is added to the Food and Agricultural Code, to read:

74622.5. For the purpose of voting in the referendum required in Section 74621, only a person who would be required to pay the assessment pursuant to Section 74652.5 shall be considered a vintner.

SEC. 3. Section 74623 of the Food and Agricultural Code is

amended to read:

74623. In determining whether this chapter shall become operative, the director shall find that at least 40 percent of the total number of vintners from the list established by the director participated in the referendum, and that either one of the following has occurred:

(a) Sixty-five percent or more of the vintners who voted in the referendum voted in favor of this chapter, and the vintners so voting processed a majority of the volume of winegrapes in the preceding marketing season by all the vintners who voted in the referendum.

(b) A majority of the vintners who voted in the referendum voted in favor of this chapter, and the vintners so voting processed 65 percent or more of the volume of winegrapes in the preceding marketing season by all the vintners who voted in the referendum.

SEC. 4. Section 74651 of the Food and Agricultural Code is amended to read:

74651. (a) Prior to the beginning of each marketing season or as soon thereafter as possible, the commission shall establish an assessment rate for the marketing season.

(b) Unless approved by a two-thirds vote of the commission, the assessment rate shall not exceed 1 percent of the gross dollar value of winegrapes processed by vintners.

SEC. 5. Section 74652 of the Food and Agricultural Code is amended to read:

74652. Any vintner who is also a producer who processes winegrapes shall pay the assessment on the winegrapes. The "weighted average producer returns per ton" by district as published in the most recent Final Grape Crush Report issued annually for the current marketing season by the department shall be used as the basis for determining product gross dollar value and the assessment on the winegrapes where no sale is involved.

SEC. 6. Section 74652.5 is added to the Food and Agricultural Code, to read:

74652.5. Unless otherwise exempted by this chapter, the assessment provided for in this article shall be levied on vintners and vintners who are also producers who engage in the act of processing winegrapes into must for the purpose of making grape juice, grape concentrate, wine, or products thereof, including high proof or brandy or processing field crushed must for the purpose of making grape juice, grape concentrate, wine, or products thereof, including high proof or brandy.

SEC. 7. Section 74693 of the Food and Agricultural Code is amended to read:

74693. (a) Upon a finding by a two-thirds vote of the commission that this chapter has not tended to effectuate its declared purposes, the commission may recommend to the director that this chapter be suspended.

(b) Alternatively, the director may be petitioned to suspend this chapter. The petition shall be signed by 20 percent of the vintners

by number who processed not less than 20 percent of the volume of winegrapes in the immediately preceding marketing season. The director shall hold a hearing on the petition after receiving it.

(c) The director shall, upon receipt of the recommendation to suspend this chapter from the commission, or may, after holding the hearing on the petition to suspend this chapter, hold a referendum among the vintners to determine if the commission shall be suspended. However, the director shall not hold a referendum as a result of the petition unless the petitioner shows by the weight of evidence that this chapter has not tended to effectuate its declared purposes.

(d) The director shall establish a referendum period, which shall not be less than 10 days nor more than 60 days in duration. The director may prescribe additional procedures as may be necessary to conduct the referendum. At the close of the referendum period, the director shall tabulate the ballots filed during the period. If at least 40 percent of the total number of vintners from the list established by the director participate in the referendum, the director shall suspend this chapter if he or she finds either of the following has occurred:

(1) Sixty-five percent or more of the vintners who voted in the referendum, voted in favor of suspension; and the vintners so voting processed a majority of the total quantity of winegrapes processed in the preceding marketing season by all of the vintners who participated in the referendum.

(2) A majority of the vintners who voted in the referendum voted in favor of suspension; and the vintners so voting processed 65 percent or more of the total quantity of winegrapes processed in the preceding marketing season by all of the vintners who voted in the referendum.

SEC. 8. Section 74694 of the Food and Agricultural Code is amended to read:

74694. (a) The director shall terminate the commission at the end of the current marketing season if the director finds that termination is requested in writing, within a 90-day period, by at least 51 percent of the eligible vintners that are directly affected that process at least 51 percent of the volume of the product.

(b) The person or persons originating the request shall file a written notice with the director in a manner that establishes the date the request is initiated. Any person may withdraw his or her name from the petition requesting the termination prior to the time the request is presented to the director.

(c) The signatures to the petition requesting termination need not all be appended to one sheet of paper. Each person signing the petition shall add his or her signature and business address. If no business address is given, a designation of the place of business shall be given which will enable the location to be readily ascertained.

(d) The petition shall bear a copy of the notice of intention. Signatures shall be secured within the time limit specified in this

section.

SEC. 9. Section 74837 of the Food and Agricultural Code is amended to read:

74837. "Vintner" means a winegrower, as defined in Section 23013 of the Business and Professions Code, who holds a winegrower's license issued by the Department of Alcoholic Beverage Control pursuant to Chapter 3 (commencing with Section 23300) of Division 9 of the Business and Professions Code, and who is engaged in producing must, grape juice, grape concentrate, wine, or products thereof, including high proof and brandy by processing winegrapes or field crushed must. A vintner who processes winegrapes in the preceding marketing season in a quantity of 100 tons or less is not subject to this chapter.

SEC. 10. Section 74922.5 is added to the Food and Agricultural Code, to read:

74922.5. For the purpose of voting in the referendum required in Section 74921, only a person who would be required to pay the assessment as a producer pursuant to Section 74952.5 shall be considered a producer.

SEC. 11. Section 74952.5 is added to the Food and Agricultural Code, to read:

74952.5. Unless otherwise exempted by this chapter, the assessment provided for in this article shall be levied on producers who process their own winegrapes and on producers who engage in the act of selling winegrapes to a vintner or to a handler from whom the winegrapes will ultimately be sold for the purpose of making must, grape juice, grape concentrate, wine, or products thereof, including high proof or brandy.

SEC. 12. 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:

Extensive provisions affecting the marketing, production, and ongoing continuity of the winegrape growing and winemaking industry of California were enacted during 1986. In order to put these provisions into effect during the current marketing season, it is necessary that this act take effect immediately.

CHAPTER 9

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

[Approved by Governor April 21, 1987. Filed with Secretary of State April 21, 1987.]

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

SECTION 1. (a) Notwithstanding Section 36936 of the Government Code, the city council of the City of Baldwin Park may enact resolutions and orders for the payment of money, and any ordinance, by a vote of two council members until such time as a third council member has been elected and qualified.

(b) The Legislature finds and declares that a temporary exception to Section 36936 of the Government Code is required in the City of Baldwin Park to prevent an undesirable hiatus in the city's ability to conduct the public's business. This act provides an exception to the requirements of Section 36936 applicable only to the City of Baldwin Park in order to remedy a very unusual set of circumstances, under which less than a majority of the city council was recalled from office, while another vacancy occurred prior to the recall election that will also be filled at a forthcoming special election. This act is necessary to avoid disruption in city activities which would be caused by state law prohibiting city action on ordinances or appropriations by less than a vote of three council members.

(c) This section shall remain in effect until August 1, 1987, and on that date 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 permit the City of Baldwin Park to continue operations until vacancies on the city council can be filled by election, it is necessary that this act go into immediate effect.

CHAPTER 10

An act to add Sections 9601.5 and 9607.5 to the Streets and Highways Code, relating to improvement bonds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 1987. Filed with Secretary of State April 28, 1987.]

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

SECTION 1. Section 9601.5 is added to the Streets and Highways Code, to read:

9601.5. Section 8769 shall apply to bonds issued pursuant to this division in the County of San Bernardino.

SEC. 2. Section 9607.5 is added to the Streets and Highways Code, to read:

9607.5. For refunding bonds issued in the County of San Bernardino, the last maturity of any of these bonds shall not exceed the longest maturity currently authorized for bonds by the law pursuant to which the bonds to be refunded were issued.

SEC. 3. Notwithstanding Section 16 of Article IV of the Constitution, the Legislature hereby finds that in the County of San Bernardino there are problems relating to refunding bonds which are unique to that county, and it is hereby declared that general law cannot be applicable to the county and that the enactment of this special law is necessary for the public good.

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 permit local governments and taxpayers throughout the state to refinance outstanding bonded indebtedness at current low-interest rates, it is necessary for this act to take effect immediately.

CHAPTER 11

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

[Approved by Governor April 29, 1987. Filed with Secretary of State April 29, 1987.]

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

SECTION 1. There is hereby appropriated the sum of two hundred fifteen million two hundred thousand dollars ($215,200,000) from the General Fund to the State Department of Health Services for use in reimbursement of Medi-Cal providers for costs in the 1986–87 fiscal year.

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 provide the necessary funds to allow adequate funding for the 1986–87 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 12

An act to add Chapter 16 (commencing with Section 77001) to Division 22 of the Food and Agricultural Code, relating to agricultural marketing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 30, 1987. Filed with Secretary of State April 30, 1987.]

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

SECTION 1. Chapter 16 (commencing with Section 77001) is added to Division 22 of the Food and Agricultural Code, to read:

CHAPTER 16. CALIFORNIA WALNUT COMMISSION

Article 1. Declaration and General Provisions

77001. The production and marketing of walnuts constitute an important industry of this state. This industry not only provides substantial and necessary revenues for the state and employment for its citizens, but also furnishes essential food vital to the public health and welfare.

77002. The maintenance and expansion of the walnut industry of California, and of its foreign markets, are necessary to ensure the consuming public of a continuous supply of this vital food and the maintenance of needed levels of income for those engaged in the walnut industry of this state.

77003. It is necessary for human nutrition and public benefit that the public be made aware of accurate and scientific information relative to the beneficial qualities of walnuts and of the production and distribution costs necessary to make walnuts available to the consuming public.

77004. The production and marketing of walnuts produced in this state is hereby declared to be affected with a public interest. This chapter is enacted in the exercise of the police power of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state.

77005. No action taken by the commission, nor by any individual in accordance with this chapter or with the rules and regulations adopted under this chapter, is a violation of the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), the Fair Trade Act (Chapter 3 (commencing with Section 16900) of that Part 2), the Unfair Practices Act (Chapter 4 (commencing with Section 1700) of that

Part 2), or any statutory or common law against monopolies or combinations in restraint of trade.

77006. This chapter shall be liberally construed. If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the 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.

77007. It is hereby declared as a matter of legislative determination that members of the commission are intended to represent and further the interest of a particular agricultural industry concerned and that this representation and furtherance is intended to serve the public interest. Accordingly, the Legislature finds that, with respect to persons who are elected or appointed to the commission, the particular agricultural industry concerned is tantamount to, and constitutes, the public generally within the meaning of Section 87103 of the Government Code.

77008. A commission form of administration created by this chapter is designed to deal with the broad fields of advertising, promotion, and marketing research.

Article 2. Definitions

77021. Unless the context otherwise requires, the definitions in this article govern the construction of this chapter.

77022. "Walnuts" means only walnuts of the English (Juglans regia) varieties grown in California.

77023. "Books and records" means books, records, contracts, documents, memoranda, papers, correspondence, or other written data pertaining to matters relating to the activities subject to this chapter.

77024. "Commission" means the California Walnut Commission.

77025. "Cooperative handler" means any handler who is a nonprofit agricultural cooperative marketing association of producers organized pursuant to Chapter 1 (commencing with Section 54001) of Division 20.

77026. "Independent handler" means any handler who is not a nonprofit agricultural cooperative marketing association of producers organized pursuant to Chapter 1 (commencing with Section 54001) of Division 20.

77027. (a) The districts consist of the following:

(1) District 1 consists of the counties in the state that lie north of a line drawn on the south boundaries of the Counties of San Mateo, Alameda, San Joaquin, Calaveras, and Alpine.

(2) District 2 consists of all other walnut producing counties in the state south of the boundary line set forth in paragraph (1).

(b) The boundaries of any district may be changed by a two-thirds vote of the full commission, which is concurred in by the director, when necessary to maintain similar total production among the

districts and to ensure proper representation by producers. These boundaries need not coincide with county lines.

77028. "Handler" means any person engaged in the marketing of walnuts which he or she has produced or purchased or acquired from a producer, or is marketing on behalf of a producer whether as owner, agent, employee, broker, or otherwise.

77029. "Market" or "marketing" means to sell walnuts.

77030. "Marketing research" means any research relating to the marketing of walnuts in foreign markets.

77031. "Marketing year" or "fiscal year" means the period from August 1 of any year to July 31, inclusive, of the next year.

77032. "Producer" means any person in this state who grows walnuts for market and who, upon request, provides proof of commodity sale. "Producer" does not include any person who markets 2,000 pounds or less of walnuts.

77033. "Ex officio member" means a nonvoting member of the commission.

77034. "Advertising and sales promotion" means, in addition to its ordinarily accepted meaning, any plan directed toward increasing the sale of walnuts in foreign markets. No advertising or sales promotion plan shall make use of false or unwarranted claims on behalf of any product, or disparage the quality, value, sales, or use of any other commodity.

Article 3. The California Walnut Commission

77051. (a) There is in the state government the California Walnut Commission. The commission shall be composed of eight walnut producers who are not handlers, two walnut handlers, and one public member. Four producers, two from each district, shall be elected by and from producers who are not affiliated with any cooperative handling walnuts. The other four producers, two from each district, shall be selected pursuant to Section 77129. One independent handler shall be elected by and from handlers who are not within any cooperative handling walnuts. The other handler shall be selected pursuant to Section 77129.

(b) The public member shall be appointed to the commission by the director from nominees recommended by the commission.

(c) The director and other appropriate individuals as determined by the commission shall be ex officio members of the commission.

77052. (a) The director may require the commission to correct or cease any existing activity or function which is determined by the director not to be in the public interest or which is in violation of this chapter.

(b) If the commission refuses or fails to cease these activities or functions or to make corrections required by the director, the director may, upon written notice, suspend all or a portion of the activities or functions of the commission until the time that the cessation or correction of activities or functions as required by the

director has been accomplished by the commission.

(c) Actions of the commission in violation of the written notice are without legal force or effect. The director, to the extent feasible, shall issue the written notice prior to the commission entering into any contractual relationship affecting the existing or proposed activities or functions which are the subject of the written notice.

(d) Upon service of the written notice, the director shall notify the commission in writing of the specific acts which he or she determines are not in the public interest or are in violation of this chapter and his or her reasons for requiring a cessation or correction of specific existing or proposed activities or functions. The director may make recommendations that will make the activities or functions acceptable.

77053. The commission or the director may bring an action for judicial relief from the director's written notice, or from noncompliance by the commission with the written notice, as the case may be, in a court of competent jurisdiction, which may issue a temporary restraining order, permanent injunction, or other applicable relief.

77054. When the director is required to concur in a decision of the commission, he or she shall give his or her response to the commission within 15 working days from notification of the decision. The response may be a request that additional information be provided.

77055. The commission shall reimburse the director for all expenditures incurred by the director in carrying out his or her duties and responsibilities pursuant to this chapter. However, a court may, if it finds that the director acted arbitrarily or capriciously in restricting the activities or functions of the commission, relieve the commission of the responsibility for payment of the director's legal costs with regard to that action.

77056. Each member of the commission, except the ex officio members, shall have an alternate member to be elected in the same manner as the member. An alternate member shall, in the absence of the member for whom he or she is an alternate, serve in place of the member on the commission and shall have and be able to exercise all the rights, privileges, and powers of the member when serving on the commission. In the event of a change in status making him or her ineligible to serve, or due to death, removal, resignation, or disqualification of a member, the alternate member shall act as a member on the commission until a qualified successor is elected or appointed.

77057. Any vacancy on the commission occurring by the failure of any person elected to the commission as a member or alternate member not affiliated with any cooperative marketing walnuts to continue in his or her position due to a change in status making him or her ineligible to serve, or due to death, removal, or resignation, shall be filled for the unexpired portion of the term by a majority vote of the remaining members of the commission who are not

affiliated with any cooperative marketing walnuts. That person shall meet all the qualifications set forth in this article as required for the member whose office he or she is to fill.

77058. Any vacancy on the commission occurring by the failure of any person elected to the commission as a member or alternate member affiliated with a cooperative marketing walnuts to continue in his or her position due to a change in status making him or her ineligible to serve, or due to death, removal, or resignation, shall be filled for the unexpired portion of the term by a majority vote of the remaining members of the commission who are affiliated with any cooperative marketing walnuts. That person shall meet all the qualifications set forth in this article as required for the member whose office he or she is to fill.

77059. Any vacancy on the commission occurring by the failure of the public member or alternate member to continue in his or her position due to a change in status making him or her ineligible to serve, or due to death, removal, or resignation, shall filled for the unexpired portion of the term by the director from nominees recommended by the commission. That person shall meet all the qualifications set forth in this article as required for the member whose office he or she is to fill.

77060. Any producer member and his or her alternate member on the commission shall be an individual or an employee representing a producer who has a financial interest in producing, or causing to be produced, walnuts for market. The qualifications of producer members and their alternate members shall be maintained during the entire term of office.

77061. Any handler member and his or her alternate member on the commission shall have a financial interest in handling walnuts for market.

77062. The public member and his or her alternate member on the commission shall have all the powers, rights, and privileges of any other member or alternate member, respectively, on the commission. The public member and his or her alternate member shall not have any financial interest in the walnut industry.

77063. The term of office of all members of the commission, except ex officio members, shall be two years from the beginning of the marketing season in the year of their election and until qualified successors are elected. The same selection procedure shall apply to handler members. Terms of office of each member and alternate member of the commission shall be limited to four consecutive terms.

77064. The commission shall be and is hereby declared and created a corporate body. It shall have the power to sue and be sued, to contract and be contracted with, and to have and possess all of the powers of a corporation. It may adopt a corporate seal. Copies of its proceedings, records, and acts, when authenticated, shall be prima facie evidence of the truth of all statements herein.

77065. A quorum of the commission shall be seven voting

members of the commission. Except as provided in Section 77027, a vote in favor of a motion by seven members present at a meeting shall constitute the act of the commission so long as those voting in favor include at least two members who are not affiliated with any cooperative handling walnuts and two members who are affiliated with a cooperative handling walnuts.

77066. The director or his or her representatives shall be notified and may attend each meeting of the commission and any committee meeting of the commission.

77067. No member of the commission or member of a committee established by the commission who is a nonmember of the commission shall receive a salary. Each member of the commission or each alternate member serving in place of a member, except ex officio government members, and each member of a committee established by the commission who is a nonmember of the commission, may receive a sum of not to exceed one hundred dollars ($100) per day, as established by the commission. This per diem shall be paid to members for each day spent in actual attendance at, or in traveling to and from, meetings of the commission or committees of the commission, or on special assignment for the commission, as approved by the commission. Members shall also receive the necessary traveling expenses and meal allowances, as approved by the commission.

77068. All funds received by any person from the assessments levied pursuant this chapter or otherwise received by the commission shall be deposited in banks which the commission may designate and shall be disbursed by order of the commission through an agent or agents as it may designate for that purpose. The agent or agents shall be bonded by a fidelity bond, executed by a surety company authorized to transact business in this state, in favor of the commission, in the amount of not less than twenty-five thousand dollars ($25,000).

77069. The state is not liable for the acts of the commission or its contracts. Payments of all claims arising by reason of the administration of this chapter or acts of the commission are limited to the funds collected by the commission. No member of the commission, alternate member, or any employee or agent thereof, is personally liable for the contracts of the commission. No member of the commission, alternate member, or any employee or agent thereof, is responsible individually in any way to any producer, processor, handler, or any other person for errors in judgment, mistakes, or other acts, either of commission or omission, as principal, agent or employee, except for his or her own individual acts of dishonesty or crime. No member of the commission, alternate member, or any employee or agent thereof, is responsible individually for any act or omission of any other member of the commission, alternate member, or any employee or agent thereof. Liability is several and not joint, and no member of the commission, alternate member, or any employee or agent thereof, is liable for the

default of any other member of the commission, alternate member, or any employee or agent thereof.

Article 4. Powers and Duties of the Commission

77081. The powers and duties of the commission shall include, but are not limited to, all of those contained in this article.

77082. The commission may adopt and from time to time alter, rescind, modify, and amend all proper and necessary bylaws, rules, regulations, operating procedures, and orders for carrying out this chapter, including rules for appeals from any bylaw, rule, regulation, operating procedure, or order of the commission. The commission is exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code when acting pursuant to this section.

77083. The commission may administer and enforce this chapter and do and perform all acts and exercise all powers incidental to, or in connection with, deemed reasonably necessary for the proper or advisable implementation of this chapter.

77084. The commission may appoint its own officers, including a chairperson, one or more vice chairpersons, and any other officers as it deems necessary. The officers shall have the powers and duties delegated to them by the commission.

77085. The commission may employ a person to serve at the pleasure of the commission as president and chief executive officer of the commission, and other personnel, including legal counsel, necessary to carry out this chapter. The commission may retain a management firm or the staff from any board, commission, or committee of the state or federal government to perform the functions prescribed by this section under the control of the commission.

If the person engages in any conduct which the director determines is not in the public interest or which is in violation of this chapter, the director shall notify the commission of the conduct and request that corrective and, if appropriate, disciplinary action be taken by the commission. If the commission fails or refuses to correct the situation or to take disciplinary action satisfactory to the director, the director may suspend or discharge the person.

77086. The commission may fix the compensation for all employees of the commission.

77087. The commission may appoint committees composed of both members and nonmembers of the commission to advise the commission in carrying out this chapter.

77088. The commission may establish offices and incur expenses, enter into any and all contracts and agreements, create liabilities, and borrow funds in advance of receipt of assessments as may be necessary, in the opinion of the commission, for the proper administration and enforcement of this chapter and the performance of its duties.

77089. The commission shall keep accurate books, records, and accounts of all of its dealings which shall be subject to an annual audit by an auditing firm selected by the commission with the concurrence of the director. A summary of the audit shall be reported to all producers, copies of which shall also be submitted to the department. In addition, the director may, as he or she determines necessary, conduct or cause to be conducted a fiscal and compliance audit of the commission.

77090. The commission may promote the sale of walnuts by brand and generic advertising and other promotional means, including tie-in advertising, for the purpose of maintaining and expanding present markets and creating new and larger foreign markets.

77091. The commission may educate and instruct the wholesale and retail trade in foreign markets with respect to proper methods of handling and selling walnuts.

77092. The commission may make market surveys and analyses.

77093. The commission may present facts to, and negotiate with, state, federal, and foreign agencies on matters which affect this chapter.

77094. The commission may make, in its name, contracts to receive or render services in formulating and conducting plans and programs and any other contracts or agreements that the commission deems necessary for carrying out this chapter.

77095. The commission may conduct, and contract with others to conduct, marketing research, including the study, analysis, accumulation, and dissemination of information obtained from the research or elsewhere, respecting this chapter.

77096. The commission may accept contributions of, or match, private, state, or federal funds and employ or make contributions of funds to other persons or state or federal agencies for purposes of carrying out this chapter.

77097. The commission may publish and distribute without charge a bulletin or other communication for dissemination of information to producers and handlers.

77098. The commission shall establish an assessment rate to defray operating costs of the commission.

77099. The commission shall establish an annual budget according to accepted accounting practices. The budget shall be concurred in by the director prior to disbursement of funds, except for disbursements made pursuant to Section 77086.

77100. The commission shall submit to the director, for his or her concurrence, an annual statement of contemplated activities authorized pursuant to this chapter.

77101. All lists of producers in the possession of the commission or the director are confidential and shall not be disclosed except when required in a judicial proceeding.

77102. The commission may investigate and prosecute civil violations of this chapter and file complaints with appropriate law enforcement agencies or officers for suspected criminal violations of

this chapter.

Article 5. Implementation and Voting Procedures

77121. (a) The director shall establish a list of producers eligible to vote on implementation of this chapter. In establishing the list, the director shall require that handlers, producers, and others submit the names and mailing addresses of all producers. The director also may require that the information provided include the quantity of walnuts produced by each producer or, in the alternative, may establish procedures for receiving the information at the time of the referendum vote specified in Section 77123. The request for the information shall be in writing. The information shall be filed within 30 days following receipt of the written request.

(b) Any producer whose name does not appear on the director's list may have his or her name placed on the list by filing with the director a signed statement identifying himself or herself as a producer. Failure to be on the list does not exempt the producer from paying assessments.

(c) Proponents and opponents of the commission may contact producers on the list in a form and manner prescribed by the director so long as all expenses associated with the contacts are paid in advance.

77122. In finding whether the commission is approved by producers pursuant to this article, the vote of any nonprofit agricultural cooperative marketing association, which is authorized by its members, shall be considered as being the approval or rejection by the producers that are members of, or stockholders in, the nonprofit agricultural cooperative marketing association.

77123. This chapter, except as necessary to conduct an implementation referendum vote, shall not become operative until the director finds in a referendum vote conducted by the director that at least 40 percent of the total number of producers from the list established by the director pursuant to this article participate and that either of the following occurred:

(a) Sixty percent or more of all producers eligible to vote in the referendum voted in favor of this chapter, and the producers so voting marketed a majority of the total quantity of walnuts in the preceding marketing year 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 this chapter, and the producer so voting marketed 60 percent or more of the total quantity of walnuts in the preceding marketing year.

77124. The director shall establish a period in which to conduct the referendum which shall not be less than 10 days or more than 60 days in duration, and may prescribe additional procedures that may be necessary to conduct the referendum. If the initial period established is less than 60 days, the director may extend the period;

however, the total referendum period may not exceed 60 days.

77125. Nonreceipt of a ballot shall not invalidate a referendum.

77126. If the director finds that a favorable vote has been given as provided in Section 77123, he or she shall certify and give notice of the favorable vote to all affected producers whose names and addresses are on file with the director.

77127. If the director finds that a favorable vote has not been given as provided in Section 77123, he or she shall certify and declare this chapter inoperative. The director may conduct another implementation referendum vote one year or more after the previous vote has been taken.

77128. (a) Upon certification of the commission, the director shall contact all producers in each district who are not affiliated with any cooperative handling walnuts and all independent handlers by mail, or call meetings of producers in each district who are not affiliated with any cooperative handling walnuts and all independent handlers for the purpose of nominating and electing persons to the commission. All of these producers and handlers on the director's list shall be given written notice of any election meetings at least 15 days prior to the meeting date.

(b) To be eligible for election to the commission, producer nominees shall present to the director a nomination petition with the signatures of at least 15 eligible producers from the district from which the nominee is seeking election.

77129. Any cooperative handler who represents at least 30 percent of the producers subject to this chapter shall select four producers who are affiliated with the handler to serve on the commission. The cooperative handler shall also serve on the commission as the cooperative handler member.

77130. Subsequent to the first election of members of the commission pursuant to this chapter, persons to be elected to the commission shall be selected pursuant to nomination and election procedures which shall be established by the commission with the concurrence of the director.

77131. (a) Prior to the referendum vote conducted by the director pursuant to Section 77123, the proponents of the commission shall deposit with the director the amount that the director deems necessary to defray the expenses of preparing the necessary lists and information and conducting the vote.

(b) Any funds not used in carrying out Section 77123 shall be returned to the proponents of the commission who deposited the funds with the director.

(c) Upon establishment of the commission, the commission may reimburse the proponents of the commission for any funds deposited with the director which were used in carrying out Section 77123 and for any legal expenses and costs incurred in establishing the commission.

Article 6. Assessments and Records

77151. (a) The commission shall establish the assessment for the following marketing year not later than August 1 of each year or as soon thereafter as is possible.

(b) The assessment shall not exceed one cent ($0.01) per inshell pound on all walnuts shipped by producers to handlers or marketed by producers.

(c) Assessments provided for in this section shall be levied on the producer. The handler shall deduct the assessment from amounts paid by him or her to the producer and shall be a trustee of the funds until they are paid to the commission at the time and in the manner prescribed by the commission.

(d) A fee greater than the amount provided for in subdivision (b) may not be charged unless and until a greater fee is approved by producers pursuant to the procedures specified in Section 77123.

77152. This chapter does not apply to the walnuts produced only for the producer's home use and to producers who market 2,000 pounds or less of walnuts in the preceding marketing year. However, the producer shall file an affidavit with the commission establishing that he or she has not marketed the walnuts. The commission shall then determine whether the affidavit should be approved.

77153. Every handler shall keep a complete and accurate record of all walnuts handled with the name of the producer whose walnuts were handled. The records shall be in simple form and contain information prescribed by the commission. The records shall be preserved by the handler for a period of two years and shall be offered and submitted for inspection at any reasonable time upon written demand of the commission or its duly authorized agent.

77154. All proprietary information obtained by the commission or the director from producers or handlers is confidential and shall not be disclosed except when required in a judicial proceeding.

77155. Every handler shall be personally liable for the payment of collected assessments to the commission, and the failure of a handler to collect the assessment from any producer does not exempt any handler from liability.

77156. Any assessment which is levied as provided for in this chapter is a personal debt of every producer so assessed. Failure of a handler to collect the assessment does not relieve the producer of the obligation to pay the assessment.

77157. Any producer or handler who fails to file a return or pay any assessment within the time required by the commission shall pay to the commission a penalty of 10 percent of the amount of the assessment determined to be due and, in addition, pay 1½ percent interest per month on the unpaid balance.

77158. When the handler is a corporation, all of the directors and officers of the corporation in their capacity as individuals shall be included, and any liability for failing to collect or make payment of assessments, of which a corporate handler may be subject to under

this chapter, shall also include identical liability upon each director and each officer of the corporation.

Article 7. Actions and Penalties

77171. It is unlawful for any person to do any of the following:

(a) Refuse to render a report, statement, or record required by the commission.

(b) Furnish a false report, statement, or record required by the commission.

(c) When engaged in the handling of walnuts, fail or refuse to furnish the commission, or its duly authorized agents, information concerning the names and addresses of persons from whom walnuts have been received and the quantity so received.

(d) Secrete, destroy, or alter records required to be kept under this chapter.

77172. The commission shall establish procedures for the purpose of according individuals aggrieved by its actions or determinations an informal hearing before the commission or before a committee of the commission designated for this purpose. Appeals from decisions of the commission may be made to the director. The determination of the director shall be subject to judicial review upon petition filed with the appropriate superior court.

77173. (a) The commission may commence civil actions and utilize all remedies provided in law or equity for the collection of assessments and civil penalties and for the obtaining of injunctive relief or specific performance regarding this chapter and the rules and regulations adopted pursuant to this chapter. A court shall issue to the commission any requested writ of attachment or injunctive relief upon a prima facie showing by verified complaint that a named defendant has violated this chapter or any other rule or regulation of the commission, including, but not limited to, the nonpayment of assessments. No bond shall be required to be posted by the commission as a condition for the issuance of any writ of attachment or injunction relief.

(b) A writ of attachment shall be issued pursuant to Chapter 4 (commencing with Section 485.010) of Title 6.5 of Part 2 of the Code of Civil Procedure, except that the showing specified in Section 485.010 of the Code of Civil Procedure is not required. Injunctive relief shall be issued pursuant to Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that the showing of irreparable harm or inadequate remedy at law specified in Sections 526 and 527 of the Code of Civil Procedure is not required.

(c) Upon entry of any final judgment on behalf of the commission against any defendant, the court shall enjoin the defendant from conducting any type of business regarding walnuts until there is full compliance and satisfaction of the judgment. Upon a favorable verdict for the commission, it shall be entitled to receive

reimbursement for any reasonable attorney's fees and other actual related costs. Venue for these actions may be established at the domicile or place of business of the defendant or in the county of the principal office of the commission. The commission may be sued only in the county of its principal office.

77174. Termination of this chapter shall not affect or waive any right, duty, obligation, or liability which shall have arisen or which may thereafter arise in connection with this chapter, release or extinguish any violation of this chapter, or affect or impair any right or remedies of the commission with respect to any violation.

Article 8. Continuation or Suspension and Termination

77191. This chapter, if made operative pursuant to Section 77123, shall remain in effect until July 31, 1991, or until the end of any marketing year thereafter when the commission determines that targeted export assistance funds provided by the federal government have been permanently terminated. Permanent termination shall occur when the federal government does not provide targeted export assistance funds in two consecutive budget years.

77192. (a) Notwithstanding Section 77191, the director shall terminate the commission at the end of the then current marketing year in accordance with Sections 77194 and 77195 if the director finds that the termination of the commission is requested in writing, within a 90-day period, by at least 51 percent of the eligible producers that produce at least 51 percent of the total volume of walnuts.

(b) The person or persons originating the request shall file a written notice with the director in a manner that establishes the date the request is initiated. Any person may withdraw his or her name from the petition requesting the termination prior to the time the request is presented to the director.

(c) The signatures to the petition requesting the termination need not all be appended to one sheet of paper. Each person signing the petition shall specify his or her place of business in a manner that will enable the location to be readily ascertained.

(d) The petition shall bear a copy of the notice of intention to terminate. Signatures shall be secured within the time limit specified in this section.

77193. Every six years, beginning in the 1992–93 marketing year, and so long as funds are available pursuant to Section 77191, the director shall hold a hearing to determine whether operation of this chapter should be continued. If the director finds after the hearing that a substantial question exists among the producers assessed under this chapter regarding whether operation of this chapter should be continued, the director shall submit the chapter for approval utilizing the voting procedures provided in Sections 77122 to 77125, inclusive.

If the director finds that a favorable vote has been given, the director shall so certify and this chapter shall remain in operation. If

the director finds that a favorable vote has not been given, the director shall so certify and declare the operation of this chapter suspended upon expiration of the then current marketing year.

77194. After the effective date of suspension of the operation of this chapter, the operation of the commission shall be concluded and any and all funds remaining held by the commission and not required to defray the expenses of concluding and terminating operations of the commission, shall be returned upon a pro rata basis to all person from whom assessments were collected in the immediately preceding marketing year. However, if the commission finds that the amounts so returnable are so small as to make impractical the computation and remitting of the prorate refund to these persons, any funds remaining after payment of all expenses of winding up and terminating operations shall be withdrawn from the approved depository and paid into an appropriate program conducted by the University of California or the California State University, another state agency, or a federal agency which deals with the purposes of this chapter. If no program exists, the funds shall be paid into the State Treasury as unclaimed trust funds.

77195. Upon suspension of the operation of this chapter, the commission shall mail a copy of the notice of suspension to all producers affected by the suspension whose names and addresses are on file.

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 qualify for federal targeted export assistance funds in the current marketing year and to ensure a sound and prosperous walnut industry, it is necessary that this act take effect immediately.

CHAPTER 13

An act to amend Section 2003 of the Fish and Game Code, relating to fish and game, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 29, 1987. Filed with Secretary of State April 30, 1987.]

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, carp, catfish, 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, carp, catfish, 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.

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 catfish or carp derbies as early as possible in the sportfishing season, it is necessary that this act take effect immediately.

CHAPTER 14

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

[Approved by Governor May 1, 1987. Filed with Secretary of State May 4, 1987.]

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

SECTION 1. The sum of one hundred sixteen thousand dollars ($116,000) is hereby appropriated to the Department of Justice, to be allocated as follows:

(a) One hundred thousand dollars ($100,000) from the Motor Vehicle Account in the State Transportation Fund to pay the settlement in the action captioned Fenelon v. State of California, Case No. 8130, brought in the Superior Court of the State of California in and for the County of Mono.

(b) Sixteen thousand dollars ($16,000) from the General Fund to pay the settlement in the action captioned Anthony G. Peich v. State of California et al., Case No. C 364251, brought in the Superior Court of the State of California in and for the County of Los Angeles.

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 relieve the substantial hardship of the plaintiffs by paying the settlements in the actions referenced in this act as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 15

An act to add Section 61765.15 to the Government Code, relating to Lake Don Pedro Community Services District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 1, 1987. Filed with Secretary of State May 4, 1987.]

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

SECTION 1. Section 61765.15 is added to the Government Code, to read:

61765.15. Notwithstanding Section 61765, in the Lake Don Pedro Community Services District, the water standby or availability charge shall not exceed sixty dollars ($60) per year for each acre of land on which the charge is levied or sixty dollars ($60) per year for

a parcel less than one acre.

This section, applicable only to the Lake Don Pedro 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 within the meaning of Section 16 of Article IV of the California Constitution because of the unique and special water management and financial problems within the Lake Don Pedro Community Services District which are not common to other districts organized pursuant to the Community Services District 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 permit the Lake Don Pedro Community Services District to take advantage of the provisions of this act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 16

An act to add Section 53971.4 to the Government Code, relating to fire protection services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 1, 1987. Filed with Secretary of State May 4, 1987.]

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

SECTION 1. Section 53971.4 is added to the Government Code, to read:

53971.4. (a) As used in this article, "fire protection services" includes, but is not limited to, emergency medical services where provided by a local agency directly or by contract.

(b) "Emergency medical services" includes equipment, apparatus, and salaries and benefits for personnel as described in Article 5 (commencing with Section 1797.160) of Chapter 3 of Part 1 of Division 2.5 of the Health and Safety Code, the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act, where these services are provided by a local agency which also provides police or fire protection.

This section applies only to San Bernardino County.

SEC. 2. San Bernardino County is unique because of its extended rural areas, many with elderly inhabitants, where charges for emergency medical services cannot economically support these services for either public or private emergency medical services

providers and thus where a special funding mechanism is needed. It is therefore hereby declared that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution and that the enactment of Section 53971.4 of the Government Code as a special law is necessary for the solution of problems existing in San Bernardino County.

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

In order to assure continued adequate support of emergency medical services in view of the critical and immediate need for those services by clarification of the law concerning fire protection services, it is necessary that this act take immediate effect.

CHAPTER 17

An act to amend Section 19610.3 of the Business and Professions Code, relating to horseracing.

[Approved by Governor May 11, 1987. Filed with Secretary of State May 12, 1987.]

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

SECTION 1. Section 19610.3 of the Business and Professions Code is amended to read:

19610.3. In addition to the amounts required or allowed to be deducted from the parimutuel pools as provided by this chapter, and except as otherwise provided in this section, every association which conducts a racing meeting may elect permanently to deduct an additional amount up to 0.33 of 1 percent from the total parimutuel wagers placed within its inclosure. This election is not available to the California Exposition and State Fair or to a county or district agricultural association fair unless, prior to January 1, 1984, the city or county in which the fair meeting was being conducted levied a license fee or excise tax pursuant to Section 19495 or imposed an admission tax on track patrons.

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.

Further, a city or county electing to receive a distribution under this section shall continue to provide ordinary and traditional municipal services, such as police services and traffic control, in connection with racing meetings. "Ordinary and traditional services," as used in this section, means those services provided by the city or county at no charge to the racing association in 1981. 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.

CHAPTER 18

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 May 12, 1987. Filed with Secretary of State May 12, 1987.]

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

SECTION 1. This act may be cited as the First Validating Act of 1987.

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.
Integrated financing districts.
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 service areas.
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 19

An act to amend Sections 1158, 1561, 1563, and 1564 of the Evidence Code, relating to records, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 12, 1987. Filed with Secretary of State May 12, 1987.]

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

SECTION 1. Section 1158 of the Evidence Code is amended to read:

1158. Whenever, prior to the filing of any action or the appearance of a defendant in an action, an attorney at law or his or her representative presents a written authorization therefor signed by an adult patient, by the guardian or conservator of his or her person or estate, or, in the case of a minor, by a parent or guardian of the minor, or by the personal representative or an heir of a deceased patient, or a copy thereof, a physician and surgeon, dentist, registered nurse, dispensing optician, registered physical therapist, podiatrist, licensed psychologist, osteopath, chiropractor, clinical laboratory bioanalyst, clinical laboratory technologist, or pharmacist or pharmacy, duly licensed as such under the laws of the state, or a licensed hospital, shall make all of the patient's records under his, hers or its custody or control available for inspection and copying by the attorney at law or his, or her, representative, promptly upon the presentation of the written authorization.

No copying may be performed by any medical provider enumerated above, or by an agent thereof, when the requesting attorney has employed a professional photocopier or anyone identified in Section 22451 of the Business and Professions Code as his or her representative to obtain or review the records on his or her behalf. The presentation of the authorization by the agent on behalf of the attorney shall be sufficient proof that the agent is the attorney's representative.

Failure to make such records available, during business hours, within five days after the presentation of the written authorization, may subject the person or entity having custody or control of the records to liability for all reasonable expenses, including attorney's fees, incurred in any proceeding to enforce this section.

All reasonable costs incurred by any person or entity enumerated above in making patient records available pursuant to this section may be charged against the person whose written authorization required the availability of such records.

"Reasonable cost," as used in this section, shall include, but not be limited to, the following specific costs: ten cents ($0.10) per page for standard reproduction of documents of a size 8½ by 14 inches or less; twenty cents ($0.20) per page for copying of documents from microfilm; actual costs for the reproduction of oversize documents or the reproduction of documents requiring special processing which are made in response to an authorization; reasonable clerical costs incurred in locating and making the records available to be billed at the maximum rate of sixteen dollars ($16) per hour per person, computed on the basis of four dollars ($4) per quarter hour or fraction thereof; actual postage charges; and actual costs, if any, charged to the witness by a third person for the retrieval and return of records held by that third person.

Where the records are delivered to the attorney or the attorney's representative for inspection or photocopying at the record custodian's place of business, the only fee for complying with the authorization shall not exceed fifteen dollars ($15), plus actual costs, if any, charged to the record custodian by a third person for retrieval and return of records held offsite by the third person.

SEC. 2. Section 1561 of the Evidence Code is amended to read:

1561. (a) The records shall be accompanied by the affidavit of the custodian or other qualified witness, stating in substance each of the following:

(1) The affiant is the duly authorized custodian of the records or other qualified witness and has authority to certify the records.

(2) The copy is a true copy of all the records described in the subpoena duces tecum, or pursuant to subdivision (e) of Section 1560 the records were delivered to the attorney or the attorney's representative for copying at the custodian's or witness' place of business, as the case may be.

(3) The records were prepared by the personnel of the business in the ordinary course of business at or near the time of the act, condition, or event.

(b) If the business has none of the records described, or only part thereof, the custodian or other qualified witness shall so state in the affidavit, and deliver the affidavit and such records as are available in the manner provided in Section 1560.

(c) Where the records described in the subpoena were delivered to the attorney or his or her representative for copying at the custodian's or witness' place of business, in addition to the affidavit required by subdivision (a), the records shall be accompanied by an affidavit by the attorney or his or her representative stating that the copy is a true copy of all the records delivered to the attorney or his or her representative for copying.

SEC. 3. Section 1563 of the Evidence Code is amended to read:

1563. (a) This article shall not be interpreted to require tender or payment of more than one witness fee and one mileage fee or other charge unless there is an agreement to the contrary.

(b) All reasonable costs incurred in a civil proceeding by any witness which is not a party with respect to the production of all or any part of business records the production of which is requested pursuant to a subpoena duces tecum may be charged against the party serving the subpoena duces tecum.

(1) "Reasonable cost," as used in this section, shall include, but not be limited to, the following specific costs: ten cents ($0.10) per page for standard reproduction of documents of a size 8½ by 14 inches or less; twenty cents ($0.20) per page for copying of documents from microfilm; actual costs for the reproduction of oversize documents or the reproduction of documents requiring special processing which are made in response to a subpoena; reasonable clerical costs incurred in locating and making the records available to be billed at the maximum rate of sixteen dollars ($16) per hour per person, computed on the basis of four dollars ($4) per quarter hour or fraction thereof; actual postage charges; and actual costs, if any, charged to the witness by a third person for the retrieval and return of records held by that third person.

(2) The requesting party shall not be required to pay those costs or any estimate thereof prior to the time the records are available for delivery pursuant to the subpoena, but the witness may demand payment of costs pursuant to this section simultaneous with actual delivery of the subpoenaed records, and until such time as payment is made, is under no obligation to deliver the records.

(3) The witness shall submit an itemized statement for the costs to the requesting party setting forth the reproduction and clerical costs incurred by the witness. Upon demand by the requesting party, the witness shall furnish a statement setting forth the actions taken by the witness in justification of the costs.

(4) The requesting party may petition the court in which the action is pending to recover from the witness all or a part of the costs paid to the witness, or to reduce all or a part of the costs charged by the witness, pursuant to this subdivision, on the grounds that such costs were excessive. Upon the filing of the petition the court shall issue an order to show cause and from the time the order is served on the witness the court has jurisdiction over the witness. The court may hear testimony on the order to show cause and if it finds that the costs demanded and collected, or charged but not collected, exceed the amount authorized by this subdivision, it shall order the witness to remit to the requesting party, or reduce its charge to the requesting party by an amount equal to, the amount of the excess. In the event that the court finds the costs excessive and charged in bad faith by the witness, the court shall order the witness to remit the full amount of the costs demanded and collected, or excuse the requesting party from any payment of costs charged but not collected, and the court shall also order the witness to pay the

requesting party the amount of the reasonable expenses incurred in obtaining the order including attorney's fees. If the court finds the costs were not excessive, the court shall order the requesting party to pay the witness the amount of the reasonable expenses incurred in defending the petition, including attorney's fees.

(5) If a subpoena is served to compel the production of business records and is subsequently withdrawn, or is quashed, modified or limited on a motion made other than by the witness, the witness shall be entitled to reimbursement pursuant to paragraph (1) for all costs incurred in compliance with the subpoena to the time that the requesting party has notified the witness that the subpoena has been withdrawn or quashed, modified or limited. In the event the subpoena is withdrawn or quashed, if those costs are not paid within 30 days after demand therefor, the witness may file a motion in the court in which the action is pending for an order requiring payment, and the court shall award the payment of expenses and attorney's fees in the manner set forth in paragraph (4).

(6) Where the records are delivered to the attorney or the attorney's representative for inspection or photocopying at the witness' place of business, the only fee for complying with the subpoena shall not exceed fifteen dollars ($15), plus actual costs, if any, charged to the witness by a third person for retrieval and return of records held offsite by the third person. If the records are retrieved from microfilm, the reasonable cost, as defined in paragraph (1), shall also apply.

(c) When the personal attendance of the custodian of a record or other qualified witness is required pursuant to Section 1564, in a civil proceeding, he or she shall be entitled to the same witness fees and mileage permitted in a case where the subpoena requires the witness to attend and testify before a court in which the action or proceeding is pending and to any additional costs incurred as provided by subdivision (b).

SEC. 4. Section 1564 of the Evidence Code is amended to read:

1564. The personal attendance of the custodian or other qualified witness and the production of the original records is not required unless, at the discretion of the requesting party, the subpoena duces tecum contains a clause which reads:

"The personal attendance of the custodian or other qualified witness and the production of the original records are required by this subpoena. The procedure authorized pursuant to subdivision (b) of Section 1560, and Sections 1561 and 1562, of the Evidence Code will not be deemed sufficient compliance with this subpoena."

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 eliminate confusing language and to clarify requirements imposed by recent legislation, it is necessary for this act to take effect immediately.

CHAPTER 20

An act to amend Section 1985.3 of the Code of Civil Procedure, and to repeal Chapter 10 (commencing with Section 18680) of Division 7 of the Financial Code, relating to mortgage lenders.

[Approved by Governor May 13, 1987. Filed with Secretary of State May 13, 1987.]

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

SECTION 1. 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, pharmacist, pharmacy, 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, anyone authorized by this state to make or arrange loans that are secured by real property, 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, or psychotherapist, as defined in Section 1010 of the Evidence Code, or a private or public preschool, elementary school, or secondary school.

(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 the provisions of 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 3, or, if he or she is a party, to his or her attorney of record. If the consumer is a minor, service shall be made on the minor's parent, guardian, conservator, or similar fiduciary, or if one of them cannot be located with reasonable diligence, then service shall be made on any person having the care or control of the minor or with whom the minor resides or by whom the minor is employed, and on the minor if the minor is at least 12 years of age.

(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 such a 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 contained in this section shall be construed to apply 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) The provisions of this section shall 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 sufficient basis for the witness to refuse to produce the personal records sought by a subpoena duces tecum.

SEC. 2. Chapter 10 (commencing with Section 18680) of Division 7 of the Financial Code is repealed.

CHAPTER 21

An act to amend Section 56844 of the Government Code, relating to local government organization and reorganization, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 13, 1987. Filed with Secretary of State May 13, 1987.]

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

SECTION 1. Section 56844 of the Government Code is amended to read:

56844. Any change of organization or reorganization may provide for, or be made subject to one or more of, the following terms and conditions. However, none of the following terms and conditions shall directly regulate land use, property development, or subdivision requirements:

(a) The payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of any city, county, or district.

(b) The levying or fixing and the collection of any of the following, for the purpose of providing for any payment required pursuant to subdivision (a):

(1) Special, extraordinary, or additional taxes or assessments.

(2) Special, extraordinary, or additional service charges, rentals, or rates.

(3) Both taxes or assessments and service charges, rentals, or rates.

(c) The imposition, exemption, transfer, division, or apportionment, as among any affected cities, affected counties, affected districts, and affected territory of liability for payment of all or any part of principal, interest, and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of any city, county, district, or any improvement district within a local agency, and the levying or fixing and the collection of any (1) taxes or assessments, or (2) service charges, rentals, or rates, or (3) both taxes or assessments and service charges, rentals, or rates, in the same manner as provided in the original authorization of the bonds and in the amount necessary to provide for that payment.

(d) If, as a result of any term or condition made pursuant to subdivision (c), the liability of any affected city, affected county, or affected district for payment of the principal of any bonded indebtedness is increased or decreased, the term and condition may specify the amount, if any, of that increase or decrease which shall be included in, or excluded from, the outstanding bonded indebtedness of that entity for the purpose of the application of any statute or charter provision imposing a limitation upon the principal amount of outstanding bonded indebtedness of the entity.

(e) The formation of a new improvement district or districts or the annexation or detachment of territory to, or from, any existing improvement district or districts.

(f) The incurring of new indebtedness or liability by, or on behalf of, all or any part of any local agency, including territory being annexed to any local agency, or of any existing or proposed new improvement district within that local agency. The new indebtedness may be the obligation solely of territory to be annexed if the local agency has the authority to establish zones for incurring indebtedness. The indebtedness or liability shall be incurred substantially in accordance with the laws otherwise applicable to the local agency.

(g) The issuance and sale of any bonds, including authorized but unissued bonds of a local agency, either by that local agency or by a local agency designated as the successor to any local agency which is extinguished as a result of any change of organization or reorganization.

(h) The acquisition, improvement, disposition, sale, transfer, or division of any property, real or personal.

(i) The disposition, transfer, or division of any moneys or funds,

including cash on hand and moneys due but uncollected, and any other obligations.

(j) The fixing and establishment of priorities of use, or right of use, of water, or capacity rights in any public improvements or facilities or of any other property, real or personal.

(k) The establishment, continuation, or termination of any office, department, or board, or the transfer, combining, consolidation, or separation of any offices, departments, or boards, or any of the functions of those offices, departments, or boards, if, and to the extent that, any of those matters is authorized by the principal act.

(*l*) The employment, transfer, or discharge of employees, the continuation, modification, or termination of existing employment contracts, civil service rights, seniority rights, retirement rights, and other employee benefits and rights.

(m) The designation of a city, county, or district, as the successor to any local agency which is extinguished as a result of any change of organization or reorganization, for the purpose of succeeding to all of the rights, duties, and obligations of the extinguished local agency with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the extinguished local agency.

(n) The designation (1) of the method for the selection of members of the legislative body of a district or (2) the number of those members, or (3) both, where the proceedings are for a consolidation, or a reorganization providing for a consolidation or formation of a new district and the principal act provides for alternative methods of that selection or for varying numbers of those members, or both.

(o) The initiation, conduct, or completion of proceedings on a proposal made under, and pursuant to, this division.

(p) The fixing of the effective date of any change of organization, subject to the limitations of Section 57202.

(q) Any terms and conditions authorized or required by the principal act with respect to any change of organization.

(r) The continuation or provision of any service provided at that time, or previously authorized to be provided by an official act of the local agency.

(s) The levying of assessments or the approval by the voters of general or special taxes.

(t) The continuation of any previously authorized charge, fee, assessment, or tax by a successor local agency.

(u) Any other matters necessary or incidental to any of the terms and conditions specified in this section.

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

The voters approved an initiative statute known as Proposition 62 at the statewide general election in November 1986. Among other

things, this initiative statute requires voter approval before a general tax may be imposed by a local government or district. Further, voters may be asked to vote on the incorporation of new cities which are proposed to be financed with general taxes. Accordingly, in order to allow these voters the opportunity to decide the question of taxation simultaneously with the question of incorporation, it is necessary that this act take effect immediately.

CHAPTER 22

An act to amend Section 1013 of the Elections Code, relating to absentee ballots, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 1987. Filed with Secretary of State May 18, 1987.]

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

SECTION 1. The Legislature hereby finds and declares the following:

(a) There is an immediate need to clarify the potential ambiguity contained in the August 21, 1986, decision of the California Supreme Court in Wilks v. Mouton, 42 Cal. 3d 400. In that case the court held that the provisions of Section 1013 of the Elections Code are directory, not mandatory, such that ballots collected and delivered by third parties who are not election officials may be counted under some circumstances although Section 1013 prohibits this.

(b) The intent of the Legislature is and always has been that the provisions of Section 1013 are mandatory and not directory in effect.

(c) The intent of the Legislature was stated correctly by the Court of Appeal, Second Appellate District, in Fair v. Hernandez, 138 Cal. App. 3d 578, and by the Court of Appeal, First Appellate District, in its decision in Wilks v. Mouton, which was rendered on August 29, 1984.

(d) The California Supreme Court's opinion in Wilks v. Mouton correctly upheld existing case law and the intent of the Legislature that noncompliance with the directory provisions of the Elections Code will not nullify a vote unless (1) the irregularity prevented the fair expression of popular will, (2) the rights of voters were injuriously affected, or (3) the results of an election would be changed. Certain language in the final paragraph of section C of the court's per curiam majority opinion might be misread, however, to authorize the counting of such ballots, even when they would affect the result of the election, unless fraud, tampering, or coercion is affirmatively shown. Such a reading would be inconsistent with the court's decision in Canales v. City of Alviso, 3 Cal. 3d 118, in which the court held that ballots cast in violation even of directory

provisions of the Elections Code must be nullified if "the result of the election has been changed . . . by the deviation." The intent of the Legislature is and always has been that any ballot cast in violation of Section 1013 cannot be counted, particularly when such a ballot would affect the result of the election.

(e) Both the per curiam opinion and the concurring opinion in the Supreme Court decision in Wilks acknowledged the need for legislative intervention to avoid the "potential for abuse" and "the potential for more subtle forms of coercion."

SEC. 2. Section 1013 of the Elections Code is amended to read:

1013. All absentee ballots cast under the provisions of this division shall be voted on or before the day of the election. After marking the ballot, the absent voter shall either: (1) return the ballot by mail or in person to the official from whom it came or (2) return the ballot in person to any member of a precinct board at any polling place within the jurisdiction. However, an absent voter who, because of illness or other physical disability, is unable to return the ballot, may designate his or her spouse, child, parent, grandparent, grandchild, brother, or sister to return the ballot to the official from whom it came or to the precinct board at any polling place within the jurisdiction. The ballot must, however, be received by either the official from whom it came or the precinct board before the close of the polls on election day.

The official shall establish procedures to insure the secrecy of any ballot returned to a precinct polling place.

The provisions of this section are mandatory, not directory, and no ballot shall be counted if it is not delivered in compliance with this section.

SEC. 3. This act shall not be construed to affect the decision of the California Supreme Court in Wilks v. Mouton with respect to the parties in that case, who are bound by that decision.

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 and serious danger of coercion and fraud in the absent voter balloting process, and an urgent need for prophylactic and corrective legislation to minimize that danger. In order to clarify the law and to reduce the danger of coercion and fraud in the absent voter balloting, it is necessary that this act take effect immediately.

CHAPTER 23

An act to amend Section 8397 of the Fish and Game Code, relating to fish, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1987. Filed with Secretary of State May 21, 1987.]

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

SECTION 1. The Legislature finds and declares that the utilization of lights at night to attract and take squid in District 17 will enhance the ability of fishermen to make a living without significant effect on the squid resource. The use of lights would also allow that taking away from rock formations where nets are caught and ruined, which causes unnecessary repair expense and may cause entangling of other species.

SEC. 2. Section 8397 of the Fish and Game Code is amended to read:

8397. It is unlawful to use any artificial light to lure or attract squid in District 16.

This section applies to all artificial lights except those lights necessary for the usual operation of a vessel not used to lure or attract, or intended to lure or attract, squid.

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 this act to affect the next fishing season, it is necessary that this act to take effect immediately.

CHAPTER 24

An act to amend Section 5544.2 of the Public Resources Code, relating to parks and recreation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1987. Filed with Secretary of State May 21, 1987.]

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

SECTION 1. Section 5544.2 of the Public Resources Code is amended to read:

5544.2. (a) A district may acquire all necessary and proper lands and facilities, or any portion thereof, by means of a plan to borrow money or by purchase on contract.

(b) The amount of indebtedness to be incurred shall not exceed an amount equal to the anticipated property tax revenue allocations for the next four-year period derived pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code or the anticipated tax income for the next 10-year period derived pursuant to Section 50077 of the Government Code, or both; or, with respect to the East Bay Regional Park District only, the anticipated property tax revenue allocations for the next two-year period derived pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code or the anticipated tax income for the next 10-year period derived pursuant to Section 50077 of the Government Code, or both. All indebtedness which is incurred on or after July 1, 1982, pursuant to this section shall be repaid during a period not to exceed 10 years from the date on which it is incurred and shall bear interest at a rate not exceeding 10 percent per annum, or the rate allowed pursuant to Section 53531 of the Government Code, if higher, payable annually or semiannually or in part annually and in part semiannually. Notwithstanding any other provision of this section, with respect to the East Bay Regional Park District only, all indebtedness incurred pursuant to this section for acquisition of lands and facilities designated in the district's master plan, including the Chabot Ridgelands, shall be repaid during a period not to exceed 30 years and at a rate not exceeding the rate allowed in this section for other districts. All other acquisitions of land and facilities by the East Bay Regional Park District not designated in the master plan are subject to the 10-year repayment period limitation of this section. Each indebtedness shall be authorized by a resolution adopted by the affirmative votes of at least two-thirds of the members of the district board, shall be evidenced by a promissory note or contract signed by the president of the board and attested by the secretary or treasurer, and shall be sold at not less than 95 percent of the principal amount in the manner determined by the board at a discount which equals the underwriter's spread. The board shall determine that the discount reflects an underwriter's spread which is both reasonable and customary under the prevailing market conditions. One of the two signatures may be by facsimile reproduction. At the time of making the general tax levy after incurring each indebtedness and annually thereafter until the indebtedness is paid or until there is a sum in the treasury set apart for that purpose sufficient to meet all payments of principal and interest on the indebtedness as they become due, a portion of the taxes levied and collected pursuant to Section 50077 of the Government Code, if any, shall be levied and collected and set aside sufficient to pay the interest on the indebtedness and the part of the principal that will become due before the proceeds of a tax levied at the next general tax levy will be available.

(c) The indebtedness authorized to be incurred by this section shall be in addition to, and the provisions of this section shall not

apply to, any bonded indebtedness authorized by vote of the electors.

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 permit a district to secure a 30-year loan for the purchase of potential parkland on or before April 1, 1987, it is necessary that this act take effect immediately.

CHAPTER 25

An act to amend Sections 22348, 22349, 22354, 22356, 22357, 22358, and 22360 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1987. Filed with Secretary of State May 28, 1987.]

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

SECTION 1. Section 22348 of the Vehicle Code is amended to read:

22348. (a) Any person who drives a vehicle upon a highway at a speed greater than 100 miles per hour is guilty of an infraction punishable, as follows:

(1) Upon a first conviction of a violation of this subdivision, by a fine of not to exceed five hundred dollars ($500). The court may also suspend the privilege of the person to operate a motor vehicle for a period not to exceed 30 days pursuant to Section 13200.5.

(2) Upon a conviction under this subdivision of an offense which occurred within three years of a prior offense resulting in a conviction of an offense under this subdivision, by a fine of not to exceed five hundred dollars ($500). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to subdivision (a) of Section 13355.

(3) Upon a conviction under this subdivision of an offense which occurred within five years of two or more prior offenses resulting in convictions of offenses under this subdivision, by a fine of not to exceed five hundred dollars ($500). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to subdivision (b) of Section 13355.

(b) Any vehicle subject to Section 22406 shall be driven in a lane designated pursuant to Section 21655, or if no lane has been so designated, in the right-hand lane for traffic or as close as practicable to the right-hand edge or curb. When overtaking and passing another vehicle proceeding in the same direction, the drivers shall use either the designated lane, the lane to the immediate left of the

right-hand lane, or the right-hand lane for traffic as permitted under this code. If, however, specific lane or lanes have not been designated on a divided highway having four or more clearly marked lanes for traffic in one direction, any such vehicle may also be driven in the lane to the immediate left of the right-hand lane, unless otherwise prohibited under this code. This subdivision does not apply to a driver who is preparing for a left- or right-hand turn or who is in the process of entering into or exiting from a highway or to a driver who is required necessarily to drive in a lane other than the right-hand lane to continue on his intended route.

SEC. 2. Section 22349 of the Vehicle Code is amended to read:

22349. Except as provided in Section 22356, no person shall drive a vehicle upon a highway at a speed greater than 55 miles per hour.

SEC. 2.5. Section 22354 of the Vehicle Code is amended to read:

22354. Whenever the Department of Transportation determines upon the basis of an engineering and traffic survey that the limit of 55 miles per hour is more than is reasonable or safe upon any portion of a state highway where the limit of 55 miles is applicable, the department may determine and declare a prima facie speed limit of 50, 45, 40, 35, 30 or 25 miles per hour, whichever is found most appropriate to facilitate the orderly movement of traffic and is reasonable and safe, which declared prima facie speed limit shall be effective when appropriate signs giving notice thereof are erected upon the highway.

SEC. 3. Section 22356 of the Vehicle Code is amended to read:

22356. Whenever the Department of Transportation, after consultation with the Department of the California Highway Patrol, determines upon the basis of an engineering and traffic survey on existing interstate freeway segments, or upon the basis of appropriate design standards and projected traffic volumes in the case of newly constructed interstate freeway segments, that a speed greater than 55 miles per hour would facilitate the orderly movement of vehicular traffic and would be reasonable and safe upon any state highway, or portion thereof, which is an interstate freeway with full control of access and without crossings at grade otherwise subject to a maximum speed limit of 55 miles per hour, the Department of Transportation, with the approval of the Department of the California Highway Patrol, may declare a higher maximum speed of 60 or 65 miles per hour, and shall cause appropriate signs to be erected giving notice thereof. The Department of Transportation shall only make a determination under this section that is fully consistent with, and in full compliance with, federal law.

No person shall drive a vehicle upon that highway at a speed greater than 60 or 65 miles per hour, as posted.

SEC. 4. Section 22357 of the Vehicle Code is amended to read:

22357. Whenever a local authority determines upon the basis of an engineering and traffic survey that a speed greater than 25 miles per hour would facilitate the orderly movement of vehicular traffic and would be reasonable and safe upon any street other than a state

highway otherwise subject to a prima facie limit of 25 miles per hour, the local authority may by ordinance determine and declare a prima facie speed limit of 30, 35, 40, 45, or 50 miles per hour or a maximum speed limit of 55 miles per hour, whichever is found most appropriate to facilitate the orderly movement of traffic and is reasonable and safe. The declared prima facie or maximum speed limit shall be effective when appropriate signs giving notice thereof are erected upon the street and shall not thereafter be revised except upon the basis of an engineering and traffic survey. The provisions of this section shall not apply in respect to any 25-mile-per-hour prima facie limit which is applicable when passing a school building or the grounds thereof.

SEC. 5. Section 22358 of the Vehicle Code is amended to read:

22358. Whenever a local authority determines upon the basis of an engineering and traffic survey that the limit of 55 miles per hour is more than is reasonable or safe upon any portion of any street other than a state highway where the limit of 55 miles per hour is applicable, the local authority may by ordinance determine and declare a prima facie speed limit of 50, 45, 40, 35, 30, or 25 miles per hour, whichever is found most appropriate to facilitate the orderly movement of traffic and is reasonable and safe, which declared prima facie limit shall be effective when appropriate signs giving notice thereof are erected upon the street.

SEC. 6. Section 22360 of the Vehicle Code is amended to read:

22360. Whenever a local authority determines upon the basis of an engineering and traffic survey that the limit of 55 miles per hour is more than is reasonable or safe upon any portion of a highway other than a state highway for a distance of not exceeding 2,000 feet in length between districts, either business or residence, the local authority may determine and declare a reasonable and safe prima facie limit thereon lower than 55 miles per hour, but not less than 25 miles per hour, which declared prima facie speed limit shall be effective when appropriate signs giving notice thereof are erected upon the street or highway.

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:

The higher speed limits proposed by this bill would allow the Department of the California Highway Patrol to make more efficient use of its limited resources for purposes other than speed limit enforcement, and it is therefore necessary that this act take effect immediately.

CHAPTER 26

An act to amend Sections 19610.4, 19614.1, and 19627.2 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1987. Filed with Secretary of State May 28, 1987.]

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

SECTION 1. Section 19610.4 of the Business and Professions Code is amended to read:

19610.4. Notwithstanding Section 19610.3, any association which conducts a racing meeting pursuant to Section 19549.3 or 19549.9, or any county fair, district agricultural association fair, or citrus fruit fair which conducts satellite wagering pursuant to Section 19596.7, 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 or satellite wagering is conducted or, if the meeting or wagering is conducted outside the limits of any city, to the county in which the racing meeting or satellite wagering 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 satellite wagering or any patron thereof. 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 or satellite wagerings. 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. 2. Section 19614.1 of the Business and Professions Code is amended to read:

19614.1. (a) Notwithstanding Sections 19612.6 and 19614, any county fair which conducts racing pursuant to Section 19549.3, shall pay a daily license fee equal to 5.5 percent of its daily conventional parimutuel handle and 6.0 percent of its daily exotic parimutuel handle. After distribution of the license fees, all funds remaining from the deductions provided in Section 19610 shall be distributed equally between purses and commissions.

(b) Every association which conducts a racing meeting pursuant to Section 19549.3 shall deduct from its parimutuel pools the amount specified in subdivision (c) of Section 19614.

SEC. 3. Section 19627.2 of the Business and Professions Code is amended to read:

19627.2. The funds made available pursuant to both subdivision (c) of Section 19614 and subdivision (b) of Section 19614.1 shall be allocated by the Director of Food and Agriculture for all of the following activities:

(a) For payment of premiums authorized by the Department of Food and Agriculture according to those categories established under Section 4501 of the Food and Agricultural Code.

(b) For purposes specified in Section 4401.5 of the Food and Agricultural Code.

(c) For purposes specified in Section 51004 of the Education Code to support student organizational activities, approved by an appropriate local educational agency, in the fields of agricultural and vocational education. The Director of Food and Agriculture shall annually invite school districts, the Vocational Education Unit of the State Department of Education, and state-supported fairs to which Article 10 (commencing with Section 19620) of Chapter 4 of Division 8 is applicable, together and cooperatively, including the California Exposition and State Fair, to apply for funding for the purposes specified in Section 51004 of the Education Code.

The Director of Food and Agriculture shall develop a standard application procedure and criteria for approval of grants for projects funded under subdivisions (b) and (c), and ensure that the funds allocated under this section do not supplant existing activities currently conducted and funded from other sources, public or private.

Any funds not allocated pursuant to this section shall be allocated under Section 19630. The Director of Food and Agriculture shall determine the need for allocation of funds under Section 19630 prior to making any allocations pursuant to this section.

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 expedite a needed increase in revenues to local governments and ultimately to the Fair and Exposition Fund by the implementation of successful satellite wagering systems, and to make a necessary technical revision to the California Horse Racing Law regarding deductions to the fund, it is necessary that this act take effect immediately.

CHAPTER 27

An act to amend Sections 4478 and 4479 of the Government Code, and to amend Sections 10393 and 10399 of the Public Contract Code, relating to public contracts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1987. Filed with Secretary of State May 28, 1987.]

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

SECTION 1. Section 4478 of the Government Code is amended to read:

4478. The provisions of this chapter shall not apply to contracts with a dollar value below the required level for competitive bidding established in Section 10301 of the Public Contract Code.

SEC. 2. Section 4479 of the Government Code is amended to read:

4479. Each state agency shall exercise due diligence in determining whether or not one or more persons have divided a contract to avoid the limitation of Section 4478.

SEC. 3. Section 10393 of the Public Contract Code is amended to read:

10393. (a) The director shall review the procurement specifications currently used by the department in order to eliminate, wherever economically feasible, discrimination against the procurement of recovered resources and recycled materials.

(b) The director shall review the recycled paper content specifications at least annually to consider increasing the percentage of recycled paper in paper and woodpulp product purchases.

(c) When contracting with the department for the sale of material subject to this article, the contractor shall certify in writing to the contracting officer or his or her representative that the material offered contains the minimum percentage of recycled paper required by Section 10391 and shall specify the percentage of recycled paper content in the paper or paper products. The certification shall be furnished under penalty of perjury.

(d) The department shall establish purchasing practices which, to the maximum extent economically feasible, assure purchase of materials which may be recycled or reused when discarded.

(e) The department shall make every effort to eliminate purchases of paper and paper products deemed potential contaminants to the state's recycling program.

SEC. 4. Section 10399 of the Public Contract Code is amended to read:

10399. All local public agencies shall require the bidder to specify the percentage of recycled paper content in the paper or paper products. All contract provisions impeding the consideration of

products with reclaimed paper content shall be deleted in favor of performance standards.

All printing contracts made by any local agency shall provide that the paper used shall meet the requirements of these provisions.

Except as otherwise provided in this article, state agencies shall also be subject to the provisions of 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 to correct a technical problem and to expedite contract bidding for recycled paper as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 28

An act to amend Sections 467, 467.1, and 470.3 of, to add Section 471.3 to, and to repeal and add Section 471 of, the Business and Professions Code, relating to dispute resolution programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1987. Filed with Secretary of State May 28, 1987.]

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

SECTION 1. Section 467 of the Business and Professions Code is amended to read:

467. (a) There is in the Division of Consumer Services of the Department of Consumer Affairs a Dispute Resolution Advisory Council. The advisory council shall complete the duties required by this chapter no later than January 1, 1989.

(b) The advisory council shall consist of seven persons, five of whom shall be appointed by the Governor. One member shall be appointed by the Senate Rules Committee, and one member shall be appointed by the Speaker of the Assembly. At least four of the persons appointed to the advisory council shall be active members of the State Bar of California, and at least four persons appointed to the advisory council shall have a minimum of two years of direct experience in utilizing dispute resolution techniques. The members of the advisory council shall reflect the racial, ethnic, sexual, and geographic diversity of the State of California.

(c) The members of the advisory council shall not receive a salary for their services but shall be reimbursed for their actual and necessary travel and other expenses incurred in the performance of their duties.

SEC. 2. Section 467.1 of the Business and Professions Code is amended to read:

467.1. (a) A program funded pursuant to this chapter shall be operated pursuant to contract with the county and shall comply with all of the requirements of this chapter and the rules and regulations of the advisory council.

(b) Counties may establish a program of grants to public entities and nonpartisan nonprofit corporations for the establishment and continuance of programs to be operated under the requirements of this chapter and the standards developed by the advisory council. The board of supervisors of a county in which, because of the county's size, the fee increase authorized by Section 470.3 is insufficient to establish a county program may enter into an agreement with the board of supervisors of one or more other such counties to establish a program authorized by this chapter on a regional basis.

SEC. 3. Section 470.3 of the Business and Professions Code is amended to read:

470.3. (a) A fee of not less than one dollar ($1) and not more than three dollars ($3) may be added to the total fees collected and fixed pursuant to Sections 26820.4, 26826, 26827, 68090, 72055, and 72056 of the Government Code for the filing of a first paper in a civil action in the superior court or the municipal court, other than a small claims action. These fees shall only be utilized for the support of the dispute resolution programs authorized by this chapter.

(b) A county may carry over moneys received from the additional fees authorized pursuant to subdivision (a), which shall be deposited in a special fund created for those purposes, until such time as the county elects to fund a dispute resolution program. Records of those fees shall be available for inspection by the public, upon request.

SEC. 4. Section 471 of the Business and Professions Code is repealed.

SEC. 5. Section 471 is added to the Business and Professions Code, to read:

471. (a) The advisory council shall adopt rules and regulations to effectuate the purposes of this chapter, including, but not limited to, guidelines to be used by the programs for the recruitment and training of persons conducting dispute resolution, and provisions for periodic monitoring and evaluation of the programs funded pursuant to this chapter. The advisory council shall establish guidelines to evaluate the performance of participating programs, which shall include analysis of court caseload reduction, cost savings to the state, the efficacy of the programs, and the feasibility of operation of a statewide program of grants at the time the state assumes the responsibility for the funding of trial courts.

(b) The advisory council shall adopt temporary guidelines within six months of its initial meeting. The adoption of these temporary guidelines shall not be subject to the procedures specified in Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

Upon the adoption of the temporary guidelines, counties may award grants pursuant to this chapter. Programs funded pursuant to

this chapter shall comply with the temporary guidelines, the requirements of this chapter and, when adopted, the formal rules and regulations.

(c) Formal rules and regulations implementing this chapter shall be adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code and, upon adoption, shall supersede the temporary guidelines adopted pursuant to subdivision (b).

(d) On and after January 1, 1989, or such earlier date as the advisory council completes its duties pursuant to this chapter, the Division of Consumer Services of the Department of Consumer Affairs shall periodically review the effectiveness of the rules and regulations adopted pursuant to this chapter and adopt changes thereto as necessary. It also shall monitor and evaluate the programs funded pursuant to this chapter as to their compliance with those rules and regulations.

SEC. 6. Section 471.3 is added to the Business and Professions Code, to read:

471.3. The rules and regulations adopted by the advisory council pursuant to Section 471 shall be formulated to promote statewide uniformity with the guidelines contained in those rules and regulations.

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 changes made by this act shall be given maximum implementation, it is necessary that it take effect at the earliest possible date.

CHAPTER 29

An act relating to water districts within Santa Clara County, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1987. Filed with Secretary of State May 28, 1987.]

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

SECTION 1. The registered voters of the Gavilan Water Conservation District, a water conservation district formed pursuant to the Water Conservation Law of 1931 (Division 21 (commencing with Section 74000) of the Water Code) lying wholly within the boundaries of the Santa Clara Valley Water District, may file a petition with the Board of Supervisors of the County of Santa Clara to call an election within the water conservation district on the issue of whether or not the water conservation district shall be

consolidated with the Santa Clara Valley Water District. The petition shall contain at least 10 percent of the signatures of the voters registered in the water conservation district on the effective date of this act. The petition may consist of a single instrument or separate counterparts. Each signer of a petition shall add the date of signing. The petition shall be filed within 45 days after the effective date of this act. Within 15 days after the date of filing of the petition, the clerk of the Board of Supervisors of the County of Santa Clara shall cause it to be examined and shall determine whether it is signed by the requisite number of registered voters. When the examination has been completed, the clerk shall attach a certificate to the petition showing the result of the examination.

If no petition has been filed within the time prescribed in this section, the water conservation district shall be consolidated into the Santa Clara Valley Water District. The consolidation shall become effective 90 days after the effective date of this act.

If, within the time prescribed in this section, a petition containing the required number of signatures of registered voters has been filed calling for an election, the Board of Supervisors of the County of Santa Clara shall call an election in the water conservation district. The board of supervisors shall set the date for the election. Costs of the election shall be borne by the district in which election is held. The election may be held separately or may be consolidated with any other election authorized by law at which the voters of the district may vote.

The board of supervisors shall call the election by ordinance and not otherwise and submit to the registered voters of the water conservation district the question "Shall the Gavilan Water Conservation District be consolidated with and merged into the Santa Clara Valley Water District?" For the purposes of the election, the board of supervisors shall state in the ordinance that in all other particulars the election shall be held and the votes canvassed as provided by law for elections in the water conservation district.

The ordinance calling the special election shall, prior to the date set for the election, be published once in a newspaper of general circulation, circulated in the water conservation district. The last publication of the ordinance shall be at least 14 days before the election.

Any defect or irregularity in the proceedings prior to the calling of the special election shall not affect the validity of the election. If, at the election, a majority of the votes cast are in favor of consolidating with and merging into the Santa Clara Valley Water District, the consolidation shall become effective 10 days after the certification of the results thereof by the Board of Supervisors of Santa Clara County.

SEC. 2. If the Gavilan Water Conservation District is, pursuant to the terms of this act, consolidated with the Santa Clara Valley Water District, the area of the district shall constitute a zone of the Santa Clara Valley Water District. The obligations of the water

conservation district, including, but not limited to, obligations for payment of principal and interest on outstanding bonds, due and owing on the date of the consolidation, shall remain as obligations of that area. Any groundwater extraction charge levied but uncollected by the water conservation district upon groundwater extractions to be made during the 12-month period beginning July 1, 1987, shall be canceled.

SEC. 3. Title to all real and personal property of the water conservation district which, pursuant to the terms of this act, is consolidated with the Santa Clara Valley Water District, shall, upon the consolidation, vest in the Santa Clara Water Valley District, and all funds on hand and moneys, taxes or allocated share of taxes, assessments, and service charges, rentals, or rates due or to become due to the water conservation district shall be due and paid to the credit of the zone consisting of the area of the water conservation district, and any dams and reservoirs of the water conservation district and the water rights therefor shall continue to be dedicated to the benefit of the groundwater basin underlying the zone. All accrued or unaccrued liabilities, debts, accounts payable, or contractual commitments made by the water conservation district shall vest in the Santa Clara Valley Water District and shall be shown as a debit to the zone consisting of the area of the water conservation district. Any funds committed to the payment of principal and interest on bonds issued and sold by the water conservation district shall continue to be committed to that purpose.

SEC. 4. All employees of the water conservation district which, pursuant to the terms of this act, is consolidated with the Santa Clara Valley Water District, shall, upon the consolidation, become employees of the Santa Clara Valley Water District and receive the same rate of pay as they receive from the water conservation district on the date of the consolidation, subject to the right of the board of directors of the district to make salary adjustments, along with salary adjustments for its other employees.

SEC. 5. If the consolidation provided by this act becomes effective, a public hearing shall be held within each zone of the Santa Clara Water Valley District lying outside of the zone in which the district board's chambers are located, in each year that the district prepares a written report which recommends that a groundwater charge be levied in the zone. Each public hearing shall otherwise be noticed and held in accordance with Section 26.6 of the Santa Clara Valley Water District Act.

SEC. 6. The provisions of general law governing the reorganization of districts shall not be applicable to the consolidation provided by this act.

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.

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:

Because of the need of immediate local decision to secure efficiency and responsibility regarding water supply and conservation and the burden of groundwater extraction charges affecting public health and safety, it is necessary that this act take effect immediately.

CHAPTER 30

An act to amend Sections 2085 and 2184 of the Business and Professions Code, relating to physicians and surgeons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1987. Filed with Secretary of State May 28, 1987.]

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

SECTION 1. Section 2085 of the Business and Professions Code is amended to read:

2085. (a) Notwithstanding Section 2084, a graduate of an approved medical school located in the United States or Canada who has graduated from a special medical school program which does not substantially meet the requirements of Section 2089 with respect to any aspect of curriculum length or content may be approved by the division if the division determines that the applicant has otherwise received adequate instruction in the subjects listed in subdivision (b) of Section 2089. The division may require an applicant under this section to undertake additional education to bring up to standard, instruction in the subjects listed in subdivision (b) of Section 2089 as a condition of issuing a physician's and surgeon's certificate. In approving an applicant under this section, the division may take into account the applicant's total relevant academic experience, including performance on standardized national examinations.

(b) (1) Notwithstanding subdivision (a) or Sections 2084 and 2089, an applicant who is a graduate of an approved medical school located in the United States or Canada who has graduated from a special medical school program that does not substantially meet the requirements of Section 2089 with respect to any aspect of curriculum length or content shall be presumed to meet the requirements of Sections 2084 and 2089 if the special medical school program has been reviewed and approved by a national accrediting agency approved by the division and recognized by the United States Department of Education.

(2) This presumption may be overcome upon a finding by the

division that the medical education received by the applicant is not the educational equivalent of the medical education received by graduates of medical schools approved pursuant to subdivision (a) or Section 2084. In making its finding, the division shall consider, at a minimum, the applicant's total academic and medical training experience prior to, and following, as well as during, medical school, the applicant's performance on standardized national examinations, including the National Board Examinations, the applicant's achievements as a house staff officer, and the number of years of postgraduate medical training completed by the applicant.

(3) An applicant under this subdivision who (A) has satisfactorily completed at least two years of postgraduate clinical training approved by the Accreditation Council for Graduate Medical Education or the Coordinating Council of Medical Education of the Canadian Medical Association and whose postgraduate training has included at least one year of clinical contact with patients and (B) has achieved a passing score in each subject area of the written examination required for licensure, satisfies the requirements of Sections 2084 and 2089. For purposes of this subdivision, a passing score on a subject area in Part I of the written examination shall be a standard score of 380 or higher, and for a subject area in Part II of the examination, a standard score of 290 or higher. For purposes of this subdivision, an applicant who has satisfactorily completed at least two years of approved postgraduate clinical training on or before July 1, 1987, shall not be required to have at least one year of clinical contact with patients.

(4) An applicant who has not achieved a passing score in one or more subject areas of the written examination required for licensure may otherwise demonstrate to the satisfaction of the division that he or she possesses adequate skills, knowledge, and ability in the particular subject area or areas of the examination not passed.

(5) An applicant who has not achieved a passing score in one or more subject areas of the required examination may, at the discretion of the division, be allowed to remedy that deficiency by achieving a passing score in the pertinent subject area or areas through a reexamination administered under the auspices of the division, at the applicant's expense.

(6) Applicants under this subdivision who apply after satisfactorily completing one year of approved postgraduate training shall have their applications reviewed by the division and shall be informed by the division either that satisfactory completion of a second year of approved postgraduate training will result in their being deemed to meet the requirements of Sections 2084 and 2089, or informed of any deficiencies in their qualifications or documentation and the specific remediation, if any, required by the division to meet the requirements of Sections 2084 and 2089. Upon satisfactory completion of the specified remediation, the division shall promptly issue a license to the applicant.

SEC. 2. Section 2184 of the Business and Professions Code is

amended to read:

2184. (a) There shall be at least 10 questions on each subject included in the examination. Each applicant shall obtain at least a score of 75 percent.

(b) Passing scores on the written examination shall be valid for a period of four years, from the month of the examination or until January 1, 1992, whichever is later, for purposes of qualification for participation in postgraduate training or licensure in California.

This period of validity may be extended by the division for good cause and for time spent in a postgraduate training program, including, but not limited to, residency training, fellowship training, remedial or refresher training, or other training that is intended to maintain or improve medical skills.

This subdivision applies to all passing scores achieved in the written examination required by this article.

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 unfair barriers to licensure as a physician and surgeon may be removed or alleviated to allow otherwise qualified persons to obtain that licensure, as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 31

An act to amend Section 13895.5 of, to add Sections 13887.3 and 13895.8 to, and to repeal Part 3.5 (commencing with Section 13895) of Division 3 of Title 2 of, the Government Code, relating to employment studies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 29, 1987. Filed with Secretary of State May 29, 1987.]

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

SECTION 1. Section 13887.3 is added to the Government Code, to read:

13887.3. (a) The commission shall develop and maintain an economic model capable of estimating the impact of federal expenditures on the state's economy and employment.

(b) On July 1, 1989, and on a semiannual basis thereafter, the commission shall report to the Legislature and Governor on the impact of federal expenditures on the state's economy and employment. The commission's report shall address both of the following:

(1) Projections of federal expenditures coming into the state and

changes in these expenditures.

(2) The impact of these expenditures on the state's economic growth, employment, tax revenues, and other variables determined to be significant by the commission, for the next year compared with the previous three years.

(c) The report also shall identify significant federal expenditures or potential expenditures coming into the state affecting military bases, installations, and active duty and retired military personnel located within the state, as well as the impact of the changes in these expenditures.

This section shall become operative on January 1, 1989.

SEC. 2. Section 13895.5 of the Government Code is amended to read:

13895.5. The Director of Employment Development shall conduct a study to determine the feasibility of establishing a statewide network to monitor and disseminate information on significant federal contract actions affecting employment and job training needs in this state.

By July 1, 1987, the Director of Employment Development shall report to the Legislature, the Governor, and the working group established pursuant to Section 13895.4 regarding the study conducted. Where feasible, the report shall contain the following and shall also outline methods for obtaining information not now compiled in the manner set forth below:

(a) The location and duration of each prime contract award over one million dollars ($1,000,000) in this state and the number and categories of jobs associated with those contracts.

(b) A listing of skills historically subject to significant fluctuation with increasing and decreasing contract expenditures.

(c) The number of prime contracts awarded to small and minority-owned businesses.

(d) A listing of contracts that will be significantly expanded or reduced within the next 12-month period and the numbers and categories of jobs associated with those contracts.

(e) A description of efforts to be taken by the director, the State Job Training Coordinating Council, private industry councils, community colleges, and other agencies to provide job training, vocational education, and economic development services to areas experiencing contract reductions or expansions, as well as an assessment of the effectiveness of services provided during the previous year.

(f) An assessment of the impact of federal contract expenditures on the availability of technical and engineering skills throughout the state.

(g) Methods for improving information from federal agencies on significant program activities and expenditures. The information shall include, but not be limited to, the location and duration of prime contracts over one million dollars ($1,000,000) awarded in this state,. the number and categories of jobs associated with those

contracts, and the number of prime contracts and subcontracts awarded to small and minority-owned businesses.

The report prepared pursuant to this section shall identify significant federal expenditures, or potential expenditures, coming into the state affecting military bases, installations, and active duty and retired military personnel located within the state, particularly those affecting the housing and medical needs of those bases and personnel.

SEC. 3. Section 13895.8 is added to the Government Code, to read:

13895.8. This part shall remain in effect 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.

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 effectuate the purposes of this act prior to the preparation and reporting of the required study, it is necessary for this act to take effect immediately.

CHAPTER 32

An act to amend Sections 1126 and 6599.02 of, and to add Section 1129 to, the Government Code, relating to public agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 29, 1987. Filed with Secretary of State May 29, 1987.]

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

SECTION 1. Section 1126 of the Government Code is amended to read:

1126. (a) Except as provided in Sections 1128 and 1129, a local agency officer or employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or employee or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed. Such officer or employee shall not perform any work, service, or counsel for compensation outside of his or her local agency employment where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of his or her employing body, unless otherwise approved in the manner prescribed by subdivision (b).

(b) Each appointing power may determine, subject to approval of the local agency, and consistent with the provisions of Section 1128

where applicable, those outside activities which, for employees under its jurisdiction, are inconsistent with, incompatible to, or in conflict with their duties as local agency officers or employees. An employee's outside employment, activity, or enterprise may be prohibited if it: (1) involves the use for private gain or advantage of his or her local agency time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of his or her local agency office or employment or, (2) involves receipt or acceptance by the officer or employee of any money or other consideration from anyone other than his or her local agency for the performance of an act which the officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of his or her local agency employment or as a part of his or her duties as a local agency officer or employee or, (3) involves the performance of an act in other than his or her capacity as a local agency officer or employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other officer or employee or the agency by which he or she is employed, or (4) involves such time demands as would render performance of his or her duties as a local agency officer or employee less efficient.

The local agency may adopt rules governing the application of this section. Such rules shall include provision for notice to employees of the determination of prohibited activities, of disciplinary action to be taken against employees for engaging in prohibited activities, and for appeal by employees from such a determination and from its application to an employee.

SEC. 2. Section 1129 is added to the Government Code, to read:

1129. Service on the Board of Directors of the Local Agency Self-Insurance Authority by an officer or employee of a local agency, as defined by subdivision (a) of Section 6599.02, or by a person who serves in an appointed or employed position with an agency or entity created by a joint powers agreement pursuant to Section 6503.5 to provide insurance pooling, shall not, by itself, be deemed to be inconsistent, incompatible, in conflict with, or inimical to, duties of the officer or employee in either capacity.

SEC. 3. Section 6599.02 of the Government Code is amended to read:

6599.02. As used in this chapter:

(a) "Local agency" means any city, county, city and county, school district, special district, authority, other political subdivision of or within the state, an association or consortium of school districts formed or operating pursuant to Section 35179 of the Education Code, or any joint powers authority composed of any of these agencies.

(b) "Original board" means the first board of directors constituted and selected pursuant to Section 6599.06.

(c) "Board" means the original board and any successor board selected and constituted under this chapter.

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 permit appointment of the most qualified available persons to the original Board of Directors of the Local Agency Self-Insurance Authority and to permit participation of the California Interscholastic Federation, it is necessary that this act go into immediate effect.

CHAPTER 33

An act to amend Section 798.50 of the Civil Code, relating to mobilehomes.

[Approved by Governor May 29, 1987. Filed with Secretary of State May 29, 1987.]

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

SECTION 1. Section 798.50 of the Civil Code is amended to read:

798.50. The management shall permit meetings by homeowners or residents of a mobilehome in the park, or any or all of them, related to mobilehome living or social or educational purposes, including forums for or speeches of public officials or candidates for public office, to be held in any of the park community or recreation halls if the meetings are held at reasonable hours and when the facility is not otherwise in use.

CHAPTER 34

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

[Approved by Governor May 29, 1987. Filed with Secretary of State May 29, 1987.]

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

SECTION 1. (a) The sum of five hundred thousand dollars ($500,000) is hereby appropriated from the General Fund to Section A of the State School Fund for emergency apportionment to the Val Verde Elementary School District, pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code, for its expenditure obligations through the 1986–87 fiscal year. These funds shall not be apportioned unless and until the Superintendent of Public Instruction approves the district's repayment plan.

(b) Repayment of this apportionment pursuant to Section 41323 of the Education Code shall commence as soon as possible after the Superintendent of Public Instruction approves the repayment plan, but no later than July 1, 1988.

SEC. 2. As a condition on the receipt by the Val Verde Elementary School District of any emergency apportionment funds pursuant to Section 1, in addition to complying with Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code, all of the following shall apply:

(a) The Superintendent of Public Instruction shall appoint a trustee having recognized expertise in education, management, and finance, and who shall be bonded. The costs of the trustee and of the bonding shall be borne by the district. The Superintendent of Public Instruction shall establish the terms and conditions of employment, and the remuneration, of the trustee, who shall serve at the pleasure of, and report directly to, the superintendent. The trustee shall be discharged at the time the total apportionment made under Section 1 of this act is repaid, including interest.

(b) The trustee shall monitor and review the operation of the district. During the period of his or her service, the trustee may stay or rescind any action of the school district governing board that, in the judgment of the trustee, may affect the financial condition of the district. The trustee shall approve or reject all reports and other materials required from the district pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code. The Superintendent of Public Instruction, upon the recommendation of the trustee, may reduce any apportionment to the district in an amount of up to one thousand dollars ($1,000) per day for each late or unacceptable report or other material required under Part 24 (commencing with Section 41000) of the Education Code, and shall report to the Legislature any failure of the district to comply with the requirements of this section.

The Superintendent of Public Instruction may contract for the services of the trustee. The superintendent may request the Controller to transfer to the support appropriation of the State Department of Education those funds necessary to pay all costs incurred by the trustee in performing the services. The funds so requested shall be transferred by the Controller from the funding that would otherwise have been apportioned to the Val Verde Elementary School District from Section A of the State School Fund pursuant to Section 42238 of the Education Code.

(c) For the 1986–87 fiscal year and each fiscal year thereafter, the Val Verde Elementary School District shall provide for an audit of the books and accounts of the district, as provided by Section 41020 of the Education Code. Any audit conducted under this subdivision for the preceding fiscal year shall include a statement by the auditor whether or not the district has deviated from the financial plan approved under Section 41320 of the Education Code and whether or not the district is financially solvent. The statements shall be

required until at least one year following the implementation of the plan, but not later than the time the apportionment made under Section 1 is repaid, including interest. The cost of any additional audit services shall be borne by the district.

(d) The county superintendent of schools in which the district is situated shall provide any information and other assistance that the Superintendent of Public Instruction may require in this respect until the apportionment made under Section 1 is repaid, including interest.

(e) If, during the term of the loan, the appointed trustee, with the approval of the Superintendent of Public Instruction, and the county superintendent of schools both agree that the Val Verde Elementary School District Board of Education has taken action to exacerbate the fiscal difficulties of the district, or the board has not taken action to return the district to fiscal solvency, the district shall be declared in receivership by the county board of education upon receipt of a written finding by the appointed trustee and the county superintendent. If the Val Verde Elementary School District goes into receivership under the county board of education, the county board of education shall assume all rights, responsibilities, and authority to operate the district until the loan repayment period expires.

SEC. 3. Due to the unique circumstances concerning the Val Verde Elementary School District, including the difficulties resulting from past fiscal management practices and the critical need to ensure the financial recovery of the 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. (a) The sum of three million nine hundred thousand dollars ($3,900,000) is hereby appropriated from the General Fund to Section A of the State School Fund for emergency apportionment to the West Covina Unified School District, pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code, for its expenditure obligations through the 1986–87 fiscal year.

(b) Repayment of this apportionment pursuant to Section 41323 of the Education Code shall commence as soon as possible after the Superintendent of Public Instruction approves the repayment plan, but no later than July 1, 1988.

SEC. 5. As a condition on the receipt by the West Covina Unified School District of any emergency apportionment funds pursuant to Section 4, in addition to complying with Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code no later than September 1, 1987, all of the following shall apply:

(a) The Superintendent of Public Instruction shall appoint a trustee having recognized expertise in education, management, and finance, and who shall be bonded. The costs of the trustee and of the bonding shall be borne by the district. The Superintendent of Public Instruction shall establish the terms and conditions of employment,

and the remuneration, of the trustee, who shall serve for a period of not less than one year, and shall report directly to the superintendent. The trustee may be discharged after 12 months, or at the end of each subsequent 12-month period thereafter, if in the opinion of the Superintendent of Public Instruction, the Controller, the Joint Legislative Budget Committee, and the county superintendent of schools for the county in which the district is located, the district has taken all steps necessary to assure full implementation of the district repayment plan. In no case shall the trustee serve past the time the total apportionment made under Section 4 of this act is repaid, including interest.

(b) The trustee shall monitor and review the operation of the district. During the period of his or her service, the trustee may stay or rescind any action of the school district governing board that, in the judgment of the trustee, may affect the financial condition of the district. The trustee shall approve or reject all reports and other materials required from the district pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code. The Superintendent of Public Instruction, upon the recommendation of the trustee, may reduce any apportionment to the district in an amount of up to one thousand dollars ($1,000) per day for each late or unacceptable report or other material required under Part 24 (commencing with Section 41000) of the Education Code, and shall report to the Legislature any failure of the district to comply with the requirements of this section.

The Superintendent of Public Instruction may contract for the services of the trustee. The superintendent may request the Controller to transfer to the support appropriation of the State Department of Education those funds necessary to pay all costs incurred by the trustee in performing the services. The funds so requested shall be transferred by the Controller from the funding that would otherwise have been apportioned to the West Covina Unified School District from Section A of the State School Fund pursuant to Section 42238 of the Education Code.

(c) For the 1986–87 fiscal year and each fiscal year thereafter, the West Covina Unified School District shall provide for an audit of the books and accounts of the district, as provided by Section 41020 of the Education Code. Any audit conducted under this subdivision for the preceding fiscal year shall include a statement by the auditor whether or not the district has deviated from the financial plan approved under Section 41320 of the Education Code and whether or not the district is financially solvent. The statements shall be required until at least one year following the implementation of the plan, but not later than the time the apportionment made under Section 4 is repaid, including interest. The cost of any additional audit services shall be borne by the district.

(d) The county superintendent of schools in which the district is situated shall provide any information and other assistance that the Superintendent of Public Instruction may require in this respect

until the apportionment made under Section 4 is repaid, including interest.

SEC. 6. The appropriation made pursuant to Section 4 of this act shall be deemed an apportionment made pursuant to Section 41310 of the Education Code, and the West Covina Unified School District shall meet the requirements of Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code, except that, upon the recommendation of the County Superintendent of Schools for Los Angeles County, the Superintendent of Public Instruction shall make an apportionment to the district before the requirements of subdivisions (a), (b), (c), and (d) of Section 41320 of the Education Code have been met for the purpose of meeting expenditure obligations for the 1986–87 fiscal year. The balance of the appropriation made pursuant to Section 4 shall be apportioned after the district meets all of the requirements of subdivisions (a), (b), (c), and (d) of Section 41320 of the Education Code.

By August 31, 1987, the district shall prepare a plan for repayment of the loan. The plan shall be processed in accordance with subdivisions (a), (b), (c), and (d) of Section 41320 of the Education Code.

SEC. 7. Due to the unique circumstances concerning the West Covina Unified School District, including the difficulties resulting from past fiscal management practices and the critical need to ensure the financial recovery of the 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. 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.

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:

In order to provide the Val Verde Elementary School District and the West Covina Unified School District, which are faced with a verified fiscal emergency, with operating funds at the earliest possible date, thus avoiding potential school closures, it is necessary that this act take effect immediately.

CHAPTER 35

An act to amend the heading of Chapter 1 (commencing with Section 14998) of Part 5.7 of Division 3 of Title 2 of, to amend Sections 14998.2, 14998.4, 14998.5, 14998.15, 14999.31, and 15325 of, to amend and renumber Section 15335.21 of, to amend, renumber, and add Sections 14998.6 and 14998.7 of, to add Sections 14998.11, 14998.12, and 14998.13 to, to repeal Section 14998.8 of, and to repeal and add Sections 14998.3 and 15335.20 of, the Government Code, and to amend Item 2200-001-001 of, and to repeal Items 2200-002-001, 2200-003-001, 2200-004-001, 2200-005-001, 2200-006-001, 2200-007-001, 2200-008-001, 2200-009-001, 2200-010-001, 2200-011-001, 2200-012-001, 2200-013-001, 2200-014-001, 2200-015-001, 2200-016-001, 2200-017-001, 2200-018-001, 2200-019-001, 2200-020-001, 2200-021-001, 2200-022-001, 2200-023-001, 2200-024-001, 2200-025-001, 2200-026-001, 2200-027-001, 2200-028-001, 2200-029-001, 2200-030-001, 2200-031-001, 2200-032-001, 2200-033-001, 2200-034-001, 2200-035-001, 2200-036-001, 2200-037-001, 2200-038-001, 2200-039-001, 2200-040-001, 2200-041-001, 2200-042-001, 2200-043-001, 2200-044-001, 2200-045-001, 2200-046-001, 2200-047-001, 2200-048-001, 2200-049-001, 2200-050-001, 2200-051-001, 2200-052-001, 2200-053-001, and 2200-054-001 of, the Budget Act of 1986, relating to commerce, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 29, 1987. Filed with Secretary of State May 29, 1987.]

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

SECTION 1. The heading of Chapter 1 (commencing with Section 14998) of Part 5.7 of Division 3 of Title 2 of the Government Code is amended to read:

CHAPTER 1. CALIFORNIA FILM COMMISSION

SEC. 2. Section 14998.2 of the Government Code is amended to read:

14998.2. (a) There is in the Department of Commerce, the California Film Commission consisting of 25 members. The Governor shall appoint 13 members, the Senate Rules Committee shall appoint four members, the Speaker of the Assembly shall appoint four members, and four members shall be ex officio. The members of the commission appointed by the Governor may include representatives of state and local government, motion picture development companies, employee and professional organizations composed of persons employed in the motion picture industry, and other appropriate members of this or related industries.

All members of the commission, except legislators who are appointed either by the Senate Rules Committee or by the Speaker

of the Assembly, shall serve at the pleasure of the appointing authority for a term of two years from the effective date of the appointment.

(b) One of the members appointed by the Senate Rules Committee shall, and another one may, be a Senator and one of the members appointed by the Speaker shall, and another one may, be a Member of the Assembly. Such persons shall be appointed for terms of four years.

Of the legislators appointed to the commission, no more than three legislators from the same political party may be appointed to or serve on the commission at the same time.

(c) Any legislator appointed shall serve as a voting member of the commission, and shall meet with, and participate in the activities of, the commission to the extent that participation is not incompatible with his or her position as a Member of the Legislature, but shall only serve in that capacity while concurrently serving as a Member of the Legislature. Whenever a legislator vacates an office, the appointing power shall appoint another person for a new full term.

(d) Six of the 13 members appointed by the Governor shall be as follows:

(1) One shall be a person who is a member or employee of a union or guild of motion picture artists.

(2) One shall be a person who is a member or employee of a union or guild representing motion picture craftsmen, technicians, or photographers.

(3) Two shall be from major motion picture studios.

(4) One shall be a member of the city council or a member of the county board of supervisors of a city or a county with a population of at least two million people.

(5) One shall be a member of the city council or a member of the county board of supervisors of a city or a county with a population of less than two million people.

(e) The Director of Transportation shall serve as an ex officio nonvoting member.

(f) The Director of Parks and Recreation shall serve as an ex officio nonvoting member.

(g) The Commissioner of the California Highway Patrol shall serve as an ex officio nonvoting member.

(h) The director of the commission shall serve as an ex officio nonvoting member.

SEC. 3. Section 14998.3 of the Government Code is repealed.

SEC. 4. Section 14998.3 is added to the Government Code, to read:

14998.3. (a) The California Film Commission shall have a director, exempt from civil service, who shall serve under the direction and at the pleasure of the Director of Commerce and as an assistant director of the Department of Commerce.

(b) The commission shall submit a list for recommended candidates for the position of director to the Governor for

consideration. The Governor shall appoint the director.

(c) The director shall receive a salary to be determined by the Department of Personnel Administration.

(d) The Director of Commerce, or his or her designee, shall act as the director during the absence from the state or other temporary absence, disability, or unavailability of the director, or during a vacancy in that position.

SEC. 5. Section 14998.4 of the Government Code is amended to read:

14998.4. (a) The commission shall meet at least quarterly and shall select a chairperson and a vice chairperson from among its members. The vice chairperson shall act as chairperson in the chairperson's absence.

(b) Each commission member shall serve without compensation but shall be reimbursed for traveling outside the county in which he or she resides to attend meetings.

(c) The commission shall work to encourage motion picture and television filming in California and to that end, shall exercise all of the powers provided in this chapter.

(d) The commission shall make recommendations to the Legislature, the Governor, the Department of Commerce, and other state agencies on legislative or administrative actions which may be necessary or helpful to maintain and improve the position of the state's motion picture industry in the national and world markets.

(e) In addition, the commission shall do all of the following:

(1) Adopt guidelines for a standardized permit to be used by state agencies and the director.

(2) Approve or modify the marketing and promotion plan developed by the director pursuant to subdivision (d) of Section 14998.9 to promote filmmaking in the state.

(3) Conduct workshops and trade shows.

(4) Provide expertise in promotional activities.

(5) Hold hearings.

(6) Adopt its own operational rules and procedures.

(7) Counsel the Legislature and the Governor on issues relating to the motion picture industry.

SEC. 6. Section 14998.5 of the Government Code is amended to read:

14998.5. The commission is authorized to contract for production consultants and appoint an advisory board. No member of the advisory board shall receive any compensation, or use the name of the commission on any letterhead, business card, or identification badge except to the extent that the person is authorized to do so by the commission.

SEC. 7. Section 14998.6 of the Government Code is amended and renumbered to read:

14998.8. (a) The director shall be the permitting authority for the use of state-owned property and state employee services for the purpose of making commercial motion pictures. The commission

may establish fees not to exceed the actual cost of the affected state agency for this purpose. All fees collected pursuant to this section shall be deposited in the Film Transfer Account, which is hereby created in the Special Deposit Fund, for disbursement by the director to reimburse the operating departments for their actual costs.

(b) The director shall assure a "one-stop" permit process for applications for permission to use state-owned property for motion pictures. In so doing, applications for permission to use state property for making motion pictures shall be made to the director of the commission who, promptly upon receipt of such an application, shall contact the state agency having jurisdiction over the property specified in the application for the concurrence of the agency in the use of property. The denial of an application may be made on the basis of any of the following:

(1) The use would unduly interfere with the conduct of state business.

(2) Failure of the permittee to provide full insurance or bond coverage, if required by the Department of General Services, or the affected agency, sufficient to reimburse the state for any user-caused damage to the property and to provide adequate personal liability insurance coverage.

The use of state property shall be denied, if it is determined that the use would violate or be in conflict with existing provisions of statute or regulation by the director of the department, agency, or commission responding to a permit request.

(c) Any state agency having management and control over state property, the use of which is sought by an application, shall permit the property to be used, unless otherwise denied by the provisions of this section.

(d) Nothing in this section requires a state agency to take any action not authorized by law or to make any decision in a manner or by a method not authorized by law or which is prohibited by law.

(e) If in connection with the use of roads, highways, and freeways, the assistance, control, or protection by California Highway Patrol officers is desired, applications to the director to utilize services of California Highway Patrol officers in the production of motion pictures shall be made directly to the Commissioner of the California Highway Patrol. The commissioner may approve the application if employees are available and the department is fully reimbursed for additional costs incurred. Applications to utilize California Highway Patrol employee services shall be approved or disapproved by the commissioner.

(f) The director, whenever feasible, shall approve or deny any application within 24 hours. In the event that the director of the department or agency having jurisdiction over the property specified in the application permit takes no action to disapprove the application within five working days, the application shall be deemed approved by the director. If the director of the department

or agency determines that he or she is unable to concur or deny an application within five working days and so notifies the director within five working days of the application, the director shall then have a total of 10 days from receipt of the application to deny the application. In the event no action is taken by the director within the 10-day period, the application shall be deemed approved by the director.

SEC. 8. Section 14998.6 is added to the Government Code, to read:

14998.6. The director and any other staff as may be assigned, shall provide staff support to the California Film Commission. When needed, the Director of Commerce may assign additional staff on a temporary or permanent basis.

SEC. 9. Section 14998.7 of the Government Code is amended and renumbered to read:

14998.10. It is the intent of the Legislature to encourage local governments to develop uniform procedures for issuing permits and to charge fees for the use of agency property or employee services, which do not exceed the estimated reasonable costs of providing the property or services for which the fees are charged.

It is also the intent of the Legislature to encourage local governments to establish departments which would allow motion picture productions to obtain all the locally required permits at one location.

SEC. 10. Section 14998.7 is added to the Government Code, to read:

14998.7. Any funds appropriated to, or for use by, the California Film Commission or to the Department of Commerce for purposes of this chapter, shall be under the control of the Director of Commerce or his or her designee.

SEC. 11. Section 14998.8 of the Government Code is repealed.

SEC. 12. Section 14998.11 is added to the Government Code, to read:

14998.11. The Motion Picture Council is renamed the California Film Commission. All duties, responsibilities, purposes, and jurisdiction of the council are hereby transferred to the commission. All positions, civil service and exempt, of the council are hereby transferred to the commission and shall be under the supervision of the director.

SEC. 13. Section 14998.12 is added to the Government Code, to read:

14998.12. (a) The Department of Commerce shall have possession and control of and may use the unexpended balances of funds, moneys, and appropriations previously available for the use of, or administered by, the Motion Picture Council. Those funds, moneys, and appropriations shall be used by the department only for the purposes for which they were originally made available to the council.

(b) The department shall have possession and control of all

equipment, supplies, records, papers, contracts, and any other documents held for the benefit of, or use by, the council.

(c) The department shall have possession and control of the unexpended balances of funds, moneys, and appropriations previously available for the use of, or administered by, the California Film Office. Those funds, moneys, and appropriations shall be used by the department only for the purposes for which they were originally made available to the California Film Office.

(d) The department shall have possession and control of all equipment, supplies, records, papers, contracts, and other documents held for the benefit of, or use by, the California Film Office.

SEC. 14. Section 14998.13 is added to the Government Code, to read:

14998.13. (a) All officers of the Motion Picture Council who, on the operative date of this section, are serving in the state civil service, other than as temporary employees, and who are engaged in the performance of a function transferred to, or vested in, the Department of Commerce by Section 14998.11 shall be transferred to the department. The status, positions, and rights of those persons shall not be affected by the transfer, and shall be retained by those persons as officers of the department pursuant to the State Civil Service Act, except as to positions with the council which are exempt from civil service.

(b) The director position and deputy director position of the California Film Office shall be the director position and deputy director position, respectively, of the commission. The director position shall be filled pursuant to subdivision (a) of Section 14998.3. All officers of the office who, on the operative date of this section, are serving in the state civil service, other than temporary employees, shall retain their status, positions, and rights as officers of the Department of Commerce and within the commission pursuant to the State Civil Service Act except as to positions with the office which are exempt from civil service.

SEC. 15. Section 14998.15 of the Government Code is amended to read:

14998.15. (a) In keeping with the intent of Section 14998.10, there is hereby established the Southern California Public-Private Film Commission whose purposes shall be to create a regional permit pilot project and to act as a liaison between the motion picture industry and local government. As used in this section, motion picture industry includes television and commercials.

(b) The Southern California Public-Private Film Commission shall be a joint powers agency, pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, and may represent the six-county region covered by the Southern California Association of Governments.

(c) The membership and staffing of the Southern California Public-Private Film Commission shall be determined by the entities

participating in the joint powers agreement.

(d) This section shall remain in effect only until January 1, 1991, and as of that date is repealed.

SEC. 16. Section 14999.31 of the Government Code is amended to read:

14999.31. The California Film Commission and its director shall encourage the use of the uniform application form described in Section 14999.32 for obtaining a local permit to engage in film production within the jurisdiction of a county, city, or city and county. As used in this chapter "film" includes, but is not limited to, feature motion pictures, video tapes, television motion pictures, commercials, and stills. "Production" means the activity of making a film for commercial or noncommercial purposes on property owned by a county, city, or city and county or on private property within the jurisdiction of a county, city, or city and county.

SEC. 17. Section 15325 of the Government Code is amended to read:

15325. The work of the department shall be divided into at least the following 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.

(f) The California Film Commission.

(g) The Office of Marketing and Communications.

SEC. 18. Section 15335.20 of the Government Code is repealed.

SEC. 19. Section 15335.20 is added to the Government Code, to read:

15335.20. There is within the Department of Commerce, the California Film Commission established pursuant to Section 14998.2.

SEC. 20. Section 15335.21 of the Government Code is amended and renumbered to read:

14998.9. The director 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 (b) of Section 14998.8, 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 commission 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 commission. 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. 21. Item 2200-001-001 of the Budget Act of 1986 is amended to read:

2200-001-001—For support of Department of Commerce		18,600,980
Schedule:		
(a) 10-Business Development	2,958,980	
(b) 15-California Film Commission	461,000	
(c) 25-Marketing and Communications	318,000	
(d) 30-Tourism	7,901,000	
(e) 40-Local Development	1,515,000	
(f) 50-Small Business	4,973,000	
(g) 60-Economic Research	1,005,000	
(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.
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 offi-

cial.

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.

SEC. 22. Item 2200-002-001 of the Budget Act of 1986 is repealed.
SEC. 23. Item 2200-003-001 of the Budget Act of 1986 is repealed.
SEC. 24. Item 2200-004-001 of the Budget Act of 1986 is repealed.
SEC. 25. Item 2200-005-001 of the Budget Act of 1986 is repealed.
SEC. 26. Item 2200-006-001 of the Budget Act of 1986 is repealed.
SEC. 27. Item 2200-007-001 of the Budget Act of 1986 is repealed.
SEC. 28. Item 2200-008-001 of the Budget Act of 1986 is repealed.
SEC. 29. Item 2200-009-001 of the Budget Act of 1986 is repealed.
SEC. 30. Item 2200-010-001 of the Budget Act of 1986 is repealed.
SEC. 31. Item 2200-011-001 of the Budget Act of 1986 is repealed.
SEC. 32. Item 2200-012-001 of the Budget Act of 1986 is repealed.
SEC. 33. Item 2200-013-001 of the Budget Act of 1986 is repealed.
SEC. 34. Item 2200-014-001 of the Budget Act of 1986 is repealed.
SEC. 35. Item 2200-015-001 of the Budget Act of 1986 is repealed.
SEC. 36. Item 2200-016-001 of the Budget Act of 1986 is repealed.
SEC. 37. Item 2200-017-001 of the Budget Act of 1986 is repealed.
SEC. 38. Item 2200-018-001 of the Budget Act of 1986 is repealed.
SEC. 39. Item 2200-019-001 of the Budget Act of 1986 is repealed.
SEC. 40. Item 2200-020-001 of the Budget Act of 1986 is repealed.
SEC. 41. Item 2200-021-001 of the Budget Act of 1986 is repealed.
SEC. 42. Item 2200-022-001 of the Budget Act of 1986 is repealed.
SEC. 43. Item 2200-023-001 of the Budget Act of 1986 is repealed.
SEC. 44. Item 2200-024-001 of the Budget Act of 1986 is repealed.
SEC. 45. Item 2200-025-001 of the Budget Act of 1986 is repealed.
SEC. 46. Item 2200-026-001 of the Budget Act of 1986 is repealed.
SEC. 47. Item 2200-027-001 of the Budget Act of 1986 is repealed.
SEC. 48. Item 2200-028-001 of the Budget Act of 1986 is repealed.
SEC. 49. Item 2200-029-001 of the Budget Act of 1986 is repealed.
SEC. 50. Item 2200-030-001 of the Budget Act of 1986 is repealed.
SEC. 51. Item 2200-031-001 of the Budget Act of 1986 is repealed.
SEC. 52. Item 2200-032-001 of the Budget Act of 1986 is repealed.
SEC. 53. Item 2200-033-001 of the Budget Act of 1986 is repealed.
SEC. 54. Item 2200-034-001 of the Budget Act of 1986 is repealed.
SEC. 55. Item 2200-035-001 of the Budget Act of 1986 is repealed.
SEC. 56. Item 2200-036-001 of the Budget Act of 1986 is repealed.
SEC. 57. Item 2200-037-001 of the Budget Act of 1986 is repealed.
SEC. 58. Item 2200-038-001 of the Budget Act of 1986 is repealed.
SEC. 59. Item 2200-039-001 of the Budget Act of 1986 is repealed.
SEC. 60. Item 2200-040-001 of the Budget Act of 1986 is repealed.
SEC. 61. Item 2200-041-001 of the Budget Act of 1986 is repealed.
SEC. 62. Item 2200-042-001 of the Budget Act of 1986 is repealed.

SEC. 63. Item 2200-043-001 of the Budget Act of 1986 is repealed.
SEC. 64. Item 2200-044-001 of the Budget Act of 1986 is repealed.
SEC. 65. Item 2200-045-001 of the Budget Act of 1986 is repealed.
SEC. 66. Item 2200-046-001 of the Budget Act of 1986 is repealed.
SEC. 67. Item 2200-047-001 of the Budget Act of 1986 is repealed.
SEC. 68. Item 2200-048-001 of the Budget Act of 1986 is repealed.
SEC. 69. Item 2200-049-001 of the Budget Act of 1986 is repealed.
SEC. 70. Item 2200-050-001 of the Budget Act of 1986 is repealed.
SEC. 71. Item 2200-051-001 of the Budget Act of 1986 is repealed.
SEC. 72. Item 2200-052-001 of the Budget Act of 1986 is repealed.
SEC. 73. Item 2200-053-001 of the Budget Act of 1986 is repealed.
SEC. 74. Item 2200-054-001 of the Budget Act of 1986 is repealed.

SEC. 75. On the effective date of this act, the Controller shall transfer all expenditures recorded in Items 2200-002-001 to 2200-054-001, inclusive, of the Budget Act of 1986 to Schedule (a) through (i) of Item 2200-001-001 of the Budget Act of 1986.

SEC. 76. It is the intent of the Legislature in enacting this act to change the names of the Motion Picture Council and the California Film Office to the California Film Commission. It is the intent to make a change in name only without any other changes and not to create or abolish any office or change the salary, term, or duties of any office or council member.

SEC. 77. 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 California Film Commission to promptly proceed with its responsibility to deter run-away film production and retain film production in California, thus retaining private sector jobs in the state and forgoing the individual trauma of loss of employment as well as the social and state costs of unemployment, it is necessary that this act take effect immediately.

CHAPTER 36

An act to add Section 5688.6 to the Welfare and Institutions Code, relating to mental health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 1, 1987. Filed with Secretary of State June 1, 1987.]

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

SECTION 1. Section 5688.6 is added to the Welfare and Institutions Code, to read:

5688.6. Notwithstanding the provisions of Section 5715, any funds appropriated to support programs under this chapter may be spent

by local mental health programs, upon approval by the Director of Mental Health, for the acquisition or rehabilitation, or both acquisition and rehabilitation, of housing units for homeless mentally disabled persons. These funds may also be used for emergency shelters acquired or rehabilitated, or both acquired and rehabilitated after the effective date of this section when part of the housing services include transitional and long-term low-income housing for persons eligible for services under this chapter.

There is hereby appropriated to the Department of Housing and Community Development, pursuant to a transfer which shall be made under an interagency agreement which shall be entered into between the director and the Department of Housing and Community Development, any and all funds appropriated for the homeless mentally disabled which have been determined to be unexpended and unencumbered two years after the date the funds were appropriated. The amount of transfer shall be determined after the State Department of Mental Health settles county cost reports for the fiscal year the funds were appropriated. The funds transferred to the Department of Housing and Community Development shall be administered in accordance with that department's Special Users Housing Rehabilitation or Emergency Shelter programs to provide low-income transitional and long-term housing for homeless mentally disabled persons. Special priority shall be given to project proposals for homeless mentally disabled persons in the same county from which the funds for the support of the community support system were originally allocated.

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:

Because tens of thousands of homeless mentally disabled persons cannot find adequate and safe low-income housing in this state, and, lacking such provisions in the community, are suffering undue hardship and physical danger, it is necessary that this act take effect immediately.

CHAPTER 37

An act to amend Sections 18218.5, 22458.7, 22476, 24458.7, 24476, and 26476 of the Financial Code, relating to loans.

[Approved by Governor June 1, 1987. Filed with Secretary of State June 1, 1987.]

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

SECTION 1. Section 18218.5 of the Financial Code is amended to read:

18218.5. With respect to a loan subject to maximum charges under this article, a ten dollar ($10) fee for return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft may be charged and collected by the licensee. The fee is not included in charges as defined in this division or in determining the applicable maximum charges which may be made under this article.

SEC. 2. Section 22458.7 of the Financial Code is amended to read:

22458.7. With respect to a loan subject to maximum charges under this article, a ten dollar ($10) fee for return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft may be charged and collected by the licensee. The fee is not included in charges as defined in this division or in determining the applicable maximum charges which may be made under this article.

SEC. 3. Section 22476 of the Financial Code is amended to read:

22476. (a) A licensee may sell promissory notes evidencing the obligation to repay loans made by the licensee pursuant to this division or evidencing the obligation to repay loans purchased from and made by another licensee pursuant to this division or Division 10 (commencing with Section 24000) or Division 11 (commencing with Section 26000) to institutional investors, and may make agreements with institutional investors for the collection of payments or the performance of services with respect to those notes.

(b) For the purposes of this section, "institutional investor" means the following:

(1) The United States or any state, district, territory, or commonwealth thereof, or any city, county, city and county, public district, public authority, public corporation, public entity, or political subdivision of a state, district, territory, or commonwealth of the United States, or any agency or other instrumentality of any one or more of the foregoing.

(2) Any bank, trust company, savings bank or savings and loan association, credit union, industrial bank or industrial loan company, personal property broker, consumer finance lender, commercial finance lender, or insurance company doing business under the authority of and in accordance with a license, certificate, or charter issued by the United States or any state, district, territory, or commonwealth of the United States.

(3) Trustees of pension, profit sharing, or welfare funds, if the pension, profit sharing, or welfare fund has a net worth of not less than fifteen million dollars ($15,000,000), except pension, profit sharing, or welfare funds of a licensee or its affiliate, self-employed individual retirement plans, or individual retirement accounts.

(4) Any corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or any wholly owned subsidiary of that corporation; provided, however, that the purchaser represents that it is purchasing for its own account for investment and not with a view to or for sale in connection with any

distribution of the promissory note.

(5) Any syndication or other combination of any of the foregoing which is organized to purchase the promissory note.

(c) In the absence of agreement to the contrary by the licensee and the institutional investor, all payments received from the collection of payments shall be deposited and maintained in a trust account, and shall be disbursed from the trust account only in accordance with the instructions of the owner of the promissory note.

SEC. 4. Section 24458.7 of the Financial Code is amended to read:

24458.7. With respect to a loan subject to maximum charges under this article, a ten dollar ($10) fee for return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft may be charged and collected by the licensee. The fee is not included in charges as defined in this division or in determining the applicable maximum charges which may be made under this article.

SEC. 5. Section 24476 of the Financial Code is amended to read:

24476. (a) A licensee may sell promissory notes evidencing the obligation to repay loans made by the licensee pursuant to this division or evidencing the obligation to repay loans purchased from and made by another licensee pursuant to this division or Division 9 (commencing with Section 22000) or Division 11 (commencing with Section 26000) to institutional investors, and may make agreements with institutional investors for the collection of payments or the performance of services with respect to those notes.

(b) For the purposes of this section, "institutional investor" means the following:

(1) The United States or any state, district, territory, or commonwealth thereof, or any city, county, city and county, public district, public authority, public corporation, public entity, or political subdivision of a state, district, territory, or commonwealth of the United States, or any agency or other instrumentality of any one or more of the foregoing.

(2) Any bank, trust company, savings bank or savings and loan association, credit union, industrial bank or industrial loan company, personal property broker, consumer finance lender, commercial finance lender, or insurance company doing business under the authority of and in accordance with a license, certificate, or charter issued by the United States or any state, district, territory, or commonwealth of the United States.

(3) Trustees of pension, profit sharing, or welfare funds, if the pension, profit sharing, or welfare fund has a net worth of not less than fifteen million dollars ($15,000,000), except pension, profit sharing, or welfare funds of a licensee or its affiliate, self-employed individual retirement plans, or individual retirement accounts.

(4) Any corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or any wholly owned subsidiary of that corporation; provided, however, that the

purchaser represents that it is purchasing for its own account for investment and not with a view to or for sale in connection with any distribution of the promissory note.

(5) Any syndication or other combination of any of the foregoing which is organized to purchase the promissory note.

(c) In the absence of agreement to the contrary by the licensee and the institutional investor, all payments received from the collection of payments shall be deposited and maintained in a trust account, and shall be disbursed from the trust account only in accordance with the instructions of the owner of the promissory note.

SEC. 6. Section 26476 of the Financial Code is amended to read:

26476. (a) A licensee may sell promissory notes evidencing the obligation to repay loans made by the licensee pursuant to this division or evidencing the obligation to repay loans purchased from and made by another licensee pursuant to this division or Division 9 (commencing with Section 22000) or Division 10 (commencing with Section 24000) to institutional investors, and may make agreements with institutional investors for the collection of payments or the performance of services with respect to those notes.

(b) For the purposes of this section, "institutional investor" means the following:

(1) The United States or any state, district, territory, or commonwealth thereof, or any city, county, city and county, public district, public authority, public corporation, public entity, or political subdivision of a state, district, territory, or commonwealth of the United States, or any agency or other instrumentality of any one or more of the foregoing.

(2) Any bank, trust company, savings bank or savings and loan association, credit union, industrial bank or industrial loan company, personal property broker, consumer finance lender, commercial finance lender, or insurance company doing business under the authority of and in accordance with a license, certificate, or charter issued by the United States or any state, district, territory, or commonwealth of the United States.

(3) Trustees of pension, profit sharing, or welfare funds, if the pension, profit sharing, or welfare fund has a net worth of not less than fifteen million dollars ($15,000,000), except pension, profit sharing, or welfare funds of a licensee or its affiliate, self-employed individual retirement plans, or individual retirement accounts.

(4) Any corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or any wholly owned subsidiary of that corporation; provided, however, that the purchaser represents that it is purchasing for its own account for investment and not with a view to or for sale in connection with any distribution of the promissory note.

(5) Any syndication or other combination of any of the foregoing which is organized to purchase the promissory note.

(c) In the absence of agreement to the contrary by the licensee

and the institutional investor, all payments received from the collection of payments shall be deposited and maintained in a trust account, and shall be disbursed from the trust account only in accordance with the instructions of the owner of the promissory note.

CHAPTER 38

An act to amend Sections 6703, 6736, 6829, 6901.5, 6904, 7657, 7916, 8651.7, 41015, and 41056 of the Revenue and Taxation Code, and to amend Section 1.5 of Chapter 825 of the Statutes of 1986, relating to taxation.

[Approved by Governor June 1, 1987. Filed with Secretary of State June 1, 1987.]

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

SECTION 1. Section 6703 of the Revenue and Taxation Code is amended to read:

6703. (a) Subject to the limitations in subdivisions (b) and (c), the board may by notice of levy, served personally or by first-class mail, require all persons having in their possession, or under their control, any credits or other personal property belonging to a retailer or other person liable for any amount under this part to withhold from such credits or other personal property the amount of any tax, interest, or penalties due from such retailer or other person, or the amount of any liability incurred by them under this part, and to transmit the amount withheld to the board at such times as it may designate. The notice of levy shall have the same effect as a levy pursuant to a writ of execution.

(b) The person served shall continue to withhold pursuant to the notice of levy until the amount specified in the notice, including accrued interest, has been paid in full, until the notice is withdrawn, or until one year from the date the notice is received, whichever occurs first.

(c) The amount required to be withheld is the lesser of the following:

(1) The amount due stated on the notice.

(2) The amount of each payment due or becoming due to the retailer or other person liable during the period of the levy.

(d) For the purposes of this section, the term "payments" does not include earnings as that term is defined in subdivision (a) of Section 706.011 of the Code of Civil Procedure or funds in a deposit account as defined in Section 9105 of the Commercial Code. The term "payments" does include any of the following:

(1) Payments due for services of independent contractors, dividends, rents, royalties, residuals, patent rights, mineral or other

natural rights.

(2) Payments or credits due or becoming due periodically as a result of an enforceable obligation to the retailer or other person liable for the tax.

(3) Any other payments or credits due or becoming due the retailer or other person liable as the result of written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise.

(e) In the case of a financial institution, to be effective, the notice shall state the amount due from the taxpayer and shall be delivered or mailed to the branch or office of the financial institution where the credits or other property is held, unless another branch or office is designated by the financial institution to receive the notice.

SEC. 2. Section 6736 of the Revenue and Taxation Code is amended to read:

6736. If any amount required to be paid to the state under this part is not paid when due, the board may within 10 years after the amount is due file in the office of the County Clerk of Sacramento County, or any county, a certificate specifying the amount required to be paid, interest and penalty due, the name and address as it appears on the records of the board of the person liable, the compliance of the board with this part in relation to the determination of the amount required to be paid, and a request that judgment be entered against the person in the amount required to be paid, together with interest and penalty as set forth in the certificate.

SEC. 3. Section 6829 of the Revenue and Taxation Code is amended to read:

6829. (a) Upon termination, dissolution, or abandonment of a corporate business, any officer or other person having control or supervision of, or who is charged with the responsibility for the filing of returns or the payment of tax, or who is under a duty to act for the corporation in complying with any requirement of this part, shall be personally liable for any unpaid taxes and interest and penalties on those taxes, if the officer or other person willfully fails to pay or to cause to be paid any taxes due from the corporation pursuant to this part.

(b) The officer or other person shall be liable only for taxes which became due during the period he or she had the control, supervision, responsibility, or duty to act for the corporation described in subdivision (a), plus interest and penalties on those taxes.

(c) Personal liability may be imposed pursuant to this section, only if the board can establish that the corporation had included tax reimbursement in the selling price of, or added tax reimbursement to the selling price of, tangible personal property sold in the conduct of its business, or when it can be established that the corporation consumed tangible personal property and failed to pay the tax to the seller or has included use tax on the billing and collected the use tax or has issued a receipt for the use tax and failed to report and pay use

tax.

(d) For purposes of this section "willfully fails to pay or to cause to be paid" means that the failure was the result of an intentional, conscious, and voluntary course of action.

(e) The sum due for the liability under this section may be collected by determination and collection in the manner provided in Chapter 5 (commencing with Section 6451) and Chapter 6 (commencing with Section 6701).

SEC. 4. Section 6901.5 of the Revenue and Taxation Code is amended to read:

6901.5. When an amount represented by a person to a customer as constituting reimbursement for taxes due under this part is computed upon an amount that is not taxable or is in excess of the taxable amount and is actually paid by the customer to the person, the amount so paid shall be returned by the person to the customer upon notification by the Board of Equalization or by the customer that such excess has been ascertained. In the event of his or her failure or refusal to do so, the amount so paid, if knowingly or mistakenly computed by the person upon an amount that is not taxable or is in excess of the taxable amount, shall be remitted by that person to this state. Notwithstanding subdivision (b) of Section 6904, those amounts remitted to the state shall be credited by the board on any amounts due and payable under this part on the same transaction from the person by whom it was paid to this state and the balance, if any, shall constitute an obligation due from the person to this state.

SEC. 5. Section 6904 of the Revenue and Taxation Code is amended to read:

6904. (a) Every claim shall be in writing and shall state the specific grounds upon which the claim is founded.

(b) A claim filed for or on behalf of a class of taxpayers shall do all of the following:

(1) Be accompanied by written authorization from each taxpayer sought to be included in the class.

(2) Be signed by each taxpayer or taxpayer's authorized representative.

(3) State the specific grounds on which the claim is founded.

SEC. 6. Section 7657 of the Revenue and Taxation Code is amended to read:

7657. 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 7655, 7659.5, 7659.6, and 7660.

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 bases his claim for relief.

SEC. 7. Section 7916 of the Revenue and Taxation Code is

amended to read:

7916. Upon receipt of a certificate of the Controller setting forth the amount of a taxpayer's delinquencies, the board shall pay to the Controller the amount so certified from the money deposited with the board by the taxpayer or from the amounts received from the sale of bonds or other obligations deposited with the board by the taxpayer. Securities deposited with the board which have a prevailing market price may be sold by the board for the purposes of this section at private sale at a price not lower than the prevailing market price thereof.

SEC. 8. Section 8651.7 of the Revenue and Taxation Code is amended to read:

8651.7. (a) The owner or operator of a vehicle propelled by a system using liquefied petroluem gas, liquid natural gas, or compressed natural gas may pay the fuel tax for the use of such fuels by paying an annual flat rate fuel tax according to the following schedule:

Unladen weight	Fee
All passenger cars and other vehicles 4,000 lbs. or less	$36
More than 4,000 lbs. but less than 8,001 lbs.	72
More than 8,000 lbs. but less than 12,001 lbs.	120
12,001 lbs. or more	168

(b) The annual flat rate fuel tax described in subdivision (a) shall be an annual tax. The annual period shall be that period from the end of the month in which the tax was paid to the end of the month prior in the following calendar year.

(c) The board shall adopt an identification procedure for vehicles with respect to which the annual flat rate tax described in subdivision (a) of this section has been paid.

SEC. 9. Section 41015 of the Revenue and Taxation Code is amended to read:

41015. "Local telephone service" shall mean both of the following:

(a) The access to a local telephone system, and the privilege of telephonic quality communication with substantially all persons having telephone or radiotelephone stations constituting a part of the local telephone system.

(b) Any facility or service provided in connection with a service described in subdivision (a).

The term "local telephone service" does not include any service which is a "toll telephone service" or a "private communication service."

SEC. 10. Section 41056 of the Revenue and Taxation Code is amended to read:

41056. The service supplier shall maintain such records as may be necessary to determine the amount of surcharge collected under provisions of this part. Those records shall be maintained for a period

of four years from the time the surcharge is due.

SEC. 11. Section 1.5 of Chapter 825 of the Statutes of 1986 is amended to read:

Sec. 1.5. If a transaction regarded under Section 6006.3 of the Revenue and Taxation Code as a sale under a security agreement to any state or local governmental body, or any agency, or instrumentality thereof, entered into prior to January 1, 1987, has been treated by the seller as a lease, the full term of which has not expired or has not been earlier terminated, then that transaction shall be classified as a sale on January 1, 1987, and shall be classified as a lease for all earlier periods. Any sales or use tax previously paid on a transaction described in the preceding sentence, but not interest on that sales or use tax previously paid, shall be credited against any sales or use tax due on that transaction.

The amendment of this section made during the 1987–88 Regular Session of the Legislature does not constitute a change in, but is declaratory of, existing law.

CHAPTER 39

An act to add and repeal Section 21100.3 of the Public Resources Code, relating to the apple maggot, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 1, 1987. Filed with Secretary of State June 1, 1987.]

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

SECTION 1. Section 21100.3 is added to the Public Resources Code, to read:

21100.3. (a) Section 21100 does not apply to activities undertaken by the Director of Food and Agriculture during the 1987 and 1988 growing seasons for the apple maggot project. These activities shall be limited to the measures utilized by the director during the 1986 project and shall include the current guarantees of public notification and the nonchemical treatment option.

(b) 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. Upon the effective date of this act, the Director of Food and Agriculture shall commence preparation, or cause to be prepared by contract, an environmental impact report for the apple maggot project pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code). The Director of Food and Agriculture shall certify the completion of the environmental impact report for the project prior to undertaking any activities to continue the project during the

1989 growing season and subsequent growing seasons.

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 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 40

An act to amend Sections 3439.08 and 3440 of, and to add Section 3439.12 to, the Civil Code, to amend Section 697.740 of the Code of Civil Procedure, to amend Section 506 of the Corporations Code, and to amend Section 283 of the Probate Code, relating to property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 7, 1987. Filed with Secretary of State June 8, 1987.]

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

SECTION 1. Section 3439.08 of the Civil Code is amended to read:

3439.08. (a) A transfer or an 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.

SEC. 2. Section 3439.12 is added to the Civil Code, to read:

3439.12. This chapter, and the other changes in the law made by Chapter 383 of the Statutes of 1986, apply only to transfers made or obligations incurred on or after January 1, 1987; and, as to transfers made or obligations incurred prior to that date, the law in effect at the time the transfer was made or the obligation was incurred shall apply. The provisions of this chapter, insofar as they are substantially the same as the provisions of Chapter 1 (commencing with Section 3439) of Title 2 of Part 2 of Division 4, which was repealed by Chapter 383 of the Statutes of 1986, shall be construed as restatements and continuations, and not as new enactments.

SEC. 3. Section 3440 of the Civil Code is amended to read:

3440. (a) Except as otherwise provided in this chapter, every transfer of personal property made by a person having at the time the possession of the property, and not accompanied by an immediate delivery followed by an actual and continued change of possession of the property, is void as against the transferor's creditors (secured or unsecured) at the time of the transfer and those who become creditors while the transferor remains in possession and the successors in interest of those creditors, and as against buyers from the transferor for value in good faith subsequent to the transfer.

(b) As used in this chapter, "creditor" means a person who has a claim, as defined in Section 3439.01, 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. "Creditor" also includes any person to whom the transferor's estate devolves in trust for the benefit of persons other than the transferor. Any such assignee or trustee may exercise any and all the rights and remedies specified in this chapter, if they are available to any one or more creditors of the assignor or transferor who are beneficiaries of the assignment or trust, 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 or trustee.

SEC. 4. Section 697.740 of the Code of Civil Procedure is amended to read:

697.740. Except as provided in Section 9504 of the Commercial Code and in Section 701.630, if personal property subject to an execution lien is not in the custody of a levying officer and the property is transferred or encumbered, the property remains subject to the lien after the transfer or encumbrance except where the transfer or encumbrance is made to one of the following persons:

(a) A person who acquires an interest in the property under the law of this state for reasonably equivalent value without knowledge of the lien. For purposes of this subdivision, value is given for a transfer or encumbrance if, in exchange for the transfer or encumbrance, property is transferred or an antecedent debt is secured or satisfied.

(b) A buyer in ordinary course of business (as defined in Section 1201 of the Commercial Code) who, under Section 9307 of the Commercial Code, would take free of a security interest created by the seller or encumbrancer.

(c) A holder in due course (as defined in Section 3302 of the Commercial Code) of a negotiable instrument within the meaning of Section 3104 of the Commercial Code.

(d) A holder to whom a negotiable document of title has been duly negotiated within the meaning of Section 7501 of the Commercial Code.

(e) A bona fide purchaser (as defined in Section 8302 of the Commercial Code) of a security.

(f) A purchaser of chattel paper or an instrument who gives new value and takes possession of the chattel paper or instrument in the ordinary course of business.

(g) A holder of a purchase money security interest (as defined in Section 9107 of the Commercial Code).

(h) A collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4208 of the Commercial Code.

(i) A person who acquires any right or interest in letters of credit, advices of credit, or money.

(j) A person who acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of the security interest.

SEC. 5. Section 506 of the Corporations Code is amended to read:

506. (a) Any shareholder who receives any distribution prohibited by this chapter with knowledge of facts indicating the impropriety thereof is liable to the corporation for the benefit of all of the creditors or shareholders entitled to institute an action under subdivision (b) for the amount so received by such shareholder with interest thereon at the legal rate on judgments until paid, but not exceeding the liabilities of the corporation owed to nonconsenting

creditors at the time of the violation and the injury suffered by nonconsenting shareholders, as the case may be.

(b) Suit may be brought in the name of the corporation to enforce the liability (1) to creditors arising under subdivision (a) for a violation of Section 500 or 501 against any or all shareholders liable by any one or more creditors of the corporation whose debts or claims arose prior to the time of the distribution to shareholders and who have not consented thereto, whether or not they have reduced their claims to judgment, or (2) to shareholders arising under subdivision (a) for a violation of Section 502 or 503 against any or all shareholders liable by any one or more holders of preferred shares outstanding at the time of the distribution who have not consented thereto, without regard to the provisions of Section 800.

(c) Any shareholder sued under this section may implead all other shareholders liable under this section and may compel contribution, either in that action or in an independent action against shareholders not joined in that action.

(d) Nothing contained in this section affects any liability which any shareholder may have under Chapter 1 (commencing with Section 3439) of Title 2 of Part 2 of Division 4 of the Civil Code.

SEC. 6. Section 283 of the Probate Code is amended to read:

283. A disclaimer is not a fraudulent transfer by the beneficiary under Chapter 1 (commencing with Section 3439) of Title 2 of Part 2 of Division 4 of the Civil Code.

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 intent of the Legislature with respect to the application of Chapter 383 of the Statutes of 1986, and to clarify the meaning of related provisions of law which refer to definitions repealed by that act, it is necessary that this act take effect immediately.

CHAPTER 41

An act to amend Section 25135.8 of the Health and Safety Code, relating to hazardous waste, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 8, 1987. Filed with Secretary of State June 8, 1987.]

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

SECTION 1. Section 25135.8 of the Health and Safety Code is amended to read:

25135.8. (a) There is hereby established, within the Hazardous

Waste Control Account, the Hazardous Waste Management Planning Subaccount. Money deposited in or transferred to the subaccount shall be used to compensate the department for its costs in administering this article and to provide grants to counties and councils of governments that have elected to prepare county and regional hazardous waste management plans. Funds in the subaccount shall be disbursed, upon appropriation by the Legislature, in accordance with this section.

(b) (1) Grants to counties to prepare county hazardous waste management plans shall be disbursed as follows:

(A) On April 1, 1987, or as soon as possible thereafter, the department shall disburse the sum of five million dollars ($5,000,000), less any amount disbursed to councils of governments pursuant to subparagraph (A) of paragraph (3), to counties. The amount disbursed to each county shall be based on the tonnage of hazardous waste shipped offsite by hazardous waste generators within the county during the 1985 calendar year, as reported by the department, in accordance with the following:

(i) Thirty thousand dollars ($30,000) to each county which ships offsite less than 100 tons per year of hazardous waste.

(ii) Sixty thousand dollars ($60,000) to each county which ships offsite 100 or more tons, but less than 10,000 tons, per year of hazardous waste.

(iii) Ninety thousand dollars ($90,000) to each county which ships offsite 10,000 or more tons, but less than 30,000 tons, per year of hazardous waste.

(iv) One hundred twenty thousand dollars ($120,000) to each county which ships offsite 30,000 or more tons, but less than 100,000 tons, per year of hazardous waste.

(v) One hundred sixty thousand dollars ($160,000) to each county which ships offsite 100,000 or more tons, but less than 150,000 tons, per year of hazardous waste.

(vi) Two hundred thousand dollars ($200,000) to each county which ships offsite 150,000 or more tons, but less than 350,000 tons, per year of hazardous waste.

(vii) Two hundred eighty thousand dollars ($280,000) to each county which ships offsite 350,000 or more tons, but less than 500,000 tons, per year of hazardous waste.

(viii) Three hundred fifty thousand dollars ($350,000) to each county which ships offsite 500,000 or more tons per year of hazardous waste.

(ix) The amount remaining after the department has disbursed grants to counties in accordance with clauses (i) to (viii), inclusive, shall be disbursed to counties on a prorated basis based on the tonnage amount of hazardous waste shipped offsite by hazardous waste generators within a county during the 1985 calendar year in proportion to the tonnage amount shipped offsite by hazardous waste generators in all counties during that calendar year, as reported by the department.

(B) On January 1, 1988, and on July 1, 1988, respectively, the department shall disburse one million seven hundred fifty thousand dollars ($1,750,000), less any amount disbursed to councils of governments pursuant to subparagraph (B) of paragraph (3), to counties. The amount disbursed to each county shall be prorated based on the tonnage amount of hazardous waste shipped offsite by hazardous waste generators within that county during the 1985 calendar year, or during a more recent 12-consecutive-month period for which more complete data are available, as determined by the department, in proportion to the tonnage amount shipped offsite by hazardous waste generators in all counties during that calendar year or a more recent 12-month period. A disbursement to a county under this subparagraph shall only be made if the department finds that there is a need for the funding to complete the county's hazardous waste management plan.

(2) A county may provide data to the department concerning the amounts of hazardous waste generated in the county during any 12-consecutive-month period more recent than the 1985 calendar year for purposes of determining the amount of the disbursement to be made to the county pursuant to subparagraph (B) of paragraph (1). Data provided by a county, if found acceptable by the department, shall be used in lieu of data concerning the tonnage amount of hazardous waste shipped offsite by generators in the county for purposes of determining the county's prorated share of disbursed funds. A county shall submit the data to the department by November 1, 1987, for the disbursements that will be made on January 1, 1988, and by April 1, 1988, for the disbursements that will be made on July 1, 1988.

(3) Grants to the councils of governments specified in Section 25135.3 to prepare regional hazardous waste management plans shall be disbursed as follows:

(A) On April 1, 1987, or as soon as possible thereafter, the department shall disburse the following amounts to the following councils of governments which have elected to prepare a regional hazardous waste management plan:

(i) One hundred thousand dollars ($100,000) to the Association of Bay Area Governments.

(ii) One hundred seventy-five thousand dollars ($175,000) to the Southern California Association of Governments.

(iii) Sixty thousand dollars ($60,000) to the Sacramento Area Council of Governments.

(iv) Forty-five thousand dollars ($45,000) to the Association of Monterey Bay Area Governments.

(B) On January 1, 1988, and on July 1, 1988, respectively, the department shall disburse an amount equal to 35 percent of the amount disbursed pursuant to subparagraph (A) to each council of governments which received a disbursement pursuant to subparagraph (A), except that disbursement to a council of governments under this subparagraph shall only be made if the

department finds that there is a need for the additional funding to complete the council of governments' regional hazardous waste management plan.

(4) For the purpose of administering this article, the department may expend not more than one million five hundred thousand dollars ($1,500,000) from the subaccount, of which the department may expend not more than three hundred twenty-five thousand dollars ($325,000) in the 1986–87 fiscal year, eight hundred thirty-nine thousand dollars ($839,000) in the 1987–88 fiscal year, and three hundred thirty-six thousand dollars ($336,000) in the 1988–89 fiscal year.

(c) A city or two or more cities within a county which are eligible to receive funding pursuant to subdivision (c) of Section 25135.1 shall be allocated from the subaccount the amount specified in subparagraph (A) of paragraph (1) of subdivision (b) that would be allocated to the county in which the city or cities are located if the county had elected to prepare the plan, and shall receive all subsequent allocations that would have been allocated to the county pursuant to subparagraph (B) of paragraph (1) of subdivision (b) had the county elected to prepare a plan.

(d) The department may provide funds to counties and cities for the preparation of county hazardous waste management plans, and to councils of governments for the preparation of regional hazardous waste management plans pursuant to subdivision (b), before the completion of all activities regarding the hazardous waste management plan expected to be completed on or before January 1, 1988. The department may also provide these funds on or before January 1, 1988, before the completion of the activities expected to be completed on July 1, 1988, and may provide funds on or before July 1, 1988, before the completion of the activities expected to be completed after July 1, 1988.

(e) The department shall provide the Legislature, on or before October 1, 1987, with a schedule of goals and target dates for accomplishing the activities required by this article, including information on the budgetary and staffing requirements the department anticipates will be needed to meet the goals and target dates through June 30, 1990.

(f) 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. The sum of seven million seventy-five thousand dollars ($7,075,000) is hereby appropriated from the Hazardous Waste Management Planning Subaccount in the Hazardous Waste Control Account in the General Fund to the State Department of Health Services, which the department shall allocate as follows:

(a) Three hundred twenty-five thousand dollars ($325,000) for expenditure during the 1986–87 fiscal year to administer Article 3.5 (commencing with Section 25135) of Chapter 6.5 of Division 20 of the Health and Safety Code.

(b) Six million seven hundred fifty thousand dollars ($6,750,000) for disbursing as grants to counties and to councils of governments, pursuant to subdivision (b) of Section 25135.8 of the Health and Safety 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 prepare and transmit guidelines for the preparation and adoption of county and regional hazardous waste management plans to counties and regional councils of governments by June 30, 1987, and in order to provide them with the information required by Section 25135.5 of the Health and Safety Code by June 30, 1987, it is necessary that this act take effect immediately.

CHAPTER 42

An act to add Section 6744 to the Food and Agricultural Code, relating to agriculture.

[Approved by Governor June 9, 1987. Filed with Secretary of State June 9, 1987.]

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

SECTION 1. Section 6744 is added to the Food and Agricultural Code, to read:

6744. Any person that sells cut Christmas trees is exempt from the license requirements of this chapter.

CHAPTER 43

An act to amend Section 36976 of the Food and Agricultural Code, relating to dairy products.

[Approved by Governor June 9, 1987. Filed with Secretary of State June 9, 1987.]

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

SECTION 1. Section 36976 of the Food and Agricultural Code is amended to read:

36976. 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.

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 44

An act to amend Sections 4000, 38025, 38026, and 38026.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 9, 1987. Filed with Secretary of State June 9, 1987.]

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

SECTION 1. Section 4000 of the Vehicle Code is amended to read:

4000. (a) (1) No person shall drive, move, or leave standing upon a highway, or in an offstreet public parking facility, any motor vehicle, trailer, semitrailer, pole or pipe dolly, logging dolly, or auxiliary dolly unless it is registered and the appropriate fees have been paid under this code, except that an off-highway motor vehicle which displays an identification plate or device issued by the department pursuant to Section 38010 may be driven, moved, or left standing in an offstreet public parking facility without being registered or paying registration fees.

(2) For purposes of this subdivision, "offstreet public parking facility" means either of the following:

(A) Any publicly owned parking facility.

(B) Any privately owned parking facility for which no fee for the privilege to park is charged and which is held open for the common public use of retail customers.

(3) This subdivision does not apply to any motor vehicle stored in a privately owned offstreet parking facility by, or with the express permission of, the owner of the privately owned offstreet parking facility.

(b) No person shall drive, move, or leave standing upon a highway any motor vehicle, as defined in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code, which has been registered in violation of Part 5 (commencing with Section 43000) of that Division 26.

(c) Subdivisions (a) and (b) do not apply to off-highway motor vehicles operated pursuant to Sections 38025 and 38026.5.

(d) This section does not apply, following payment of fees due for registration, during the time that registration and transfer is being withheld by the department pending the investigation of any use tax due under the Revenue and Taxation Code.

(e) When a vehicle is towed by a tow car on order of a sheriff,

marshal, or other official acting pursuant to a court order or on order of a peace officer acting pursuant to Chapter 10 (commencing with Section 22650) of Division 11, subdivision (a) of this section does not apply.

SEC. 2. Section 38025 of the Vehicle Code is amended to read:

38025. In accordance with subdivision (c) of Section 4000, motor vehicles issued a plate or device pursuant to Section 38160 may be operated or driven upon a highway but only as follows:

(a) On a two-lane highway, only to cross the highway at an angle of approximately 90 degrees to the direction of the roadway and at a place where a quick and safe crossing may be made, or only when the roadway is not maintained by snow removal equipment and is closed to motor vehicles which are subject to registration pursuant to Division 3 (commencing with Section 4000), or only to cross a highway in the manner specified in subdivision (b).

(b) With respect to the crossing of a highway having more than two lanes, or a highway having limited access, those motor vehicles may cross the highways but only at a place designated by the Department of Transportation or local authorities with respect to highways under their respective jurisdictions as a place where the motor vehicles, or specified types of the motor vehicles, may cross the highways, and the vehicles shall cross the highways only at those designated places and only in a quick and safe manner.

(c) The Department of Transportation and local authorities with respect to highways under their respective jurisdictions may designate, by the erection of appropriate signs of a type approved by the Department of Transportation, places where those motor vehicles, or specified types of the motor vehicles, may cross any highway having more than two lanes or having limited access.

(d) Motor vehicles identified pursuant to Section 38010 may be towed upon a highway, but not driven, if the vehicles display a plate or device issued pursuant to Section 38160.

(e) Motorcycles identified pursuant to Section 38010 may be pushed upon a highway, but not ridden, if the motorcycles have displayed upon them a plate or device issued pursuant to Section 38160.

SEC. 3. Section 38026 of the Vehicle Code is amended to read:

38026. (a) In addition to Section 38025 and after complying with subdivision (c), if a local authority, an agency of the federal government, or the Director of Parks and Recreation finds that a highway, or a portion thereof, under the jurisdiction of the authority, agency, or the director, as the case may be, is located in such a manner as to provide a connecting link between off-highway motor vehicle trail segments, between an off-highway motor vehicle recreational use area and necessary service facilities, or between lodging facilities and an off-highway motor vehicle recreational facility and if it is found that the highway is designed and constructed so as to safely permit the use of regular vehicular traffic and also the driving of off-highway motor vehicles on that highway, the local

authority, by resolution or ordinance, agency of the federal government, or the Director of Parks and Recreation, as the case may be, may designate that highway, or a portion thereof, for combined use and shall prescribe rules and regulations therefor. No highway, or portion thereof, shall be so designated for a distance of more than three miles. No freeway shall be designated under this section.

(b) The Off-Highway Motor Vehicle Recreation Commission may propose highway segments for consideration by local authorities, an agency of the federal government, or the Director of Parks and Recreation for combined use.

(c) Prior to designating a highway or portion thereof on the motion of the local authority, an agency of the federal government, or the Director of Parks and Recreation, or as a recommendation of the Off-Highway Motor Vehicle Recreation Commission, a local authority, an agency of the federal government, or the Director of Parks and Recreation shall notify the Commissioner of the California Highway Patrol, and shall not designate any segment pursuant to subdivision (a) which, in the opinion of the commissioner, would create a potential traffic safety hazard.

(d) A designation of a highway, or a portion thereof, under subdivision (a) shall become effective upon the erection of appropriate signs of a type approved by the Department of Transportation on and along the highway, or portion thereof.

The cost of the signs shall be reimbursed from the Off-Highway Vehicle Fund, when appropriated by the Legislature, or by expenditure of funds from a grant made pursuant to Section 5090.50 of the Public Resources Code.

SEC. 4. Section 38026.5 of the Vehicle Code is amended to read:

38026.5. (a) In accordance with subdivision (c) of Section 4000, a motor vehicle issued a plate or device pursuant to Section 38160 may be operated or driven on a local highway, or a portion thereof, which is designated pursuant to Section 38026 if the operation is in conformance with the Vehicle Code and the vehicle complies with off-highway vehicle equipment requirements specified in this division.

(b) Notwithstanding subdivision (a), it is unlawful for any person using an off-highway vehicle on a combined-use highway to do any of the following:

(1) Operate an off-highway motor vehicle on the highway during the hours of darkness.

(2) Operate any vehicle on the highway which does not have an operational stoplight.

(3) Operate any vehicle on the highway which does not have rubber tires.

(4) Operate any vehicle without a valid driver's license of the appropriate class for the vehicle operation in possession.

(5) Operate any vehicle on the highway without complying with the provisions of Article 2 (commencing with Section 16020) of Chapter 1 of Division 7.

CHAPTER 45

An act relating to education, and making an appropriation therefor, to take effect immediately.

[Approved by Governor June 11, 1987. Filed with Secretary of State June 11, 1987.]

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

SECTION 1. The sum of seventy-one million five hundred thirty-three thousand five hundred dollars ($71,533,500) is hereby appropriated from the General Fund for allocation as follows in the 1986–87 fiscal year:

(a) Fifty-three million three hundred sixty-two thousand five hundred dollars ($53,362,500) to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to school districts on the basis of 50 percent of the apportionments received from funds appropriated in the prior fiscal year for Urban Impact Aid, Small School District Transportation Aid, and Meade Aid, plus 1 percent.

(b) Eighteen million one hundred seventy-one thousand dollars ($18,171,000) to the Board of Governors of the California Community Colleges for allocation to community college districts by the Chancellor of the California Community Colleges for the purposes of augmenting Category (a) of Item 6870-101-001 of Section 2 of the Budget Act of 1986 (Chapter 186 of the Statutes of 1986) for community college districts that are most in need of revenue adjustments due to declining average daily attendance in the 1984–85 and 1985–86 fiscal years.

SEC. 2. Twenty-five million dollars ($25,000,000) shall be transferred from the Special Account for Capital Outlay to the General Fund for the purpose of funding Section 1 of this act.

SEC. 3. Five million nine hundred twenty-one thousand dollars ($5,921,000) from the unexpended balance available from Chapter 180, Statutes of 1985, is reappropriated to the General Fund for purposes of funding Section 1 of this act.

SEC. 4. (a) Of the amount appropriated in Section 1, it is the intent of the Legislature that thirty million nine hundred forty-nine thousand dollars ($30,949,000) is made available to school districts maintaining kindergarten and grades 1 to 12, inclusive, and community college districts for the 1986–87 fiscal year by virtue of the fact that these districts will realize a savings in their contributions to the Public Employment Retirement System due to a reduced contribution rate for the 1987–88 fiscal year.

(b) To achieve the savings identified in subdivision (a) for the

1987–88 fiscal year only, notwithstanding any other provision of law, in addition to the reduction made pursuant to Item 6100-101-001 of Section 2.00 of the Budget Act of 1987, the county superintendent shall reduce the total revenue limit computed pursuant to Sections 2558 and 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 reductions made effective July 1, 1987. The reduction shall be calculated as follows:

(1) Determine the amount of employer contributions that would have been made in the 1987–88 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to July 1, 1987, were in effect during the 1987–88 fiscal year.

(2) Subtract from the amount determined in paragraph (1) the actual amount of employer contributions made to the Public Employees' Retirement System in the 1987–88 fiscal year.

(3) For the purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(A) Positions supported totally by federal funds which are subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to Section 42243.6 of the Education Code.

(C) Positions supported, to the extent of employer contributions not exceeding the twenty-five thousand dollars ($25,000) by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(4) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenues as directed by the Superintendent of Public Instruction.

(c) To achieve the savings identified in subdivision (a), the Chancellor of the California Community College System shall, in the 1987–88 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 the 1987–88 retirement benefits as adopted by the Board of Administration of the Public Employees' Retirement System. The total amount of this reduction shall equal two million nine hundred thirty-one thousand dollars ($2,931,000) and each district's proportionate share shall be based upon 1986–87 employer contributions to the Public Employees' Retirement System.

SEC. 5. (a) Of the amount appropriated in Section 1, it is the intent of the Legislature that one million twenty-six thousand dollars ($1,026,000) is made available within a savings in the cost of staff

benefits for the California State University as reflected in the amount appropriated for Item 6610-001-001 of Section 2.00 of the Budget Act of 1987.

(b) Of the amount appropriated in Section 1, it is the intent of the Legislature that four million nine hundred thousand dollars ($4,900,000) is made available from a savings on the amount needed to fund the Asbestos Abatement Fund in the 1987–88 fiscal year as reflected in the amount appropriated for Item 6350-210-001 of Section 2.00 of the Budget Act of 1987.

SEC. 6. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 7. This act makes an appropriation for the usual current expenses of the state within the meaning of Section 8 of Article IV of the California Constitution and shall go into immediate effect.

CHAPTER 46

An act to make an appropriation in augmentation of Items 9840-001-001, 9840-001-494, 9840-001-988, and 9840-011-001 of Section 2.00 of the Budget Act of 1986, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 15, 1987. Filed with Secretary of State June 15, 1987]

I am deleting the following amount included in the special fund appropriation contained in Section 1 of Assembly Bill No. 392:

Department of Education, Driver Training Program - $636,000

The 1986 Budget Act specifically limited funding for the Driver Training Program to $19.5 million. To this extent, the State is not obligated to provide additional funding for this fiscal year. However, I have increased funding for this purpose for the 1987–88 fiscal year in recognition of enrollment growth.

With this deletion, I approve Assembly Bill No. 392.

GEORGE DEUKMEJIAN, Governor

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

SECTION 1. (a) The sum of three hundred ninety-two million nine hundred twenty-four thousand dollars ($392,924,000) appropriated for expenditure in the 1986–87 fiscal year in augmentation of, and for the purposes of contingencies or emergencies as provided in, Items 9840-001-001, 9840-001-494, 9840-001-988, and 9840-011-001 of Section 2.00 of the Budget Act of

1986, in accordance with the following schedule:

(1) Three hundred two million three hundred thirteen thousand dollars ($302,313,000) from the General Fund to the Reserve for Contingencies or Emergencies in Item 9840-001-001.

(2) Twelve million five hundred twelve thousand dollars ($12,512,000) from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(3) Seventy-seven million ninety-nine thousand dollars ($77,099,000) from unallocated nongovernmental cost funds to the Reserve for Contingencies or Emergencies in Item 9840-001-988.

(4) One million dollars ($1,000,000) from the General Fund to the Reserve for Contingencies or Emergencies for short-term loans as provided in Item 9840-011-001.

(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. On the effective date of this act, the Controller shall revert to the unappropriated surplus of the General Fund three million six hundred seventeen thousand dollars ($3,617,000) of the unencumbered balance of the funds appropriated in Item 6100-115-001 of Section 2.00 of the Budget Act of 1986.

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 47

An act to amend Section 66903.7 of the Education Code, relating to postsecondary education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1987. Filed with Secretary of State June 15, 1987.]

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

SECTION 1. Section 66903.7 of the Education Code is amended to read:

66903.7. (a) There is hereby established the Commission for the Review of the Master Plan for Higher Education, to be comprised of 16 members who shall be citizens knowledgeable in the area of postsecondary education, business, and community leaders representative of the cultural, ethnic, and geographic diversity of the state. Members of the Commission for the Review of the Master Plan for Higher Education shall be appointed as follows:

(1) One representative appointed by the Regents of the University of California.

(2) One representative appointed by the Trustees of the California State University.

(3) One representative appointed by the Board of Governors of the California Community Colleges.

(4) One representative appointed from among the membership of the California Postsecondary Education Commission.

(5) The Superintendent of Public Instruction, or his or her designee.

(6) Four representatives appointed by the Governor.

(7) Three representatives appointed by the Speaker of the Assembly.

(8) Three representatives appointed by the Senate Rules Committee.

(9) One representative appointed by the Association of Independent California Colleges and Universities.

The Governor may designate any one of the 16 members appointed to the commission pursuant to this subdivision to serve as chairperson of the commission.

(b) No person who is employed or retained by any public or private postsecondary educational institution shall be appointed to or serve on the commission. Representatives to the commission shall receive reimbursement for actual and necessary travel expenses incurred while conducting the business of the commission.

(c) The duties of the Commission for the Review of the Master Plan for Higher Education shall include, but need not be limited to, the review of relevant reports by the California Postsecondary Education Commission, the University of California, the California State University, the Board of Governors of the California Community Colleges, the Department of Finance, the Legislative Analyst, or any other reports the commission deems appropriate.

The commission shall select and designate a state administrative agency to carry out the personnel, contractual, and all other fiscal services required by the commission.

In addition, the commission shall, at a minimum, report on all of the following to the Joint Legislative Committee on the Review of the Master Plan established pursuant to Assembly Concurrent Resolution 162 of the 1983–84 Regular Session:

(1) California's postsecondary educational needs through the year 2000, with emphasis on the demography of student, societal, and employment needs in the next decade versus the projected supply of postsecondary education faculty.

(2) Basic and lower division instruction at the various postsecondary institutions, with an initial emphasis on the mission and function of the California community colleges, as specified in Senate Bill 2064 of the 1983–84 Regular Session.

(3) Strategies to promote an increase in the access and success of students, particularly those underrepresented in postsecondary education, including adult education through graduate instruction, in the following areas:

(A) Preparation and outreach: basic skills and college preparation in kindergarten through grade 12, and community college curriculum.

(B) Matriculation: admission, assessment, and advisement.

(C) Retention: remediation, academic support, and financial assistance.

(D) Articulation: transition from secondary education to postsecondary education and employment.

(E) Accountability: assurance that courses offered are consistent with the mission of various segments of postsecondary education.

(4) The appropriateness of existing educational delivery systems and their ability to serve present and future student populations.

(5) Analysis of direct and indirect expenditures for students attending California postsecondary institutions, including student financial assistance and instructional support, as to the efficient use of state resources.

The commission shall conduct public hearings designed to solicit testimony of private citizens, public interest groups, alumni organizations, or any other interested private groups and organizations, as well as professors, administrators, students, and others who are directly affected by that master plan, for the purpose of soliciting the input of these groups in the formulation of the commission's recommendations regarding the master plan.

The commission shall formulate and submit recommendations regarding the policies and content of the master plan, in addition to recommendations regarding the goals, programs, functions, funding, and interrelationships of the Master Plan for Higher Education.

(d) The commission shall develop and submit a management plan identifying the commission's specific objectives and output for review by the Joint Legislative Committee for the Review of the Master Plan for Higher Education by March 1, 1985. The management plan shall also include resource and staffing requirements and specific dates for the completion of interim and final reports to the joint committee.

(e) Not later than June 30, 1987, the Commission for the Review of the Master Plan for Higher Education shall submit a report to the Legislature and the Governor relative to its findings and recommendations regarding the master plan and the functions and interrelationships of public postsecondary education institutions.

(f) It is the intent of the Legislature that any agency receiving public funds for postsecondary education shall, upon request by the commission, provide all necessary information or assistance required by the commission.

(g) This section shall become inoperative on December 31, 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. The sum of one hundred seventy-five thousand dollars ($175,000) is hereby appropriated from the General Fund to the

Controller for allocation to the Commission for the Review of the Master Plan for Higher Education for all expenses deemed necessary by the commission for the 1987–88 fiscal year.

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 Commission for the Review of the Master Plan for Higher Education to continue to carry out its responsibilities beyond June 30, 1987, it is necessary for this act to take effect immediately.

CHAPTER 48

An act to add Section 63.1 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 63.1 is added to the Revenue and Taxation Code, to read:

63.1. (a) Notwithstanding any other provision of this chapter, a change in ownership shall not include either of the following purchases or transfers for which a claim is filed pursuant to this section:

(1) The purchase or transfer of real property which is the principal residence of an eligible transferor in the case of a purchase or transfer between parents and their children.

(2) The purchase or transfer of the first one million dollars ($1,000,000) of full cash value of all other real property of an eligible transferor in the case of a purchase or transfer between parents and their children.

(b) (1) For purposes of paragraph (1) of subdivision (a), "principal residence" means a dwelling for which a homeowner's exemption or a disabled veteran's residence exemption has been granted in the name of the eligible transferor. "Principal residence" includes only that portion of the land underlying the principal residence which consists of an area of reasonable size which is used as a site for the residence.

(2) For purposes of paragraph (2) of subdivision (a), the one million dollar ($1,000,000) exclusion shall apply separately to each eligible transferor with respect to all purchases by and transfers to eligible transferees on and after November 6, 1986, of real property, other than the principal residence, of that eligible transferor. In the case of any purchase or transfer subject to this paragraph involving

two or more eligible transferors, the transferors may elect to combine their separate one million dollar ($1,000,000) exclusions and, upon making that election, may jointly sell or transfer property with a full cash value of not more than the combined amount of their separate exclusions.

(c) As used in this section:

(1) "Purchase or transfer between parents and their children" means either a transfer from a parent or parents to a child or children of the parent or parents or a transfer from a child or children to a parent or parents of the child or children.

(2) "Children" means any of the following:

(A) Any child born of the parent or parents, except a child, as defined in subparagraph (D), who has been adopted by another person or persons.

(B) Any stepchild of the parent or parents and the spouse of that stepchild while the relationship of stepparent and stepchild exists.

(C) Any son-in-law or daughter-in-law of the parent or parents.

(D) Any child adopted by the parent or parents pursuant to statute, other than an individual adopted after reaching the age of 18 years.

(3) "Full cash value" means full cash value, as defined in Section 2 of Article XIII A of the California Constitution and Section 110.1, with any adjustments authorized by those sections, determined as of the date immediately prior to the date of a purchase by or transfer to an eligible transferee of real property subject to this section.

(4) "Eligible transferor" means a parent or child of an eligible transferee.

(5) "Eligible transferee" means a parent or child of an eligible transferor.

(6) "Real property" means real property as defined in Section 104. Real property does not include any interest in a legal entity.

(d) The exclusions provided for in subdivision (a) shall not be allowed unless the eligible transferee files a claim with the assessor for the exclusion sought and furnishes to the assessor each of the following:

(1) A written certification by the transferee made under penalty of perjury that the transferee is a parent or child of the transferor.

(2) A copy of a written certification by the transferor, the transferor's legal representative, or the executor or administrator of the transferor's estate made under penalty of perjury that the transferor is a parent or child of the transferee. The written certification shall also include either or both of the following:

(A) If the purchase or transfer of real property includes the purchase or transfer of residential real property, a certification that the residential real property is or is not the transferor's principal residence.

(B) If the purchase or transfer of real property includes the purchase or transfer of real property other than the transferor's principal residence, a certification that other real property of the

transferor which is subject to this section has or has not been previously sold or transferred to an eligible transferee, the total amount of full cash value, as defined in subdivision (c), of any real property subject to this section that has been previously sold or transferred by that transferor to eligible transferees, the location of that real property, and the names of the eligible transferees of that property.

(C) If the full cash value of the real property purchased by or transferred to the transferee exceeds the permissible exclusion of the transferor or the combined permissible exclusion of the transferors, in the case of a purchase or transfer from two or more joint transferors, taking into account any previous purchases by or transfers to an eligible transferee of the same transferor or transferors, the transferee shall specify in his or her claim the amount and the allocation of the exclusion he or she is seeking.

The assessor shall report quarterly to the State Board of Equalization all purchases or transfers, other than purchases or transfers involving a principal residence, for which a claim for exclusion is made pursuant to this subdivision. Each report shall contain the assessor's parcel number for each parcel for which the exclusion is claimed, the amount of each exclusion claimed, the tax identification number of each eligible transferor, and any other information as the board shall require in order to monitor the one million dollar ($1,000,000) limitation in paragraph (2) of subdivision (a).

(e) This section shall apply to both voluntary transfers and transfers resulting from a court order or judicial decree.

(f) This section shall apply to purchases and transfers of real property completed on or after November 6, 1986.

SEC. 2. It is the intent of the Legislature that the provisions of Section 63.1 of the Revenue and Taxation Code shall be liberally construed in order to carry out the intent of Proposition 58 on the November 4, 1986, general election ballot to exclude from change in ownership purchases or transfers between parents and their children described therein. Specifically, transfers of real property from a corporation, partnership, trust, or other legal entity to an eligible transferor or transferors, where the latter are the sole owner or owners of the entity or are the sole beneficial owner or owners of the property, shall be fully recognized and shall not be ignored or given less than full recognition under a substance-over-form or step-transaction doctrine, where the sole purpose of the transfer is to permit an immediate retransfer from an eligible transferor or transferors to an eligible transferee or transferees which qualifies for the exclusion from change in ownership provided by Section 63.1. Further, transfers of real property between eligible transferors and eligible transferees shall also be fully recognized when the transfers are immediately followed by a transfer from the eligible transferee or eligible transferees to a corporation, partnership, trust, or other legal entity where the transferee or transferees are the sole owner

or owners of the entity or are the sole beneficial owner or owners of the property, if the transfer between eligible transferors and eligible transferees satisfies the requirements of Section 63.1. Except as provided herein, nothing in this section shall be construed as an expression of intent on the part of the Legislature disapproving in principle the appropriate application of the substance-over-form or step-transaction doctrine.

SEC. 3. The Legislature finds that Section 1 of this act mandates a new program or higher level of service on local government by requiring periodic reports to the State Board of Equalization by county assessors with regard to all purchases or transfers of real property specified in subdivision (d) of Section 63.1 of the Revenue and Taxation Code, as added by Section 1 of this act. As required by Section 6 of Article XIII B of the California Constitution, 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. 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 Proposition 58 which were adopted by the voters at the November 4, 1986, general election may be implemented as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 49

An act to amend Section 1789.2 of the Civil Code, relating to commercial transactions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 1789.2 of the Civil Code is amended to read:

1789.2. For the purposes of this title, the following terms have the meanings expressed in this section:

(a) "Electronic commercial service" or "service" means an electronic shopping system to conduct the purchase of goods and services via a telecommunications network, but does not mean conventional voice-only telephone service, one-way television or radio broadcasting, an electronic fund transfer system, or a service

provided through an electronic terminal located at a place of business where the sale of goods or services sold through that service otherwise occurs.

(b) "Consumer" means a natural person who purchases goods or services using an electronic commercial service.

(c) "Provider of service" means a person who contracts with consumers to provide an electronic commercial service.

(d) "Goods or services" means tangible items or physical services provided to the consumer, or tickets or vouchers for such tangible items or physical services, but does not mean computerized data delivered to the consumer via a computer terminal or in printed form.

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 clarify the application of the Electronic Commerce Act of 1984, at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 50

An act to amend Section 11508 of the Government Code, relating to administrative hearings.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 11508 of the Government Code is amended to read:

11508. (a) The agency shall consult the office, and subject to the availability of its staff, shall determine the time and place of hearing. The hearing shall be held in San Francisco if the transaction occurred or the respondent resides within the First or Sixth Appellate District, in the County of Los Angeles if the transaction occurred or the respondent resides within the Second or Fourth Appellate District, and in the County of Sacramento if the transaction occurred or the respondent resides within the Third or Fifth Appellate District.

(b) Notwithstanding subdivision (a):

(1) If the transaction occurred in a district other than that of respondent's residence, the agency may select the county appropriate for either district.

(2) The agency may select a different place nearer the place where the transaction occurred or the respondent resides.

(3) The parties by agreement may select any place within the state.

CHAPTER 51

An act to amend Sections 20022.05 and 21252.61 of, and to repeal Sections 20017.87, 20750.85, 22013.12, and 22310 of, the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 20017.87 of the Government Code is repealed.

SEC. 2. Section 20022.05 of the Government Code is amended to read:

20022.05. (a) Subdivision (a) of Section 20022 provides that compensation includes any special compensation for performing normally required duties such as holiday pay, bonuses (for duties performed on regular work shift), educational incentive pay, maintenance and noncash payments, out-of-class pay, marksmanship pay, hazard pay, motorcycle pay, paramedic pay, emergency medical technician pay, POST certificate pay, split shift differential and substitute differential in Sections 45196 and 88196 of the Education Code, except for those items excluded from compensation by Section 20022.2; and includes compensation for uniforms, except as provided in Section 20022.2; and subdivision (b) of Section 20022 excludes from compensation special compensation for additional services outside regular duties, such as standby pay, callback pay, court duty, allowance for automobile, bonuses for duties performed after regular work shift.

(b) Notwithstanding subdivision (a), the Department of Personnel Administration shall determine which payments and allowances that are paid by the state employer will be considered compensation for retirement purposes for any employee who either is excluded from the definition of state employee in subdivision (c) of Section 3513, or is a supervisory employee, as defined in Section 3522.1, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service.

(c) Notwithstanding subdivision (a), the Trustees of the California State University shall determine which payments and allowances that are paid by the trustees will be considered compensation for retirement purposes for any managerial employee as defined in subdivision (*l*) of Section 3562, or supervisory employee as defined in Section 3580.3.

(d) Notwithstanding any other provision of this part, all special compensation, as special compensation is defined in Section 20022, heretofore reported or not reported is hereby ratified, confirmed, and validated.

(e) Any statutory reference to Section 20022 shall also be a reference to this section.

SEC. 3. Section 20750.85 of the Government Code is repealed.

SEC. 4. Section 21252.61 of the Government Code is amended to read:

21252.61. The combined prior and current service pension for local safety members with respect to service to a contracting agency subject to this section, upon retirement after attaining 56 years of age, is a pension derived from contributions of an employer sufficient, when added to that portion of the service retirement annuity which is derived from the accumulated normal contributions of the member at the date of his or her retirement, to equal 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 service credited to him or her as a local safety member subject to this section at retirement.

Upon retirement for service prior to attaining 56 years of age, the percentage of final compensation payable for each year of credited service which is subject to this section shall be the product of 2 percent multiplied by the factor set forth in the following table for the actual age at retirement:

If retirement occurs at age:	The percent for each year of credited service is:
50	.8565
50¼	.8650
50½	.8740
50¾	.8830
51	.8920
51¼	.9020
51½	.9120
51¾	.9222
52	.9330
52¼	.9410
52½	.9490
52¾	.9570

53	.9650
53¼	.9675
53½	.9700
53¾	.9725
54	.9750
54¼	.9810
54½	.9870
54¾	.9935
55	1.0000
55¼	1.0435
55½	1.0870
55¾	1.1310
56	1.1750

This section shall apply only to local policemen and county peace officers who are local safety members.

This section shall not apply to persons whose effective date of retirement is prior to the operative date of this section.

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.

The percentage of final compensation provided in this section shall be reduced by one-third as applied to that part of the member's final compensation which does not exceed four hundred dollars ($400) per month for service after the effective date of coverage of a member under the federal system. This paragraph shall not apply to a member who retires after the date upon which coverage under the federal system of persons in his or her employment terminates.

In no event shall the total pension for all service under this section exceed an amount which, when added to the service retirement annuity related to the service, equals 75 percent of final compensation. If the pension relates to service for more than one

employer and would otherwise exceed the maximum, the pension payable with respect to each employer shall be reduced in the same proportion as the allowance based on service to the employer bears to the total allowance computed as though there were no limit, so that the total of the pensions shall equal the maximum.

This section shall only apply as an optional contributory retirement formula for Public Employees' Retirement System local safety groups whose group participated in Federal Old Age and Survivors' Insurance provisions of the Social Security Act on April 1983.

This section shall not apply to a contracting agency nor its employees unless and until the agency and the representative employee organization agree by memorandum of understanding to be subject to it by amendment to its contract made in the manner prescribed for approval of contracts. It shall also be required that the representative employee organizations agree to be subject to this provision.

The operative date of this section with respect to a local safety member shall be the effective date of the amendment to the employer's contract electing to be subject to this section.

SEC. 5. Section 22013.12 of the Government Code is repealed.

SEC. 6. Section 22310 of the Government Code is repealed.

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 statutory inconsistencies regarding the definition of "compensation" for purposes of certain members of the Public Employees' Retirement System which arose out of inadvertent noncoordination of different bills which were chaptered in 1985 may be rectified at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 52

An act to add Article 17 (commencing with Section 25877) to Chapter 7.6 of Division 20 of the Health and Safety Code, relating to radioactive waste.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Article 17 (commencing with Section 25877) is added to Chapter 7.6 of Division 20 of the Health and Safety Code, to read:

Article 17. Southwestern Low-Level Radioactive Waste Disposal Compact

25877. The Legislature of the State of California hereby enacts and ratifies the agreement set forth in Section 25878 and designated as the "Southwestern Low-Level Radioactive Waste Disposal Compact," which is entered into pursuant to the Low-Level Radioactive Waste Policy Act, as amended by the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. Sec. 2021b to 2021j, incl.). This compact shall become effective in accordance with Article 7 of the compact as set forth in Section 25878.

25878. The provisions of the Southwestern Low-Level Radioactive Waste Disposal Compact are as follows:

Article 1. Compact Policy and Formation

The party states hereby find and declare all of the following:

(A) The United States Congress, by enacting the Low-Level Radioactive Waste Policy Act, Public Law 96-573, as amended by the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. Sec. 2021b to 2021j, incl.), has encouraged the use of interstate compacts to provide for the establishment and operation of facilities for regional management of low-level radioactive waste.

(B) It is the purpose of this compact to provide the means for such a cooperative effort between or among party states to protect the citizens of the states and the states' environments.

(C) It is the policy of party states to this compact to encourage the reduction of the volume of low-level radioactive waste requiring disposal within the compact region.

(D) It is the policy of the party states that the protection of the health and safety of their citizens and the most ecological and economical management of low-level radioactive wastes can be accomplished through cooperation of the states by minimizing the amount of handling and transportation required to dispose of these wastes and by providing facilities that serve the compact region.

(E) Each party state, if an agreement state pursuant to Section 2021 of Title 42 of the United States Code, or the Nuclear Regulatory Commission if not an agreement state, is responsible for the primary regulation of radioactive materials within its jurisdiction.

Article 2. Definitions

As used in this compact, unless the context clearly indicates otherwise, the following definitions apply:

(A) "Commission" means the Southwestern Low-Level Radioactive Waste Commission established in Article 3 of this compact.

(B) "Compact region" or "region" means the combined geographical area within the boundaries of the party states.

(C) "Disposal" means the permanent isolation of low-level radioactive waste pursuant to requirements established by the Nuclear Regulatory Commission and the Environmental Protection Agency under applicable laws, or by a party state if that state hosts a disposal facility.

(D) "Generate," when used in relation to low-level radioactive waste, means to produce low-level radioactive waste.

(E) "Generator" means a person whose activity, excluding the management of low-level radioactive waste, results in the production of low-level radioactive waste.

(F) "Host county" means a county, or other similar political subdivision of a party state, in which a regional disposal facility is located or being developed.

(G) "Host state" means a party state in which a regional disposal facility is located or being developed. The State of California is the host state under this compact for the first 30 years from the date the California regional disposal facility commences operations.

(H) "Institutional control period" means that period of time in which the facility license is transferred to the disposal site owner in compliance with the appropriate regulations for long-term observation and maintenance following the postclosure period.

(I) "Low-level radioactive waste" means regulated radioactive material that meets all of the following requirements:

(1) The waste is not high-level radioactive waste, spent nuclear fuel, or byproduct material (as defined in Section 11e(2) of the Atomic Energy Act of 1954 (42 U.S.C. Sec. 2014(e)(2))).

(2) The waste is not uranium mining or mill tailings.

(3) The waste is not any waste for which the federal government is responsible pursuant to subdivision (b) of Section 3 of the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. Sec. 2021c(b)).

(4) The waste is not an alpha emitting transuranic nuclide with a half-life greater than five years and with a concentration greater than 100 nanocuries per gram, or Plutonium-241 with a concentration greater than 3,500 nanocuries per gram, or Curium-242 with a concentration greater than 20,000 nanocuries per gram.

(J) "Management" means collection, consolidation, storage, packaging, or treatment.

(K) "Major generator state" means a party state which generates 10 percent of the total amount of low-level radioactive waste produced within the compact region and disposed of at the regional disposal facility.

If no party state other than California generates at least 10 percent of the total amount, "major generator state" means the party state which is second to California in the amount of waste produced within the compact region and disposed of at the regional disposal facility.

(L) "Operator" means a person who operates a regional disposal facility.

(M) "Party state" means any state that has become a party in accordance with Article 7 of this compact.

(N) "Person" means an individual, corporation, partnership, or other legal entity, whether public or private.

(O) "Postclosure period" means that period of time after completion of closure of a disposal facility during which the licensee shall observe, monitor, and carry out necessary maintenance and repairs at the disposal facility to assure that the disposal facility will remain stable and will not need ongoing active maintenance. This period ends with the beginning of the institutional control period.

(P) "Regional disposal facility" means a nonfederal low-level radioactive waste disposal facility established and operated under this compact.

(Q) "Site closure and stabilization" means the activities of the disposal facility operator taken at the end of the disposal facility's operating life to assure the continued protection of the public from any residual radioactivity or other potential hazards present at the disposal facility.

(R) "Transporter" means a person who transports low-level radioactive waste.

(S) "Uranium mine and mill tailings" means waste resulting from mining and processing of ores containing uranium.

Article 3. The Commission

(A) There is hereby established the Southwestern Low-Level Radioactive Waste Commission.

(1) The commission shall consist of one voting member from each party state to be appointed by the Governor, confirmed by the Senate of that party state, and to serve at the pleasure of the Governor of each party state, and one voting member from the host county. The appointing authority of each party state shall notify the commission in writing of the identity of the member and of any alternates. An alternate may act in the member's absence.

(2) The host state shall also appoint that number of additional voting members of the commission which is necessary for the host state's members to compose at least 51 percent of the membership on the commission. The host state's additional members shall be appointed by the host state Governor and confirmed by the host state Senate.

If there is more than one host state, only the state in which is located the regional disposal facility actively accepting low-level radioactive waste pursuant to this compact may appoint these additional members.

(3) If the host county has not been selected at the time the commission is appointed, the Governor of the host state shall appoint an interim local government member, who shall be an elected representative of a local government. After a host county is selected, the interim local government member shall resign and the Governor

shall appoint the host county member pursuant to paragraph (4).

(4) The Governor shall appoint the host county member from a list of at least seven candidates compiled by the board of supervisors of the host county.

(5) In recommending and appointing the host county member pursuant to paragraph (4), the board of supervisors and the Governor shall give first consideration to recommending and appointing the member of the board of supervisors in whose district the regional disposal facility is located or being developed. If the board of supervisors of the host county does not provide a list to the Governor of at least seven candidates from which to choose, the Governor shall appoint a resident of the host county as the host county member.

(6) The host county member is subject to confirmation by the Senate of that party state and shall serve at the pleasure of the Governor of the host state.

(B) The commission is a legal entity separate and distinct from the party states and shall be so liable for its actions. Members of the commission shall not be personally liable for actions taken in their official capacity. The liabilities of the commission shall not be deemed liabilities of the party states.

(C) The commission shall conduct its business affairs pursuant to the laws of the host state and disputes arising out of commission action shall be governed by the laws of the host state. The commission shall be located in the capital city of the host state in which the regional disposal facility is located.

(D) The commission's records shall be subject to the host state's public records law, and the meetings of the commission shall be open and public in accordance with the host state's open meeting law.

(E) The commission members are public officials of the appointing state and shall be subject to the conflict of interest laws, as well as any other law, of the appointing state. The commission members shall be compensated according to the appointing state's law.

(F) Each commission member is entitled to one vote. A majority of the commission constitutes a quorum. Unless otherwise provided in this compact, a majority of the total number of votes on the commission is necessary for the commission to take any action.

(G) The commission has all of the following duties and authority:

(1) The commission shall do, pursuant to the authority granted by this compact, whatever is reasonably necessary to ensure that low-level radioactive wastes are safely disposed of and managed within the region.

(2) The commission shall meet at least once a year and otherwise as business requires.

(3) The commission shall establish a compact surcharge to be imposed upon party state generators. The surcharge shall be based upon the cubic feet of low-level radioactive waste and the radioactivity of the low-level radioactive waste and shall be collected

by the operator of the disposal facility.

The host state shall set, and the commission shall impose, the surcharge after congressional approval of the compact. The amount of the surcharge shall be sufficient to establish and maintain at a reasonable level funds for all of the following purposes:

(a) The activities of the commission and commission staff.

(b) At the discretion of the host state, a third-party liability fund to provide compensation for injury to persons or property during the operational, closure, stabilization, and postclosure and institutional control periods of the regional disposal facility. This subparagraph does not limit the responsibility or liability of the operator, who shall comply with any federal or host state statutes or regulations regarding third-party liability claims.

(c) A local government reimbursement fund, for the purpose of reimbursing the local government entity or entities hosting the regional disposal facility for any costs or increased burdens on the local governmental entity for services, including, but not limited to, general fund expenses, the improvement and maintenance of roads and bridges, fire protection, law enforcement, monitoring by local health officials, and emergency preparation and response related to the hosting of the regional disposal facility.

(4) The surcharges imposed by the commission for purposes of subparagraphs (b) and (c) of paragraph (3) and surcharges pursuant to paragraph (3) of subdivision (E) of Article 4 shall be transmitted on a monthly basis to the host state for distribution to the proper accounts.

(5) The commission shall establish a fiscal year which conforms to the fiscal years of the party states to the extent possible.

(6) The commission shall keep an accurate account of all receipts and disbursements. An annual audit of the books of the commission shall be conducted by an independent certified public accountant, and the audit report shall be made a part of the annual report of the commission.

(7) The commission shall prepare and include in the annual report a budget showing anticipated receipts and disbursements for the subsequent fiscal year.

(8) The commission may accept any grants, equipment, supplies, materials, or services, conditional or otherwise, from the federal or state government. The nature, amount and condition, if any, of any donation, grant, or other resources accepted pursuant to this paragraph and the identity of the donor or grantor shall be detailed in the annual report of the commission.

However, the host state shall receive, for the uses specified in subparagraph (E) of paragraph (2) of subsection (d) of Section 2021e of Title 42 of the United States Code, any payments paid from the special escrow account for which the Secretary of Energy is trustee pursuant to subparagraph (A) of paragraph (2) of subsection (d) of Section 2021 (e) of Title 42 of the United States Code.

(9) The commission shall submit communications to the

governors and to the presiding officers of the legislatures of the party states regarding the activities of the commission, including an annual report to be submitted on or before January 15 of each year. The commission shall include in the annual report a review of, and recommendations for, low-level radioactive waste disposal methods which are alternative technologies to the shallow land burial of low-level radioactive waste.

(10) The commission shall assemble and make available to the party states, and to the public, information concerning low-level radioactive waste management needs, technologies, and problems.

(11) The commission shall keep a current inventory of all generators within the region, based upon information provided by the party states.

(12) The commission shall keep a current inventory of all regional disposal facilities, including information on the size, capacity, location, specific low-level radioactive wastes capable of being managed, and the projected useful life of each regional disposal facility.

(13) The commission may establish advisory committees for the purpose of advising the commission on the disposal and management of low-level radioactive waste.

(14) The commission may enter into contracts to carry out its duties and authority, subject to projected resources. No contract made by the commission shall bind a party state.

(15) The commission shall prepare contingency plans, with the cooperation and approval of the host state, for the disposal and management of low-level radioactive waste in the event that any regional disposal facility should be closed.

(16) The commission may sue and be sued and, when authorized by a majority vote of the members, may seek to intervene in an administrative or judicial proceeding related to this compact.

(17) The commission shall be managed by an appropriate staff, including an executive director. Notwithstanding any other provision of law, the commission may hire or retain, or both, legal counsel.

(18) The commission may, subject to applicable federal and state laws, recommend to the appropriate host state authority suitable land and rail transportation routes for low-level radioactive waste carriers.

(19) The commission may enter into an agreement to import low-level radioactive waste into the region only if both of the following requirements are met:

(a) The commission approves the importation agreement by a two-thirds vote of the commission.

(b) The commission and the host state assess the affected regional disposal facilities' capability to handle imported low-level radioactive wastes and any relevant environmental or economic factors, as defined by the host state's appropriate regulatory authorities.

(20) The commission may, upon petition, allow an individual

generator, a group of generators, or the host state of the compact, to export low-level radioactive wastes to a low-level radioactive waste disposal facility located outside the region. The commission may approve the petition only by a two-thirds vote of the commission. The permission to export low-level radioactive wastes shall be effective for that period of time and for the amount of low-level radioactive waste, and subject to any other term or condition, which may be determined by the commission.

(21) The commission may approve, only by a two-thirds vote of the commission, the exportation outside the region of material, which otherwise meets the criteria of low-level radioactive waste, if the sole purpose of the exportation is to process the material for recycling.

(22) The commission shall, not later than 10 years before the closure of the initial or subsequent regional disposal facility, prepare a plan for the establishment of the next regional disposal facility.

Article 4. Rights, Responsibilities, and Obligations of Party States

(A) There shall be regional disposal facilities sufficient to dispose of the low-level radioactive waste generated within the region.

(B) Low-level radioactive waste generated within the region shall be disposed of at regional disposal facilities and each party state shall have access to any regional disposal facility without discrimination.

(C) (1) Upon the effective date of this compact, the State of California shall serve as the host state and shall comply with the requirements of subdivision (E) for at least 30 years from the date the regional disposal facility begins to accept low-level radioactive waste for disposal. The extension of the obligation and duration shall be at the option of the State of California.

If the State of California does not extend this obligation, the party state, other than the State of California, which is the largest major generator state shall then serve as the host state for the second regional disposal facility.

The obligation of a host state which hosts the second regional disposal facility shall also run for 30 years from the date the second regional disposal facility begins operations.

(2) The host state may close its regional disposal facility when necessary for public health or safety.

(D) The party states of this compact cannot be members of another regional low-level radioactive waste compact entered into pursuant to the Low-Level Radioactive Waste Policy Act, as amended by the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. Secs. 2021b to 2021j, incl.).

(E) A host state shall do all of the following:

(1) Cause a regional disposal facility to be developed on a timely basis.

(2) Ensure by law, consistent with any applicable federal laws, the

protection and preservation of public health and safety in the siting, design, development, licensing, regulation, operation, closure, decommissioning, and long-term care of the regional disposal facilities within the state.

(3) Ensure that charges for disposal of low-level radioactive waste at the regional disposal facility are reasonably sufficient to do all of the following:

(a) Ensure the safe disposal of low-level radioactive waste and long-term care of the regional disposal facility.

(b) Pay for the cost of inspection, enforcement, and surveillance activities at the regional disposal facility.

(c) Assure that charges are assessed without discrimination as to the party state of origin.

(4) Submit an annual report to the commission on the status of the regional disposal facility including projections of the facility's anticipated future capacity.

(5) The host state and the operator shall notify the commission immediately upon the ocurrence of any event which could cause a possible temporary or permanent closure of a regional disposal facility.

(F) Each party state is subject to the following duties and authority:

(1) To the extent authorized by federal law, each party state shall develop and enforce procedures requiring low-level radioactive waste shipments originating within its borders and destined for a regional disposal facility to conform to packaging and transportation requirements and regulations. These procedures shall include, but are not limited to, all of the following requirements:

(a) Periodic inspections of packaging and shipping practices.

(b) Periodic inspections of low-level radioactive waste containers while in the custody of transporters.

(c) Appropriate enforcement actions with respect to violations.

(2) A party state may impose a surcharge on the low-level radioactive waste generators within the state to pay for activities required by paragraph (1).

(3) To the extent authorized by federal law, each party state shall, after receiving notification from a host state that a person in a party state has violated packaging, shipping, or transportation requirements or regulations, take appropriate actions to ensure that these violations do not continue. Appropriate actions may include, but are not limited to, requiring that a bond be posted by the violator to pay the cost of repackaging at the regional disposal facility and prohibit future shipments to the regional disposal facility.

(4) Each party state shall maintain a registry of all generators within the state that may have low-level radioactive waste to be disposed of at a regional disposal facility, including, but not limited to, the amount of low-level radioactive waste and the class of low-level radioactive waste generated by each generator.

(5) Each party state shall encourage generators within its borders

to minimize the volume of low-level radioactive waste requiring disposal.

(6) Each party state may rely on the good faith performance of the other party states to perform those acts which are required by this compact to provide regional disposal facilities, including the use of the regional disposal facilities in a manner consistent with this compact.

(7) Each party state shall provide the commission with any data and information necessary for the implementation of the commission's responsibilities, including taking those actions necessary to obtain this data or information.

(8) Each party state shall agree that only low-level radioactive waste generated within the jurisdiction of the party states shall be disposed of in the regional disposal facility, except as provided in paragraph (19) of subdivision (G) of Article 3.

(9) Each party state shall agree that if there is any injury to persons on property resulting from the operation of a regional disposal facility, the damages resulting from the injury may be paid from the third-party liability fund pursuant to subparagraph (b) of paragraph (3) of subdivision (G) of Article 3, only to the extent that the damages exceed the limits of liability insurance carried by the operator. No party state, by joining this compact, assumes any liability resulting from the siting, operation, maintenance, long-term care, or other activity relating to a regional facility, and no party state shall be liable for any harm or damage resulting from a regional facility not located within the state.

Article 5. Approval of Regional Facilities

A regional disposal facility shall be approved by the host state in accordance with its laws. This compact does not confer any authority on the commission regarding the siting, design, development, licensure, or other regulation, or the operation, closure, decommissioning, or long-term care of, any regional disposal facility within a party state.

Article 6. Prohibited Acts and Penalties

(A) No person shall dispose of low-level radioactive waste within the region unless the disposal is at a regional disposal facility, except as otherwise provided in paragraphs (20) and (21) of subdivision (G) of Article 3.

(B) No person shall dispose of or manage any low-level radioactive waste within the region unless the low-level radioactive waste was generated within the region, except as provided in paragraphs (19), (20), and (21) of subdivision (G) of Article 3.

(C) Violations of this section shall be reported to the appropriate law enforcement agency within the party state's jurisdiction.

(D) Violations of this section may result in prohibiting the violator

from disposing of low-level radioactive waste in the regional disposal facility, as determined by the commission or the host state.

Article 7. Eligibility, Entry into Effect, Congressional Consent, Withdrawal, Exclusion

(A) The States of Arizona, North Dakota, South Dakota, and California are eligible to become parties to this compact. Any other state may be made eligible by a majority vote of the commission and ratification by the legislatures of all of the party states by statute, and upon compliance with those terms and conditions for eligibility which the host state may establish. The host state may establish all terms and conditions for the entry of any state, other than the states named in this subparagraph, as a member of this compact.

(B) Upon compliance with the other provisions of this compact, an eligible state may become a party state by legislative enactment of this compact or by executive order of the governor of the state adopting this compact. A state becoming a party state by executive order shall cease to be a party state upon adjournment of the first general session of its legislature convened after the executive order is issued, unless before the adjournment the legislature enacts this compact.

(C) A party state, other than the host state, may withdraw from the compact by repealing the enactment of this compact, but this withdrawal shall not become effective until two years after the effective date of the repealing legislation. If a party state which is a major generator of low-level radioactive waste voluntarily withdraws from the compact pursuant to this subdivision, that state shall make arrangements for the disposal of the other party states' low-level radioactive waste for a time period equal the period of time it was a member of this compact.

If the host state withdraws from the compact, the withdrawal shall not become effective until five years after the effective date of the repealing legislation.

(D) A party state may be excluded from this compact by a two-thirds vote of the commission members, acting in a meeting, if the state to be excluded has failed to carry out any obligations required by compact.

(E) This compact shall take effect upon the enactment by statute by the legislatures of the State of California and at least one other eligible state and upon the consent of Congress and shall remain in effect until otherwise provided by federal law. This compact is subject to review by Congress and the withdrawal of the consent of Congress every five years after its effective date, pursuant to federal law.

Article 8. Construction and Severability

(A) The provisions of this compact shall be broadly construed to carry out the purposes of the compact, but the sovereign powers of a party state shall not be infringed unnecessarily.

(B) This compact does not affect any judicial proceeding pending on the effective date of this compact.

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

(D) Nothing in this compact diminishes or otherwise impairs the jurisdiction, authority, or discretion of either of the following:

(1) The Nuclear Regulatory Commission pursuant to the Atomic Energy Act of 1954, as amended (42 U.S.C. Sec. 2011 et seq.).

(2) An agreement state under Section 274 of the Atomic Energy Act of 1954, as amended (42 U.S.C. Sec. 2021).

(E) Nothing in this compact confers any new authority on the states or commission to do any of the following:

(1) Regulate the packaging or transportation of low-level radioactive waste in a manner inconsistent with the regulations of the Nuclear Regulatory Commission or the United States Department of Transportation.

(2) Regulate health, safety, or environmental hazards from source, byproduct, or special nuclear material.

(3) Inspect the activities of licensees of the agreement states or of the Nuclear Regulatory Commission.

25878.1. Notwithstanding Section 25878, authority for on-highway routing and enforcement relating to low-level radioactive waste shall, pursuant to other provisions of law, remain with the Department of the California Highway Patrol for low-level radioactive waste generated from, and shipments into, California.

25878.2. Notwithstanding Section 25878, authority for rail transportation routing and enforcement relating to low-level radioactive waste shall remain with the Public Utilities Commission pursuant to the Public Utilities Act (Part 1 (commencing with Section 201) of Division 1 of the Public Utilities Code) for low-level radioactive waste generated from, and shipped into, California.

25878.3. The department shall adopt regulations specifying the modes of transportation which are most protective of public health and the environment which shall be used by generators to transport low-level radioactive waste within the state.

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 53

An act to amend Sections 1143, 1144, and 1144.5 of the Probate Code, relating to public administrators, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 1143 of the Probate Code is amended to read:

1143. (a) Except as provided in subdivision (b), when a public administrator takes possession of the estate of a decedent as provided in this chapter, and it appears that the estate of the decedent meets the valuation criteria specified in Section 13100, the public administrator may apply to the superior court of his or her county or a judge thereof for an order permitting the public administrator summarily to sell any personal and real property belonging to the decedent, and to withdraw any money of the decedent on deposit with any bank, and to collect any indebtedness or claim that may be owing to the decedent. The money received from such a sale or collection shall be used to pay the statutorily permitted expenses of, and commissions to, the public administrator and to the attorney, if any, and to defray the expenses of the disposition of the decedent's remains and the expenses of the decedent's last illness. The balance, if any, shall be used to pay other claims presented to the public administrator within four months of the above order pursuant to Section 950 and there shall be no administration upon the estate unless additional property is discovered. No notice of the application need be given. The application may be filed whether or not there is a will of the decedent in existence, if the executor named therein refuses to act, or if the will does not appoint an executor.

(b) When a public administrator takes possession of the estate of a decedent as provided in this chapter, and it appears that the total value of the estate of the decedent does not exceed ten thousand dollars ($10,000), the public administrator may, instead of applying to the superior court or judge thereof for an order as provided in subdivision (a), collect all assets belonging to the decedent on the public administrator's statement, apply the money or the proceeds from the sale of any personal or real property towards the expense of the disposition of the decedent's remains, pay other proper claims presented within four months after the public administrator takes possession of the estate pursuant to Section 950, and pay over the remaining funds to the heirs or legatees, or if none, deposit the

balance with the county treasurer for use in the general fund after one year of deposit. Heirs, devisees, or beneficiaries of the decedent can claim funds on deposit with the county treasurer if the claim is made within one year from their deposit with the county treasurer.

(c) The commissions payable to the public administrator pursuant to this section and the attorney, if any, for the public administrator for the filing of the application provided for in subdivision (a) or the public administrator's statement specified in subdivision (b), and for the performance of any duty or service connected therewith, are those set forth in Sections 901, 902, and 910, except that, in all cases administered pursuant to this section, the public administrator shall be entitled to a minimum commission of three hundred fifty dollars ($350).

(d) This section does not preclude the public administrator or the attorney, if any, from filing any petitions with the court pursuant to other sections of this code when the petition is necessary to the proper administration of the small estate.

SEC. 2. Section 1144 of the Probate Code is amended to read:

1144. The fee to be allowed to the clerk of the court for the filing of the application provided for in subdivision (a) of Section 1143 shall be set by the court. The minimum commission of the public administrator and the fee for the attorney, if any, for the filing of the application, or the public administrator's statement and the performance of any duty or service connected therewith shall be 10 percent of the first three thousand five hundred dollars ($3,500) and, then as provided in Sections 901, 902, and 910 for the statutory and extraordinary services of an administrator and attorney. Sales of personal property may be made, with or without notice, as the public administrator may elect, and title to the property sold shall pass without the need of confirmation by the court. Sales of real property shall be made pursuant to Article 3 (commencing with Section 780) of Chapter 13 or pursuant to Article 2 (commencing with Section 591) of Chapter 8. Real property shall transfer with the public administrator's deed.

The public administrator, pursuant to subdivision (a) of Section 1143, shall file with the clerk of the court a statement showing the property of the decedent that came into possession of the public administrator and the disposition made thereof, if any, together with receipts for any disposition made of this property or its proceeds. Any money or other property of a decedent remaining in the possession of the public administrator shall be delivered to the devisees or beneficiaries under the decedent's last will, or to the heirs in the absence of a will, and, if none, to the State of California after deduction of all commissions and additional compensation awarded to the public administrator and the attorney, if any, by the court.

Upon rendition of a court order distributing money or other property to the State of California under subdivision (a) of Section 1143, the public administrator shall immediately transmit to the Treasurer or Controller all money or other property distributed to

the State of California, subject to Article 1 (commencing with Section 1440) of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure.

SEC. 3. Section 1144.5 of the Probate Code is amended to read:

1144.5. When a public administrator has taken charge of the estate of a decedent as provided in Section 1140, costs incurred by him or her for the protection of the estate, together with a reasonable fee for his or her services shall be a proper and legal charge as an expense of administration of the estate of the decedent, in case of the subsequent appointment of another person as executor or administrator of the estate.

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 for the provisions of this act to be given maximum implementation, it is necessary that it take effect at the earliest possible time.

CHAPTER 54

An act to amend Section 35805 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 35805 of the Health and Safety Code is amended to read:

35805. As used in this part:

(a) "Agency" means the Business, Transportation and Housing Agency.

(b) "Fair market value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. The use of this definition of fair market value by a financial institution in an appraisal made at any time on or after July 1, 1986, does not violate the provisions of this part.

(c) "Financial institution" includes any bank, savings and loan association, or other institution in this state, including a public agency, that regularly makes, arranges, or purchases loans for the purchase, construction, rehabilitation, improvement, or refinancing of housing accommodations.

(d) "Housing accommodation" includes any improved or

unimproved real property, or portion thereof, that (1) is used or is intended to be used as a residence, and (2) is or will be occupied by the owner, and (3) contains not more than four dwelling units. "Housing accommodation" shall also include any residential dwelling containing not more than four dwelling units where the owner thereof, whether or not the owner will occupy the property, applies or has applied for a secured home improvement loan from a financial institution, the proceeds of which loan will be used to improve the security property.

(e) "Secretary" means the Secretary of the Business, Transportation and Housing Agency.

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 Section 35805 of the Health and Safety Code is not interpreted to be in conflict with standards promulgated by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, it is necessary that this legislation take effect immediately.

CHAPTER 55

An act to amend Section 798.56 of the Civil Code, relating to mobilehomes.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 798.56 of the Civil Code is amended to read:

798.56. A tenancy shall be terminated by the management only for one or more of the following reasons:

(a) Failure of the homeowner or resident to comply with a local ordinance or state law or regulation relating to mobilehomes within a reasonable time after the homeowner receives a notice of noncompliance from the appropriate governmental agency.

(b) Conduct by the homeowner or resident, upon the park premises, which constitutes a substantial annoyance to other homeowners or residents.

(c) Failure of the homeowner or resident to comply with a reasonable rule or regulation of the park as set forth in the rental agreement or any amendment thereto.

No act or omission of the homeowner or resident shall constitute such a failure to comply unless and until the management has given the homeowner written notice of the alleged rule or regulation violation and the homeowner or resident has failed to adhere to the

rule or regulation within seven days. However, if a homeowner has been given a written notice of an alleged violation of the same rule or regulation on three or more occasions within a 12-month period after the homeowner or resident has violated that rule or regulation, no written notice shall be required for a subsequent violation of the same rule or regulation.

Nothing in this subdivision shall relieve the management from its obligation to demonstrate that a rule or regulation has in fact been violated.

(d) Nonpayment of rent, utility charges, or reasonable incidental service charges; provided, that the homeowner shall be given a three-day written notice to pay the amount due or to vacate the tenancy. The three-day written notice shall be given to the homeowner in the manner prescribed by Section 1162 of the Code of Civil Procedure. The notice may be given at the same time as the 60 days' notice required for termination of the tenancy. Payment by the homeowner prior to the expiration of the three-day notice period, or payment by the legal owner, as defined in Section 18005.8 of the Health and Safety Code, any junior lienholder, as defined in Section 18005.3 of the Health and Safety Code, or the registered owner, as defined in Section 18009.5 of the Health and Safety Code, if other than the homeowner, on behalf of the homeowner prior to the expiration of 30 calendar days following the mailing of the notice to the legal owner, each junior lienholder, and the registered owner provided in subdivision (b) of Section 798.55, shall cure a default under this subdivision with respect to that payment. The homeowner shall remain liable for all payments due up until the time the tenancy is vacated. Cure of a default of rent, utility charges, or reasonable incidental service charges by the legal owner, any junior lienholder, or the registered owner, if other than the homeowner, as provided by this subdivision, may not be exercised more than twice during a 12-month period.

(e) Condemnation of the park.

(f) Change of use of the park or any portion thereof, provided:

(1) The management gives the homeowners at least 15 days' written notice that the management will be appearing before a local governmental board, commission, or body to request permits for a change of use of the mobilehome park.

(2) After all required permits requesting a change of use have been approved by the local governmental board, commission, or body, the management shall give the homeowners six months' or more written notice of termination of tenancy.

If the change of use requires no local governmental permits, then notice shall be given 12 months or more prior to the management's determination that a change of use will occur. The management in the notice shall disclose and describe in detail the nature of the change of use.

(3) The management gives each proposed homeowner written notice thereof prior to the inception of his or her tenancy that the

management is requesting a change of use before local governmental bodies or that a change of use request has been granted.

(4) The notice requirements for termination of tenancy set forth in Sections 798.56 and 798.57 shall be followed if the proposed change actually occurs.

(5) A notice of a proposed change of use given prior to January 1, 1980, which conforms to the requirements in effect at that time shall be valid. The requirements for a notice of a proposed change of use imposed by this subdivision shall be governed by the law in effect at the time the notice was given.

CHAPTER 56

An act to amend Sections 471.5, 2878, 4980.40, 6092, 8624, 9943, 9989, 10249.2, 10515, 11000.1, 16770, and 18653 of, and to amend and renumber Sections 6086.8 and 19596.10 of, the Business and Professions Code, to amend Sections 1921, 2375, and 3054 of, and to amend and renumber the heading of Title 1.1 (commencing with Section 1738) and the heading of Title 1.1A (commencing with Section 1739) of, and to repeal Title 1 (commencing with Section 1725) of, Part 4 of Division 3 of, the Civil Code, to amend Section 1991 of, to amend and renumber Section 1855b of, and to repeal the heading immediately following the heading of Part 4 (commencing with Section 1855b) and immediately preceding the heading of Title 1 (commencing with Section 1855b) of Part 4 of, the Code of Civil Procedure, to amend Section 8302 of the Commercial Code, to amend Sections 17742.7, 19423, 35239, 51260, and 67300 of, to amend and renumber Sections 8480, 8481, 8482, 8483, 8485, 8486, 8490, 8491, and 8492 of, to amend and renumber the headings of Articles 4 (commencing with Section 54700), 6 (commencing with Section 54720), and 6 (commencing with Section 54750) of Chapter 9 of Part 29 of, and to repeal Section 78201.7 of, the Education Code, to amend Section 607 of, and to repeal the heading of Chapter 1 (commencing with Section 23500) of Part 3 of Division 14 of, the Elections Code, to amend Section 18357 of, and to repeal Article 10 (commencing with Section 7700) of, and to add Article 11 (commencing with Section 7710) to, Chapter 6 of Division 2 of, the Financial Code, to amend Sections 12113, 12648, 12999.5, 18203, 29145.5, and 73119 of the Food and Agricultural Code, to amend Sections 1322, 8250.1, 11290, 11554, 14038, 14998.15, 16367.7, 19879.1, 20126, 53651.2, 61780, 68081, 69950, 73485, 75030.5, and 75060 of, to amend the heading of Article 8 (commencing with Section 12085) of Chapter 1 of Part 2 of Division 3 of Title 2 of, to amend the heading of Chapter 2.5 (commencing with Section 68701) of Title 8 of, to amend and renumber Sections 1091.1, 8256, 8876, 8877, 8878, 8879, 8879.5, 15365, 15366, 15373, 16650, 19064, 19065, 20017.12, 53590, 53730, 61765.11, and 69906 of, to amend

and renumber the headings of Division 2 (commencing with Section 58000) and Division 2.5 (commencing with Section 60400) of Title 6 of, to add Article 3.7 (commencing with Section 20550) to, and to repeal Article 3.5 (commencing with Section 20540) of, Chapter 4 of Part 3 of Division 5 of Title 2 of, and to repeal Section 51282.3 of, the Government Code, to amend Section 294 of, and to amend and renumber Section 5950 of, the Harbors and Navigation Code, to amend Sections 199.33, 237, 239, 437.07, 1155.7, 1597.531, 18551, and 25534 of, to amend the heading of Chapter 3.5 (commencing with Section 3130) of Division 4 of, to amend and renumber Section 199.7 of, to amend and renumber the headings of Chapter 1.11 (commencing with Section 199.7) and Chapter 1.15 (commencing with Section 199.81) of Part 1 of Division 1 of, to add Chapter 1.13 (commencing with Section 199.42) to Part 1 of Division 1 of, to add Article 2.6 (commencing with Section 1528) to Chapter 3 of Division 2 of, to add and renumber the heading of Article 1.6 (commencing with Section 235) of Chapter 2 of Part 1 of Division 1 of, and to repeal Chapter 1.13 (commencing with Section 199.45) of Part 1 of Division 1 and Article 2.5 (commencing with Section 1527) of Chapter 3 of Division 2 of, the Health and Safety Code, to amend Sections 10121 and 11628 of the Insurance Code, to amend Section 1260 of the Military and Veterans Code, to amend Sections 241, 597, 667.7, 1205, 1464, 2932, 5085, 5085.5, 5086, 5094, 11105.2, and 11165.5 of, to amend and renumber Sections 11165.1 and 11166.1 of, to amend and renumber the headings of Chapters 2.3 (commencing with Section 999b) and 2.4 (commencing with Section 999i) of Title 6 of Part 2, Chapter 11 (commencing with Section 6350) of Title 7 of Part 3, and Title 5 (commencing with Section 13600) of Part 4 of, and to repeal Sections 868.8, 1463.01, 6028.11, and 13524 of, the Penal Code, to amend Section 1202 of, and to amend the heading of Chapter 1 (commencing with Section 17000) of Part 5 of Division 9 of, the Probate Code, to amend and renumber the heading of Article 6.5 (commencing with Section 20209) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to amend Sections 3824.5, 5002.3, and 5184 of the Public Resources Code, to amend Sections 311, 99268.12, and 142009 of, to amend and renumber Section 3542 of, and to repeal the headings of Article 4 (commencing with Section 16501) of Chapter 4 of Division 7, and Article 1 (commencing with Section 30800) of Chapter 6 of Part 3 of Division 10, of, the Public Utilities Code, to amend Sections 98.6, 2611.5, 6472, 8359, 8360, and 24357.8 of the Revenue and Taxation Code, to amend Sections 2006 and 8680 of the Streets and Highways Code, to amend Section 984 of the Unemployment Insurance Code, to amend Sections 12519.5, 23206.5, and 34501 of, to amend and renumber Sections 2267, 23196, and 42001.9 of, and to add Article 5 (commencing with Section 23249.50) to, and to repeal Article 4 (commencing with Section 23240) of, Chapter 12 of Division 11 of, the Vehicle Code, to amend Sections 1394, 8609, and 20527.91 of, and to repeal Chapter 2 (commencing with Section 20200) of, and to add Chapter 3 (commencing with

Section 20220) to, Division 10 of, the Water Code, to amend Sections 361.3, 5350.2, 11201.5, 14171, 15630, and 18966.1 of, to amend and renumber Sections 318 and 5769 of, and to amend and renumber the headings of Chapters 6 (commencing with Section 13000) and 6.3 (commencing with Section 13500) of Part 3 of Division 9 of, the Welfare and Institutions Code, to repeal Section 2 of Chapter 1420 of the Statutes of 1985, and to amend Section 5 of Chapter 1287 of, and to add Section 5 to Chapter 522 of, the Statutes of 1986, relating to the maintenance of the codes.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 471.5 of the Business and Professions Code is amended to read:

471.5. Each program funded pursuant to this chapter shall annually provide the county with statistical data regarding its operating budget; the number of referrals, categories, or types of cases referred to the program; the number of persons served by the program; the number of disputes resolved; the nature of the disputes resolved; rates of compliance; the number of persons utilizing the process more than once; the duration of and the estimated costs of the hearings conducted by the programs; and any other information that the county may require. The data shall maintain the confidentiality and anonymity of the persons employing the dispute resolution process.

SEC. 2. Section 2878 of the Business and Professions Code is amended to read:

2878. The board may suspend or revoke a license issued under this chapter for any of the following:

(a) Unprofessional conduct, which includes, but is not limited to, the following:

(1) Incompetence, or gross negligence in carrying out usual nursing functions.

(2) A conviction of practicing medicine without a license in violation of Chapter 5 (commencing with Section 2000), in which event the record of conviction shall be conclusive evidence of the conviction.

(3) The use of advertising relating to nursing which violates Section 17500.

(b) Procuring a certificate by fraud, misrepresentation, or mistake.

(c) Procuring, or aiding, or abetting, or attempting, or agreeing, or offering to procure or assist at a criminal abortion.

(d) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violating of, or conspiring to violate any provision or term of this chapter.

(e) Making or giving any false statement or information in connection with the application for issuance of a license.

(f) Conviction of a crime substantially related to the qualifications, functions, and duties of a licensed vocational nurse, in which event the record of the conviction shall be conclusive evidence of the conviction.

(g) Impersonating any applicant or acting as proxy for an applicant in any examination required under this chapter for the issuance of a license.

(h) Impersonating another licensed vocational nurse or a registered nurse, or permitting or allowing another person to use his or her certificate for the purpose of nursing the sick or afflicted.

(i) Aiding or assisting, or agreeing to aid or assist any person or persons, whether a licensed physician or not, in the performance of or arranging for a violation of Article 12 (commencing with Section 2220) of Chapter 5.

SEC. 3. Section 4980.40 of the Business and Professions Code is amended to read:

4980.40. To qualify for a license an applicant shall have all the following qualifications:

(a) Applicants applying for licensure on or after January 1, 1988, shall possess a doctor's or master's degree in marriage, family, and child counseling, marital and family therapy, psychology, clinical psychology, counseling psychology, counseling with an emphasis in marriage, family, and child counseling, or social work with an emphasis in clinical social work, obtained from a school, college, or university accredited by the Western Association of Schools and Colleges, the Northwest Association of Secondary and Higher Schools, or an essentially equivalent accrediting agency, as determined by the board, or approved by the Superintendent of Public Instruction, pursuant to subdivision (b) of Section 94310 of the Education Code. In order to qualify for licensure, pursuant to this subdivision, any doctor's or master's degree program shall contain no less than 48 semester or 72 quarter units of instruction. The instruction shall include no less than 12 semester units or 18 quarter units of coursework in the areas of marriage, family, and child counseling and marital and family systems approaches to treatment.

The coursework shall include all of the following areas:

(1) The salient theories of a variety of psychotherapeutic orientations directly related to marriage, family, and child counseling, and marital and family systems approaches to treatment.

(2) Theories of marriage and family therapy and how they can be utilized in order to intervene therapeutically with couples, families, adults, children, and groups.

(3) Developmental issues and life events from infancy to old age and their affect upon individuals, couples, and family relationships. This may include coursework that focuses on specific family life events and the psychological, psychotherapeutic, and health implications that arise within couples and families, including, but not

limited to, childbirth, child rearing, childhood, adolescence, adulthood, marriage, divorce, blended families, stepparenting, and geropsychology.

(4) A variety of approaches to the treatment of children.

The board may, by regulation, further define the content requirements of required courses specified in this subdivision.

(b) In addition to the 12 semester or 18 quarter units of coursework specified above, the doctor's or master's degree program shall contain not less than six semester or nine quarter units of supervised practicum in applied psychotherapeutic techniques, assessment, diagnosis, prognosis, and treatment of premarital, couple, family, and child relationships, including dysfunctions and healthy functioning and health promotion and illness prevention, in a supervised clinical placement that provides supervised fieldwork experience within the scope of practice of a marriage, family, and child counselor.

(1) Supervised practicum hours, as specified in this subdivision, shall be evaluated, accepted, and credited as hours for trainee experience by the board.

(2) Educational institutions and trainees are encouraged to design the practica to include marriage, family, and child counseling experience in low-income and multicultural mental health settings.

(3) The practicum hours shall be considered as part of the 48 semester or 72 quarter unit requirement.

(c) As an alternative to meeting the qualifications specified in subdivision (a), the board shall accept as equivalent degrees, those master's or doctor's degrees granted by educational institutions whose degree program is approved by the Commission on Accreditation for Marriage and Family Therapy Education.

(d) All applicants shall, in addition, complete the coursework or training specified in Section 4980.41.

(e) All applicants shall be at least 18 years of age.

(f) All applicants shall have at least two years' experience, in interpersonal relationships, marriage, family, and child counseling and psychotherapy under the supervision of a licensed marriage, family, and child counselor, licensed clinical social worker, licensed psychologist, or licensed physician certified in psychiatry, or the equivalent as determined by the board.

(1) All experience shall be at all times under the supervision of the supervisor who shall, with the person being supervised, be responsible for ensuring that the extent, kind, and quality of counseling performed is consistent with the training and experience of the person being supervised, and who shall be responsible to the board for the compliance of all laws, rules, and regulations governing the practice of marriage, family, and child counseling.

(2) Supervision shall include at least one hour of direct supervision for each week of experience claimed.

(3) Any person supervising another pursuant to this subdivision shall have been licensed or certified for at least two years prior to

acting as a supervisor, except this requirement shall not affect any supervisorial relationship in existence on December 31, 1983.

(4) The supervisor shall consider, advise, and encourage his or her interns and trainees regarding the advisability of his or her undertaking individual or group counseling or psychotherapy as appropriate, and insofar as it is deemed appropriate and is desired by the applicant, the supervisor shall seek to assist the applicant in obtaining counseling or psychotherapy at a reasonable cost.

(5) The board may prescribe by regulation any other qualifications for supervisors that it deems appropriate.

(g) The applicant shall pass a written examination and an oral examination conducted by the board or their designees.

(h) The applicant shall not have committed acts or crimes constituting grounds for denial of licensure under Section 480.

(i) Applicants applying for licensure on or before December 31, 1987, shall possess all of the qualifications specified in subdivisions (e) to (h), inclusive, and shall possess a doctor's or master's degree in marriage, family, and child counseling, social work, clinical psychology, counseling, counseling psychology, child development and family studies, or a degree determined by the board to be equivalent, obtained from a school, college, or university accredited by the Western Association of Schools and Colleges, the Northwest Association of Secondary and Higher Schools, or an essentially equivalent accrediting agency as determined by the board.

(j) Persons who commenced graduate study, as defined in Section 4980.40, on or before December 31, 1987, shall be governed by subdivisions (i) and (k) of this section only if they apply and qualify for internship registration or licensure examination within five years of their starting that graduate study or by December 31, 1987, whichever is later.

(k) For applicants applying for a license pursuant to subdivisions (i) and (j), the board may make a determination that an applicant's master's or doctor's degree is an equivalent degree if it finds that the degree was issued upon completion of a course of academic study primarily designed to train persons as a marriage, family, and child counselor. The course of study completed by the applicant shall contain not less than 30 semester or 45 quarter units of coursework as follows: (1) human biological, psychological, and social development, (2) human sexuality, (3) psychopathology, (4) cross-cultural mores and values, (5) theories of marriage, family, and child counseling, (6) professional ethics and law, (7) human communication, (8) research methodology, (9) theories and applications of psychological testing, and (10) not less than six semester or nine quarter units of supervised practicum in applied psychotherapeutic techniques, assessment, diagnosis, prognosis, and treatment of premarital, family, and child relationship dysfunctions. The applicant shall submit to the board satisfactory written verification by the chief academic officer of the accredited or approved school, or by an authorized designee, that the applicant has

successfully completed courses, including the practicum required by the board. The verification shall include, but need not be limited to, descriptions of the completed courses. The board may request further written verification of course content and academic experience to determine that the applicant's training and experience is equivalent to the course of instruction required by this section.

SEC. 4. Section 6086.8 of the Business and Professions Code, as added by Chapter 1114 of the Statutes of 1986, is amended and renumbered to read:

6086.11. The board of governors shall establish a committee, known as the complainants' grievance panel. The panel shall exercise all of the following powers:

(a) Periodically audit dismissals of complaints in lieu of disciplinary prosecution by the trial counsel and the imposition of admonitions by the chief trial counsel in lieu of disciplinary prosecution, and may order rehearing or further investigation or recommend that the chief trial counsel file a notice to show cause or take other formal disciplinary action.

(b) Upon request for review by complainants, review the dismissals and the imposition of admonitions in lieu of disciplinary prosecution, and may order rehearing or further investigation or recommend that the chief trial counsel file a notice to show cause or take other formal disciplinary action.

The complainants' grievance panel shall consist of seven members. Three members of the panel shall consist of public members who have never been members of the State Bar or admitted to practice before any court in the United States. The Governor shall appoint one nonattorney member who shall serve for a term of four years, except that for the initial term after enactment of this section the first nonattorney appointed shall serve for two years. The Senate Committee on Rules shall appoint one nonattorney member who shall serve for a term of four years. The Speaker of the Assembly shall appoint one nonattorney member who shall serve a term of four years, except that for the initial term after enactment of this section the first nonattorney shall serve for three years.

The board of governors shall appoint four members who shall be members of the State Bar and who shall serve for a term of four years, except that for the initial term after enactment of this section one attorney first appointed shall serve for two years, one for three years, and two for four years, as determined by lot.

Each respective appointing authority shall fill any vacancy in and make any reappointment to each respective office.

The complainants' grievance panel shall provide a written report at least once yearly to the Discipline Committee of the Board of Governors of the State Bar as to its findings and recommendations concerning dismissed cases, including its findings as to whether too many or too few cases are being dismissed, and whether varying standards are being used.

It also shall provide a copy of the report to the Senate Rules

Committee and to the Senate and Assembly Judiciary Committees at the same time it submits its report to the board.

SEC. 5. Section 6092 of the Business and Professions Code is amended to read:

6092. (a) The disciplinary agency shall study attorney competency, and shall report to the Legislature and to the Chairpersons of the Assembly and Senate Judiciary Committees by January 1, 1989, on methods of determining and improving attorney competency.

(b) The disciplinary agency may engage the services of consultants and an unpaid volunteer peer review committee and undertake any other steps that may be appropriate for devising methods for determining and improving attorney competence.

SEC. 6. Section 8624 of the Business and Professions Code is amended to read:

8624. If the board suspends or revokes an operator's license and one or more branch offices are registered under the name of the operator, the suspension or revocation may be applied to each branch office.

If the operator is the qualifying manager, a partner, responsible officer, or owner of a registered structural pest control company, the suspension or revocation may be applied to the company registration.

The performance by any partnership, corporation, firm, association, or registered company of any act or omission constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against any licensee who, at the time the act or omission occurred, was the qualifying manager, a partner, responsible officer, or owner of the partnership, corporation, firm, association, or registered company whether or not he or she had knowledge of, or participated in, the prohibited act or omission.

SEC. 7. Section 9943 of the Business and Professions Code is amended to read:

9943. To be eligible for application for a license, the applicant shall:

(a) Not have committed acts or crimes constituting grounds for denial of licensure under Section 480.

(b) Be at least 18 years of age.

(c) Be a person whose license has not been revoked within three years from the date of application.

(d) Be a person with a minimum of one year's experience with an employment agency or with equivalent experience in the opinion of the bureau.

(e) Be a person who has completed the 12th grade, except that the bureau may establish proof satisfactory to them that the applicant is possessed of a 12th grade education in point of intellectual competency and achievement.

(f) Show financial responsibility.

SEC. 8. Section 9989 of the Business and Professions Code is

amended to read:

9989. The definitions used in this section govern the construction and terms as used in this article:

(a) "Prepaid computer employment agency" means the business of matching jobseekers with employment opportunities, pursuant to an arrangement under which the jobseekers are required to pay a fee in advance of, or contemporaneously with, the supplying of the matchings, but which does not otherwise involve services for the procurement of employment by the person conducting the service.

(b) "Job listing service" means any person who, by advertisement or otherwise, offers to provide applicants for employment lists of employers or lists of job openings or like publications, or prepares resumés or lists of applicants for distribution to potential employers, where a prepaid fee or valuable consideration is exacted or attempted to be collected, either directly or indirectly from the jobseeker.

(c) "Licensee" means a person licensed to conduct a prepaid computer employment agency or a job listing service.

(d) "Jobseeker" means a person seeking employment.

(e) "Location" means the place where a prepaid computer employment agency or job listing service business is conducted.

(f) "Designated agent" means the person who is in charge of the business of a prepaid computer employment agency or a job listing service at a given location.

SEC. 9. Section 10249.2 of the Business and Professions Code is amended to read:

10249.2. The sale or lease, or the offering for sale or lease, of lots or parcels in a subdivision situated outside of this state shall be governed by Article 6 (commencing with Section 10237) and by Chapter 1 (commencing with Section 11000) of Part 2, insofar as applicable.

The Real Estate Commissioner may adopt regulations reasonably necessary to enforce this article.

SEC. 10. Section 10515 of the Business and Professions Code is amended to read:

10515. (a) Except as provided in subdivision (b), mineral, oil and gas brokers in performing acts within the scope and under the authority of this chapter are subject to the provisions applicable to real estate brokers contained in Sections 10150, 10151.5, 10152, 10153.6, 10153.8, 10156.2, 10157, 10158, 10159, 10159.2, 10159.5, 10161.5, 10161.75, 10162, 10163, and 10165.

(b) Mineral, oil and gas brokers shall not be subject to any of the provisions of Article 2 (commencing with Section 10150) or Article 2.5 (commencing with Section 10170) of Chapter 3 which impose continuing education requirements as a prerequisite to the renewal of a license.

SEC. 11. 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 include improved or unimproved land or lands, a lot or lots, or a 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 does not apply to the creation or proposed creation of undivided interests in land if any one of the following conditions exists:

(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 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 or she (1) is fully informed concerning the real property to be acquired and his or her interest therein including the risks involved in ownership of undivided interests, and (2) is purchasing the interest or interests for his or her 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 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 Commissioner of Corporations pursuant to the Corporate Securities Law of 1968.

(6) The real property is offered for sale as a time-share project as defined in Section 11003.5.

SEC. 12. Section 16770 of the Business and Professions Code is amended to read:

16770. (a) It is the intent of the Legislature to ensure that the citizens of this state receive high-quality health care coverage in the most efficient and cost-effective manner possible.

(b) In furtherance of this intent, the Legislature finds and declares that it is in the public interest to enhance the ability of California purchasers, providers, and payers to form efficient-sized bargaining units for the purpose of contracting for the delivery of health care services.

(c) This Legislature has previously demonstrated its intent in this area by the recent enactment of Chapters 328, 329, and 1594 of the Statutes of 1982 authorizing various types of contracts to be entered into between public or private purchasers or payers of health care coverage, and institutional or professional providers of health care

services.

(d) The Legislature further finds and declares that individual providers or purchasers, whether institutional, professional, or otherwise, have not proven to be efficient-sized bargaining units for these contracts, and that the formation of groups and combinations of institutional and professional providers and purchasing groups for the purpose of creating efficient-sized contracting units represents a meaningful addition to the health care marketplace.

(e) The Legislature, however, recognizes that the 1982 decision of the United States Supreme Court in Arizona v. Maricopa Medical Society serves as a disincentive to the development of contracting for health care services because purchasers, providers, and payers who enter into contracts bear the risk of being found guilty of committing per se antitrust violations.

(f) The Legislature further finds and declares that the public interest in ensuring that citizens of this state receive high-quality health care coverage in the most efficient and cost-effective manner possible is furthered by permitting negotiations for alternative rate contracts between purchasers or payers of health care services, and institutional and professional providers, or through a person or entity acting for, or on behalf of, a purchaser, payer, or provider.

(g) It is the intent of the Legislature, therefore, that the formation of groups and combinations of providers and purchasing groups for the purpose of creating efficient-sized contracting units be recognized as the creation of a new product within the health care marketplace, and be subject, therefore, only to those antitrust prohibitions applicable to the conduct of other presumptively legitimate enterprises.

These provisions are in addition to those provided for under Section 1342.6 of the Health and Safety Code and Section 10133.6 of the Insurance Code.

(h) This section does not change existing antitrust law as it relates to any agreement or arrangement to exclude from any of the above-described groups or combinations, any person who is lawfully qualified to perform the services to be performed by the members of the group or combination, where the ground for the exclusion is failure to possess the same license or certification as is possessed by the members of the group or combination.

SEC. 13. Section 18653 of the Business and Professions Code is amended to read:

18653. (a) No person shall conduct or operate a professional boxers' training gymnasium unless he or she has a license issued by the commission under this chapter.

(b) Any application to conduct or operate a professional boxers' gymnasium shall contain facts which show compliance with this chapter and shall provide any other information the commission may require.

(c) The application shall include the fee required in Section 18817.

(d) This section shall not apply to a training camp established by

a professional boxer for his or her sole use.

(e) As used in this chapter:

(1) A "professional boxers' training gymnasium" means a gymnasium, the principal business of which is the providing of training facilities for professional boxers, and in which either or both of the following occur:

(A) A fee is charged to professional boxers for the use of the gymnasium facilities.

(B) A fee is charged to persons who view the training of professional boxers.

(2) "Principal business" means the use of the gymnasium for the providing of training facilities for professional boxers which either accounts for more than 50 percent of the annual gross income of the gymnasium, or accounts for more than 50 percent of its total use.

SEC. 14. Section 19596.10 of the Business and Professions Code, as added by Chapter 1285 of the Statutes of 1986, is amended and renumbered to read:

19596.4. Notwithstanding any other provision of law, if there is an overlap in the northern zone between a racing fair, other than the Fresno or Ferndale fairs, and any other association that races in the daytime, the racing fair has the exclusive right to send its signal to the satellite wagering facilities in the state if the board determines that it is operationally possible for the racing fair to send its signal. However, any association that is not a fair that races in the northern zone may send its signal to a satellite wagering facility located at another association that is not a fair in the northern zone.

SEC. 15. Title 1 (commencing with Section 1725) of Part 4 of Division 3 of the Civil Code is repealed.

SEC. 16. The heading of Title 1.1 (commencing with Section 1738) of Part 4 of Division 3 of the Civil Code is amended and renumbered to read:

TITLE 1. CONSIGNMENT OF FINE ART

SEC. 17. The heading of Title 1.1A (commencing with Section 1739) of Part 4 of Division 3 of the Civil Code is amended and renumbered to read:

TITLE 1.1. SALE AND MANUFACTURE OF POLITICAL ITEMS

SEC. 19. Section 1921 of the Civil Code is amended to read:

1921. (a) As used in this section:

(1) "Adjustable-rate residential mortgage loan" means any loan or credit sale which is primarily for personal, family, or household purposes which bears interest at a rate subject to change during the term of the loan, whether predetermined or otherwise, and which is made upon the security of real property containing not less than one nor more than four dwelling units.

(2) "Lender" means any person, association, corporation, partnership, limited partnership, or other business entity making, in any 12-month period, more than 10 loans or credit sales upon the security of residential real property containing not less than one nor more than four dwelling units.

(b) Any lender offering adjustable-rate residential mortgage loans shall provide to prospective borrowers a copy of the most recent available publication of the Federal Reserve Board that is designed to provide the public with descriptive information concerning adjustable-rate mortgages (currently entitled "Consumer Handbook on Adjustable Rate Mortgages"), either upon the prospective borrower's request or at the same time the lender first provides written information, other than direct-mail advertising, concerning any adjustable-rate residential mortgage loan or credit sale to the prospective borrower, whichever is earlier. Any lender who fails to comply with the requirements of this section may be enjoined by any court of competent jurisdiction and shall be liable for actual damages, the costs of the action, and reasonable attorney's fees as determined by the court. The court may make those orders as may be necessary to prevent future violations of this section.

(c) A lender that makes adjustable-rate mortgage loan disclosures pursuant to either Part 29 of Chapter I of, or Part 563 of Chapter V of, Title 12 of the Code of Federal Regulations, may comply with this section by providing the descriptive information required by subdivision (b) at the same time and under the same circumstances that it makes disclosures in accordance with those federal regulations. Such a lender shall also display and make the descriptive information available to the public in an area of the lender's office that is open to the public.

SEC. 20. Section 2375 of the Civil Code is amended to read:

2375. The disclosure form required by Section 2374 shall have this article, excluding this section, printed on the back, and on the front of the disclosure form the following shall appear:

DISCLOSURE REGARDING
REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller:

(a) A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party which does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party which does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer.

(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other

party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Article 2.5 (commencing with Section 2373) of Chapter 2 of Title 9 of Part 4 of Division 3 of the Civil Code set forth on the reverse hereof. Read it carefully.

Agent	Buyer/Seller (date) (Signature)
Associate Licensee (date) (Signature)	Buyer/Seller (date) (Signature)

SEC. 21. Section 3054 of the Civil Code is amended to read:

3054. (a) A banker, or a savings and loan association, has a general lien, dependent on possession, upon all property in his or her hands belonging to a customer, for the balance due to the banker or savings and loan association from the customer in the course of the business.

(b) The exercise of this lien with respect to deposit accounts shall be subject to the limitations and procedures set forth in Section 864 or 6660 of the Financial Code.

SEC. 22. The heading immediately following the heading of Part 4 (commencing with Section 1855b) and immediately preceding the heading of Title 1 (commencing with Section 1855b) of Part 4 of the Code of Civil Procedure is repealed.

SEC. 23. Section 1855b of the Code of Civil Procedure is amended and renumbered to read:

1855. When any map which has been recorded in the office of the recorder of any county is injured, destroyed, lost, or stolen, any person interested may file in the superior court of the county in which the map was originally filed or recorded a verified petition in writing alleging that the map has been injured, destroyed, lost, or stolen without fault of the person making the application, and that the petitioner has a true and correct copy of the original map which he or she offers for record in the place of the original map. The

petition shall be accompanied by a copy of the true copy offered for recording.

Upon the filing of the petition the clerk shall set it for hearing by the court, and give notice of the hearing by causing notice of the time and place of the hearing to be posted at the courthouse in the county where the court is held at least 10 days prior to the hearing. A copy of the petition and a copy of the true copy offered for record shall be served upon the recorder of the county in which the proceedings are brought at least 10 days prior to the hearing. The court may order any further notice to be given as it deems proper. At the time set for the hearing the court shall take evidence for and against the petition, and if it appears to the court from the evidence presented that the copy of the map submitted is a true copy of the original map, it shall decree that the copy is a true copy of the original map, and order the copy placed of record in the office of the recorder in the place of the original map.

A certified copy of the decree shall accompany the true copy of the map for record. When presented to the county recorder for record, he or she shall place of record the copy of the map in the place of the original map.

When placed of record the copy shall have the same effect as the original map, and conveyances of property referring to the original map shall have the same effect as though the original map had not been injured, destroyed, lost, or stolen, and conveyances thereafter made referring to the copy of the original map shall be deemed to refer also to the original map.

SEC. 24. Section 1991 of the Code of Civil Procedure is amended to read:

1991. Disobedience to a subpoena, or a refusal to be sworn, or to answer as a witness, or to subscribe an affidavit or deposition when required, may be punished as a contempt by the court issuing the subpoena.

When the subpoena, in any such case, requires the attendance of the witness before an officer or commissioner out of court, it is the duty of the officer or commissioner to report any disobedience or refusal to be sworn or to answer a question or to subscribe an affidavit or deposition when required, to the court issuing the subpoena. The witness shall not be punished for any refusal to be sworn or to answer a question or to subscribe an affidavit or deposition, unless, after a hearing upon notice, the court orders the witness to be sworn, or to so answer or subscribe and then only for disobedience to the order.

Any judge, justice, or other officer mentioned in subdivision (c) of Section 1986, may report any disobedience or refusal to be sworn or to answer a question or to subscribe an affidavit or deposition when required to the superior court of the county in which attendance was required; and the court thereupon has power, upon notice, to order the witness to perform the omitted act, and any refusal or neglect to comply with the order may be punished as a contempt of court.

In lieu of the reporting of the refusal as hereinabove provided, the

party seeking to obtain the deposition or to have the deposition or affidavit signed, at the time of the refusal may request the officer or commissioner to notify the witness that at a time stated, not less than five days nor more than 20 days from the date of the refusal, he or she will report the refusal of the witness to the court and that the party will, at that time, or as soon thereafter as he or she may be heard, apply to the court for an order directing the witness to be sworn, or to answer as a witness, or subscribe the deposition or affidavit, as the case may be, and that the witness is required to attend that session of the court.

The officer or commissioner shall enter in the record of the proceedings an exact transcription of the request made of him or her that he or she notify the witness that the party will apply for an order directing the witness to be sworn or to answer as a witness or subscribe the deposition or affidavit, and of his or her notice to the witness, and the transcription shall be attached to his or her report to the court of the refusal of the witness. The report shall be filed by the officer with the clerk of the court issuing the subpoena, and the witness shall attend that session of the court, and for failure or refusal to do so may be punished for contempt.

At the time so specified by the officer, or at a subsequent time to which the court may have continued the matter, if the officer has theretofore filed a report showing the refusal of the witness, the court shall hear the matter, and without further notice to the witness, may order the witness to be sworn or to answer as a witness or subscribe the deposition or affidavit, as the case may be, and may in the order specify the time and place at which compliance shall be made or to which the taking of the deposition is continued. Thereafter if the witness refuses to comply with the order he or she may be punished for contempt.

SEC. 25. Section 8302 of the Commercial Code is amended to read:

8302. (1) A "bona fide purchaser" is a purchaser for value in good faith and without notice of any adverse claim as to whom any of the following apply:

(a) Who takes delivery of a certificated security in bearer form or in registered form, issued or endorsed to him or her or in blank.

(b) To whom the transfer, pledge, or release of an uncertificated security is registered on the books of the issuer.

(c) To whom a security is transferred under the provisions of paragraph (c), subparagraph (i) of paragraph (d), or paragraph (g) of subdivision (1) of Section 8313.

(2) "Adverse claim" includes a claim that a transfer was or would be wrongful or that a particular adverse person is the owner of or has an interest in the security.

(3) A bona fide purchaser in addition to acquiring the rights of a purchaser (Section 8301) also acquires his or her interest in the security free of any adverse claim.

(4) Notwithstanding subdivision (1) of Section 8301, the

transferee of a particular security who has been a party to any fraud or illegality affecting the security, or who as a prior owner of that security had notice of an adverse claim, cannot improve his or her position by taking from a bona fide purchaser.

SEC. 26. Section 8480 of the Education Code, as added by Chapter 1026 of the Statutes of 1985, is amended and renumbered to read:

8475. Programs funded pursuant to this article shall be deemed to be child day care facilities, as defined under Section 1596.750 of the Health and Safety Code, and subject to the California Child Day Care Act set forth in Chapter 3.4 (commencing with Section 1596.70) of Division 2 of the Health and Safety Code. A program may be exempted from any administrative regulation promulgated pursuant to the California Child Day Care Act by the Superintendent of Public Instruction for the sole purpose of qualification for funding, upon the determination by the superintendent that good cause exists for the exemption, that the purposes of this article will be so furthered, and that the exemption will not result in a dangerous or life-threatening situation.

SEC. 27. Section 8480 of the Education Code, as added by Chapter 1440 of the Statutes of 1985, is amended and renumbered to read:

8485. The governing board of any school district conducting instruction for students in any grade level up to, and including, the completion of junior high school may establish a program of affordably priced supervision for children before and after school.

SEC. 28. Section 8481 of the Education Code, as added by Chapter 1026 of the Statutes of 1985, is amended and renumbered to read:

8476. In order to maximize program flexibility and cost effectiveness and to foster innovation and creativity, the Superintendent of Public Instruction may exempt from any administrative requirements established under this article any programs that are recreational in nature and contain no instructional components.

SEC. 29. Section 8481 of the Education Code, as added by Chapter 1440 of the Statutes of 1985, is amended and renumbered to read:

8486. Child supervision programs conducted pursuant to this article shall be licensed or exempt programs administered and monitored by the school district. Programs may be staffed by district personnel or may be subcontracted to qualified private or nonprofit, or other public agencies. Each program shall be designed by administrators of the district to fit the needs at each school or site where a program is conducted.

SEC. 30. Section 8482 of the Education Code is amended and renumbered to read:

8487. Child supervision programs conducted pursuant to this article shall consist of supervised activities including, but not limited

to, arts and crafts, sports, quiet games, playground time and snacks, and homework. Computer training may also be made available. Extra enrichment programs and study trips may be made available for a fee which shall be paid by the children's parents or guardians.

SEC. 31. Section 8483 of the Education Code is amended and renumbered to read:

8488. Each school which elects to establish a child supervision program shall apply to the State Department of Education for a grant for each program of up to four thousand dollars ($4,000). Grants for the new programs established pursuant to this section shall be allocated to programs that meet both the following requirements:

(a) Have conducted a needs assessment of the local community.

(b) Provide for a viable program plan.

The grants may be used for any of the following: one month's staffing cost, snacks, and the purchase of sports equipment, games, computers, and supplies as indicated by the budget submitted by the district. After the program is operating, the district shall maintain the program through the fees charged the parents and guardians of the children in the program. The fee may be the same for each child regardless of family income or the number of hours a child participates in the program so that the self-supporting nature of the program is assured. School programs shall seek funding from local business, community, and philanthropic organizations to ensure that no needy child who desires to participate shall be denied the opportunity to participate because of inability to pay the fee. No one who desires to participate in the program shall be denied the opportunity to participate because of inability to pay the fee. The state department shall fund up to 250 programs.

SEC. 32. Section 8485 of the Education Code is amended and renumbered to read:

8477. (a) It is the intent of the Legislature that funds be appropriated for the state purchase of relocatable child care and development facilities for the purpose of providing extended day care services pursuant to this article, for lease to qualifying contracting agencies in geographic areas with no available child care and development facilities. A fund is hereby created in the State Treasury, to be known as the State Child Care Facilities Fund. All moneys in the State Child Care Facilities Fund, including any moneys deposited in that fund from any source whatsoever, are hereby continuously appropriated without regard to fiscal year for expenditure pursuant to the provisions of this article. The State Allocation Board may authorize the expenditure of any moneys in the State Child Care Facilities Fund for capital outlay projects pursuant to this article.

(b) No relocatable child care and development facility owned by the state shall be placed on privately owned land except in those areas of the state where the Superintendent of Public Instruction determines there is no available space on publicly owned land and where there are no available child care and development facilities.

(c) The Superintendent of Public Instruction shall establish the qualifications to determine the eligibility of extended day care contracting agencies to lease relocatable facilities under this section.

(d) The Superintendent of Public Instruction shall adopt rules establishing priorities for the acquisition and leasing of facilities to contracting agencies that will most benefit children needing extended day care services. First priority shall be given to programs that are operated in school districts that have unhoused pupils, as determined under state standards established pursuant to Chapter 22 (commencing with Section 17700) of Part 10, and have developed a plan to provide extended day care services in a cost-effective manner. Each lessee shall be required to demonstrate that relocatable facilities are utilized solely for operation of extended day care services, and to comply with cost-effective minimum program standards established by the superintendent.

(e) The State Allocation Board, with the advice of the Superintendent of Public Instruction, may do all of the following:

(1) Establish any procedures and policies in connection with the administration of this section that it deems necessary.

(2) Adopt any rules and regulations for the administration of this section requiring those procedures, forms, and information that it deems necessary.

(3) Have constructed, furnished, equipped, or otherwise require whatever work is necessary to place relocatable extended day care services facilities where needed.

(f) The board shall lease relocatable facilities to qualifying extended day care services contracting agencies and shall charge rent of one dollar ($1) per year. The board shall require lessees to undertake all necessary maintenance, repairs, renewal, and replacement to ensure that a project is at all times kept in good repair, working order, and condition. All costs incurred for this purpose shall be borne by the lessee.

(g) The board shall require lessees to insure at their own expense for the benefit of the state, any leased relocatable facility which is the property of the state, against any risks, including liability from the use thereof, in the amounts the board deems necessary to protect the interests of the state.

(h) No relocatable facilities shall be made available to a contracting agency unless the agency furnishes evidence, satisfactory to the board, that the contracting agency has no other facility available for rental, lease, or purchase in the geographic service area that is economically or otherwise feasible.

(i) The board shall have prepared for its use, performance specifications for relocatable facilities and bids for their construction that can be solicited from more than one responsible bidder. The board shall from time to time solicit bids from, and award to, the lowest responsible competitive bidder, contracts for the construction or purchase of relocatable facilities that have been approved for lease to eligible extended day care services contracting agencies.

(j) If at any time the board determines that a lessee's need for particular relocatable facilities which were made available to the lessee pursuant to this article has ceased, the board may take possession of the relocatable facilities and may lease them to other eligible contracting agencies, or, if there is no longer a need for the relocatable facilities, the board may dispose of them to public or private parties in the manner it deems to be in the best interests of the state.

(k) If a lessee uses a particular relocatable facility for only a portion of the year, the board may enter into a second lease with a public or private party for the use of that facility for the portion of the year during which the facility would otherwise be unused, in the manner it deems to be in the best interests of the state. The lessee shall be subject to subdivisions (e) and (g).

SEC. 33. Section 8486 of the Education Code is amended and renumbered to read:

8478. The State Allocation Board shall establish regulations for the allocation of funds for capital outlay for purposes of this chapter. The Superintendent of Public Instruction shall establish qualifications for determining the eligibility of extended day care agencies to apply for these funds.

SEC. 34. Section 8490 of the Education Code is amended and renumbered to read:

8479. The State Department of Education shall submit a written report to the Legislature by June 30, 1986, documenting the department's progress in implementing this article. The report shall include the number of contracts awarded, the number of contracts awarded to programs based on public school sites, the number of children by age or grade level served in programs funded under this chapter, and any problems with the implementation of this chapter.

SEC. 35. Section 8491 of the Education Code is amended and renumbered to read:

8480. The advisory committee established pursuant to Section 8286 shall perform all of the following functions with regard to this chapter:

(a) Assist the State Department of Education in developing and reviewing guidelines for the administration of this chapter.

(b) Serve in an advisory capacity to the Superintendent of Public Instruction and the Governor for program policy decisions.

(c) Review the implementation of this chapter.

(d) Make written recommendations to the Legislature, the Governor, the State Department of Education, and the State Department of Social Services, by June 30, 1986, with regard to possible improvements to facilitate the implementation of this chapter.

SEC. 36. Section 8492 of the Education Code is amended and renumbered to read:

8481. The Office of the Legislative Analyst shall contract for an independent study of the school age community child care program

provided for under this article at the end of the second program year, and shall report the results of the study to the Legislature no later than December 1, 1987. The study shall include, but need not be limited to, program services, cost, staffing, administration, and support services; a review of the maximum reimbursement rate; the relationship between school districts, resource and referral programs, and county welfare departments; the timeliness of the creation of the support for child care; the timeliness of the provision of services; a comparative analysis of program services; and any other factors deemed relevant to the evaluation of the program's attainment of its goals and purposes.

SEC. 37. Section 17742.7 of the Education Code is amended to read:

17742.7. (a) For any project application filed or amended on or after January 1, 1987, the area of adequate school construction existing in the applicant school district or, where appropriate, in the attendance area, at the time of application shall be calculated as otherwise provided by this article or, at the request of the district, pursuant to the following formula:

(1) Identify by grade level all teaching stations existing in the school district or, where appropriate, the attendance area, as of January 1, 1986. For the purposes of this section, "teaching station" means any space that was constructed or reconstructed to serve as an area in which to provide pupil instruction.

(2) Determine the maximum pupil loading figure for each grade level pursuant to the district pupil loading standards in effect on January 1, 1986. In no event may this figure be more than the maximum pupil loading standards established by the board, or less than three pupil units lower than those maximum pupil loading standards.

(3) Multiply the figure determined under paragraph (2) for each grade level by the number of teaching stations for the particular grade level, as determined under paragraph (1).

(4) Multiply the product determined under paragraph (3) by the maximum area allowance established for that grade level under this article.

(5) The sum of these computations for each grade level, as determined under paragraphs (1) to (4), inclusive, in addition to the area of existing adequate school construction as calculated under Section 17740 for all school construction completed after January 1, 1986, in the district or, where appropriate, the attendance area, shall be the total area of adequate school construction existing in the district or attendance area pursuant to this formula.

(b) For purposes of this section, a school district that is participating in a class size reduction program set forth in this code shall use the pupil loading standard established pursuant to that program.

SEC. 38. Section 19423 of the Education Code is amended to read:

19423. The first board of library trustees appointed or elected in

a district shall at their first meeting so classify themselves by lot that their terms shall expire:

(a) For three-member boards, one on the last Friday in November of the first odd-numbered calendar year next succeeding his or her appointment or election, and two on the last Friday in November of the second succeeding odd-numbered calendar year.

(b) For five-member boards, two on the last Friday in November of the first odd-numbered calendar year next succeeding his or her appointment or election, and three on the last Friday in November of the second succeeding odd-numbered calendar year.

SEC. 39. 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 for 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. 40. Section 51260 of the Education Code is amended to read:

51260. (a) Instruction shall be given in the elementary and secondary schools by appropriately trained instructors on drug education and the effects of the use of tobacco, alcohol, narcotics, dangerous drugs, as defined in Section 11032 of the Health and Safety Code, and other dangerous substances.

For purposes of this chapter, an "appropriately trained instructor" is one who, based upon the determination of the site administrator, demonstrates competencies in interacting in a positive manner with children and youth; demonstrates knowledge of the properties and effects of tobacco, alcohol, narcotics, and dangerous drugs; and who demonstrates skills in conducting affective education, which include methods and techniques for helping children and youth to freely express ideas and opinions in a responsible manner and to gain an awareness of their values as they affect decisions related to drug use and misuse.

In grades 1 through 6, instruction on drug education should be conducted in conjunction with courses given on health pursuant to subdivision (f) of Section 51210.

In grades 7 to 12, inclusive, instruction on drug education shall be conducted in conjunction with courses given on health or in any

appropriate area of study pursuant to Section 51220.

The instruction shall be sequential in nature and suited to meet the needs of students at their respective grade level.

(b) Services provided under this section shall be in addition to, but shall not be duplicative of, services provided pursuant to Article 2 (commencing with Section 11965) of Part 3 of Division 10.5 of the Health and Safety Code.

SEC. 41. The heading of Article 4 (commencing with Section 54700) of Chapter 9 of Part 29 of the Education Code is amended and renumbered to read:

Article 6. University and College Opportunities Program

SEC. 42. The heading of Article 6 (commencing with Section 54720) of Chapter 9 of Part 29 of the Education Code is amended and renumbered to read:

Article 7. School-Based Pupil Motivation and Maintenance Program and Dropout Recovery Act

SEC. 43. The heading of Article 6 (commencing with Section 54750) of Chapter 9 of Part 29 of the Education Code is amended and renumbered to read:

Article 8. College Admissions Test Preparation Pilot Projects

SEC. 44. Section 67300 of the Education Code, as amended by Section 35 of Chapter 248 of the Statutes of 1986, 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 operative on July 1, 1988, unless a later enacted statute, which is enacted prior to that date, deletes or extends that date.

SEC. 45. Section 78201.7 of the Education Code is repealed.

SEC. 46. Section 607 of the Elections Code is amended to read:

607. (a) Each county clerk shall send to the Secretary of State a

summary statement of the number of voters in the county. The statement shall show the total number of voters in the county, the number registered as affiliated with each qualified political party, the number registered in nonqualified parties, and the number who declined to state any party affiliation. The statement shall also show the number of voters, by political affiliations, in each city, supervisorial district, Assembly District, Senate District, and congressional district, located in whole or in part within the county.

(b) The Secretary of State, on the basis of the statements sent by the county clerks and within 30 days after receiving those statements, shall compile a statewide list showing the number of voters, by party affiliations, in the state and in each county, city, supervisorial district, Assembly District, Senate District, and congressional district, in the state. A copy of this list shall be made available, upon request, to any elector in this state.

(c) Each county clerk who uses data-processing equipment to store the information set forth in the affidavit of registration shall send to the Secretary of State one copy of the magnetic tape file with the information. Each county clerk who does not use data-processing storage shall send to the Secretary of State one copy of the index setting forth that information.

(d) The summary statements and the magnetic tape file copy or the index shall be sent at the following times:

(1) On the 135th day before each presidential primary and before each direct primary, with respect to voters registered on the 154th day before the primary election.

(2) Not less than 50 days prior to the primary election, with respect to voters registered on the 60th day before the primary election.

(3) Not less than 10 days prior to the primary election, with respect to voters registered before the 28th day prior to the primary election.

(4) Not less than 50 days prior to the general election, with respect to voters registered on the 60th day before the general election.

(5) Not less than 10 days prior to the general election, with respect to voters registered before the 28th day prior to the general election.

(6) On or before March 1 of each odd-numbered year, with respect to voters registered as of February 10.

(7) On or before October 1 of each odd-numbered year, with respect to voters registered as of September 12.

(e) The Secretary of State may adopt regulations prescribing the format of the magnetic tape file or index containing the registered voter information from the affidavits of registration.

(f) The Secretary of State may adopt regulations prescribing additional regular reporting times, except that the total number of reporting times in any one calendar year shall not exceed 12.

(g) The Secretary of State shall make the information from the magnetic tape files or the printed indexes available, under conditions prescribed by the Secretary of State, to any candidate for federal,

state, or local office, to any committee for or against any proposed ballot measure, to any committee for or against any initiative or referendum measure for which legal publication is made, and to any person for election or governmental purposes as determined by the Secretary of State.

SEC. 47. The heading of Chapter 1 (commencing with Section 23500) of Part 3 of Division 14 of the Elections Code is repealed.

SEC. 48. Article 10 (commencing with Section 7700) of Chapter 6 of Division 2 of the Financial Code, as added by Chapter 287 of the Statutes of 1984, is repealed.

SEC. 49. Article 11 (commencing with Section 7710) is added to Chapter 6 of Division 2 of the Financial Code, to read:

Article 11. Leasing

7710. (a) Subject to regulations issued by the commissioner, an association may invest in tangible personal property, including without limitation, vehicles, mobilehomes, machinery, equipment, or furniture, and may hold the property for rental or sale.

(b) Investment under this section is limited to not in excess of 10 percent of the total assets of the association.

SEC. 50. Section 18357 of the Financial Code is amended to read:

18357. (a) If it appears to the commissioner that an industrial loan company has violated or failed to comply with the provisions of its articles of incorporation, or with any law of this state, the commissioner may by written order addressed to the company, direct that company to discontinue the violation and to comply with the law.

(b) Whenever it appears from the report of an industrial loan company or the commissioner has reason to conclude, that the capital stock of an industrial loan company is impaired or reduced below the amount required by this division, the commissioner shall by written order addressed to the company, direct that company to make good the alleged deficiency or impairment of capital. If the company fails to make good the alleged deficiency or impairment of capital, the commissioner may forthwith take possession of the property and business of the industrial loan company pursuant to Section 18415; if the company fails to make good the alleged deficiency or impairment of capital within 60 days of the date of the order, the commissioner shall take possession of the industrial loan company pursuant to Section 18415. The capital of an industrial loan company is impaired when the minimum amount of capital required by Sections 18130, 18131, or 18132 and 18134 is reduced by a net deficit balance in the company's surplus account.

SEC. 51. Section 12113 of the Food and Agricultural Code is amended to read:

12113. The director may, after a hearing, refuse, revoke, or suspend a pesticide dealer license for violation of the provisions of this division, or Division 7 (commencing with Section 12501),

relating to pesticides or the rules and regulations adopted pursuant to those provisions. The hearing 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.

SEC. 52. Section 12648 of the Food and Agricultural Code is amended to read:

12648. Notwithstanding any other provision of this code, upon making a finding that a crop, commodity, or site has been treated with an economic poison not registered pursuant to Chapter 2 (commencing with Section 12751) for use on the crop, commodity, or site and, upon making a further finding that the treatment has resulted in, or could reasonably result in, the creation of a hazard to human health or an unfair business advantage, the crop or commodity may be declared by the director to be a public nuisance and may be seized and held to prevent harvest and sale. The director shall hold the crop or commodity for 30 days, and if no action has been filed to contest the seizure, the director may order that the crop or commodity be destroyed.

SEC. 53. Section 12999.5 of the Food and Agricultural Code is amended to read:

12999.5. (a) In lieu of civil prosecution by the director, the commissioner may levy a civil penalty against a person violating Division 6 (commencing with Section 11401), Article 10 (commencing with Section 12971) or Article 10.5 (commencing with Section 12980) of this chapter, Section 12995, Article 1 (commencing with Section 14001) of Chapter 3, or a regulation adopted pursuant to any of these provisions, of not more than five hundred dollars ($500) for each violation.

(b) Before a civil penalty is levied, the person charged with the violation shall receive notice of the nature of the violation and shall be given an opportunity to be heard. This shall include the right to review the commissioner's evidence and a right to present evidence on his or her own behalf.

(c) The person fined may appeal to the director within 10 days of the date of receiving notification of the fine. The following procedures apply to the appeal:

(1) The appeal need not be formal, but it shall be in writing and signed by the appellant or his or her authorized agent, and shall state the grounds for the appeal.

(2) Any party may, at the time of filing the appeal or within 10 days thereafter, present written evidence and a written argument to the director.

(3) The director may grant oral arguments upon application made at the time written arguments are filed.

(4) If an application to present an oral argument is granted, written notice of the time and place for the oral argument shall be given at least 10 days before the date set therefor. The times may be altered by mutual agreement.

(5) The director shall decide the appeal on any oral or written

argument, briefs, and evidence that he or she has received.

(6) The director shall render a written decision within 45 days of the date of appeal or within 15 days of the date of oral arguments.

(7) On an appeal pursuant to this section, the director may sustain, modify by reducing the amount of the fine levied, or reverse the decision of the commissioner. A copy of the director's decision shall be delivered or mailed to the appellant and the commissioner.

(8) Review of the decision of the director may be sought by the appellant pursuant to Section 1094.5 of the Code of Civil Procedure.

SEC. 54. Section 18203 of the Food and Agricultural Code is amended to read:

18203. There is in the department the Bureau of Meat and Poultry Inspection.

SEC. 55. Section 29145.5 of the Food and Agricultural Code is amended to read:

29145.5. Failure of a beekeeper to remove hives from a specific location, except during specific periods of time, as provided in subdivisions (c) and (d) of Section 29145.1 after notification, shall not prevent the application of pesticides to blossoming plants pursuant to the pesticide's labeling and applicable laws and regulations. When the pesticide applicator has complied with the notification pursuant to subdivision (b) of Section 29145.1, the applicator shall not be liable for injury to bees that enter the area treated during or after the application.

SEC. 56. Section 73119 of the Food and Agricultural Code is amended to read:

73119. A quorum of the commission is 12 voting commissioners. Except as provided in Sections 73061 and 73353, the commission may act by a vote of a majority of the members present at a meeting at which there is a quorum.

SEC. 57. Section 1091.1 of the Government Code, as added by Chapter 910 of the Statutes of 1985, is amended and renumbered to read:

1091.2. Section 1090 shall not apply to any contract or grant made by private industry councils established pursuant to Chapter 4 (commencing with Section 15030) of Division 8 of the Unemployment Insurance Code, unless both of the following conditions are met:

(a) The contract or grant directly bears on services to be provided by any member of a private industry council or any business or organization which the member directly represents, or the contract or grant would financially benefit the member or business or organization which the member represents.

(b) The affected private industry council member fails to comply with Section 87100.

SEC. 58. Section 1322 of the Government Code is amended to read:

1322. In addition to any other statutory provisions requiring confirmation by the Senate of officers appointed by the Governor,

the appointments by the Governor of the following officers and the appointments by him to the listed boards and commissions are subject to confirmation by the Senate:

(1) California Horse Racing Board.
(2) Certified Shorthand Reporters Board.
(3) Chief, Division of Occupational Safety and Health.
(4) Chief, Division of Labor Standards Enforcement.
(5) Commissioner of Corporations.
(6) Contractors State License Board.
(7) Director of Fish and Game.
(8) State Director of Health Services.
(9) Chief Deputy, State Department of Health Services.
(10) Real Estate Commissioner.
(11) State Athletic Commissioner.
(12) State Board of Barber Examiners.
(13) State Librarian.
(14) Director of Social Services.
(15) Chief Deputy, State Department of Social Services.
(16) Director of Mental Health.
(17) Chief Deputy, State Department of Mental Health.
(18) Director of Developmental Services.
(19) Chief Deputy, State Department of Developmental Services.
(20) Director of Alcohol and Drug Abuse.
(21) Director of Rehabilitation.
(22) Chief Deputy, Department of Rehabilitation.
(23) Director of the Office of Statewide Health Planning and Development.
(24) Deputy, Health and Welfare Agency.

SEC. 60. Section 8250.1 of the Government Code is amended to read:

8250.1. The Legislature further finds all of the following:

(a) The California Commission on Crime Control and Violence Prevention, a laypersons' commission, established by Chapter 990 of the Statutes of 1979 (AB 23), is model legislation which resulted in the publication of the final report "Ounces of Prevention" now widely accepted by universities and the law enforcement community throughout California as one of the most important and seminal studies on the root causes and prevention of violence and criminal behavior.

(b) The findings of the Commission on Crime Control and Violence Prevention included scientific evidence of the correlation between violent antisocial behavior and a lack of self-esteem, to wit: "A lack of self-esteem, negative or criminal self-image and feelings of distrust and personal powerlessness are prevalent among violent offenders and highly recidivistic criminals."

(c) Such a limited, short-term citizens' effort is proving to be a cost-efficient way in which citizens can, through our government, assist all Californians to better understand and get to the roots of our problems.

(d) As a result of this commission's efforts, in 1984 legislation was passed overwhelmingly by both houses of the Legislature and signed into law by Governor George Deukmejian, whereby the State of California is, in cooperation with major foundations and corporations, currently providing matching funds under the auspices of the Office of Criminal Justice Planning. Californians Preventing Violence, a statewide nonprofit organization founded to more fully realize the recommendations of the commission, and to initiate pilot projects at the community level, is one of the agencies receiving these matching funds. Californians Preventing Violence today provides education, training, and technical assistance to individuals and community organizations in furtherance of the commission's findings and recommendations. There exists a high degree of professional and public approval for the work of Californians Preventing Violence in the pilot community program as well as in promoting the commission's recommendations statewide.

(e) As a model for legislation of far-reaching impact and importance in truly addressing the root causes of our social problems, the California Commission on Crime Control and Violence Prevention, the "Ounces of Prevention" report, and the public-private partnership of the resultant pilot project conducted by Californians Preventing Violence are proving to be cost-effective and sound problem-solving tools.

(f) A California Task Force to Promote Self-Esteem, Personal and Social Responsibility could be modeled after this successful prototype, and would offer an equally hopeful, cost-effective, and sound process to educate all Californians about the causes and prevention of social problems, and to promote the exercise of responsible citizenship among Californians.

SEC. 61. Section 8256 of the Government Code, as added by Chapter 1065 of the Statutes of 1986, is amended and renumbered to read:

8255.5. This chapter shall become inoperative on July 1, 1990, and, as of January 1, 1991, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1991, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 62. Section 8876 of the Government Code is amended and renumbered to read:

8875.1. 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 of California, and California building officials, shall prepare an advisory report for local jurisdictions containing criteria and procedures for purposes of Section 8875.2.

SEC. 63. Section 8877 of the Government Code is amended and renumbered to read:

8875.2. 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.

SEC. 64. Section 8878 of the Government Code is amended and renumbered to read:

8875.3. 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.

SEC. 65. Section 8879 of the Government Code is amended and renumbered to read:

8875.4. 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.

SEC. 66. Section 8879.5 of the Government Code is amended and renumbered to read:

8875.5. 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. 67. Section 11290 of the Government Code is amended to read:

11290. The Department of General Services may fix the cost or pro rata share, or in its discretion an amount it considers equivalent to the cost or pro rata share, and collect from each state agency in advance or upon any other basis that it may determine:

(a) 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 an amount to be expended by the Department of General Services in accordance with law in paying claims under that article and for their investigation, adjustment, defense and administration.

(b) Rent for the use or occupancy of space in any building owned, managed or controlled by the state and used by the state agency in carrying out its work and affairs.

(c) The cost of janitor and maintenance service rendered to the state agency to enable it to carry out its work and affairs.

(d) The cost of workers' compensation insurance and bonds covering the officers, employees and servants of the state agency, and the cost of liability, fire, and other types of insurance or bonds.

(e) The cost of all other services rendered to the state agency.

SEC. 68. Section 11554 of the Government Code is amended to read:

11554. Effective July 1, 1984, an annual salary of sixty thousand dollars ($60,000) shall be paid to each of the following:

(a) Director of Conservation.
(b) Director of Fish and Game.
(c) Director of Parks and Recreation.
(d) Director of Rehabilitation.
(e) Director of Veterans Affairs.
(f) Director of Consumer Affairs.
(g) Director of the Department of Economic Opportunity.
(h) State Architect.
(i) Director of Forestry.
(j) Director of Fair Employment and Housing.

On July 1, the annual compensation provided by this section shall be increased in any fiscal year in which a cost-of-living increase is provided for state employees. The amount of the increase provided by this section shall be determined by multiplying the then current compensation by the percentage of the general cost-of-living salary increases provided for state employees during that fiscal year.

SEC. 69. The heading of Article 8 (commencing with Section 12085) of Chapter 1 of Part 2 of Division 3 of Title 2 of the Government Code is amended to read:

Article 8. Department of Economic Opportunity

SEC. 70. Section 14038 of the Government Code is amended to read:

14038. (a) The department may purchase, sell, and lease rail passenger cars and locomotives and other self-propelled rail vehicles.

(b) The department may acquire, lease, design, construct, and improve track lines and related facilities, and the department may contract with the private sector for the design, improvement, or construction of track lines and related facilities. If a railroad corporation refuses to allow improvements to tracks and related facilities, the Public Utilities Commission shall, within 60 days after application by the department, order the institution of those improvements, if it finds that the improvements are necessary to the safety of the railroad corporation's employees, passengers, customers, and the public, and the operating efficiency of the service for which they are requested.

(c) All purchases authorized by this section shall be made in accordance with Article 2 (commencing with Section 14790) of Chapter 6 of Part 5.5 of Division 3 of Title 2, except that the department shall perform the tasks set forth therein for the Department of General Services.

(d) Any facility or equipment acquired or improved by any entity with funds made available to it pursuant to this section shall become the property of that entity at the time and under the conditions as are agreed upon by the department in the agreement that makes the funds available to the entity. Section 14780 does not apply to any agreement entered into pursuant to this section.

(e) The department shall deposit in the Passenger Equipment Acquisition Fund, for expenditure pursuant to Section 14066, the net proceeds from the sale of rail passenger cars and locomotives and other self-propelled rail vehicles.

SEC. 71. Section 14998.15 of the Government Code is amended to read:

14998.15. (a) In keeping with the intent of Section 14998.7, there is hereby established the Southern California Public-Private Film Commission whose purposes shall be to create a regional permit pilot project and to act as a liaison between the motion picture industry and local government. As used in this section, "motion picture

industry" includes television and commercials.

(b) The Southern California Public-Private Film Commission shall be a joint powers agency, pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, and may represent the six-county region covered by the Southern California Association of Governments.

(c) The membership and staffing of the Southern California Public-Private Film Commission shall be determined by the entities participating in the joint powers agreement.

(d) This section shall remain in effect only until January 1, 1991, and as of that date is repealed.

SEC. 72. Section 15365 of the Government Code, as added by Chapter 654 of the Statutes of 1979, is amended and renumbered to read:

15366. This chapter shall be known and may be cited as the Business License Information Act of 1979.

SEC. 73. Section 15366 of the Government Code is amended and renumbered to read:

15366.5. It is the intent of the Legislature that the informational functions to be provided by state agencies under this chapter shall be accomplished by existing employees in the agencies who already handle inquiries relating to license or permit requirements of the particular agency and should not necessitate additional budgeted positions. This chapter will allow agencies to more effectively and efficiently carry out duties and services to the public that they are or should currently be performing.

SEC. 74. Section 15373 of the Government Code, as added by Chapter 654 of the Statutes of 1979, is amended and renumbered to read:

15372.5. The failure to satisfy a permit, license, or registration requirement shall not be excused for the reason that the requirement does not appear in a handbook.

SEC. 75. 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 department shall pay any interest charges on the loan out of the funds budgeted for the administration of the department, unless the failure to allocate is due to an incomplete application or report and the department promptly gives notice of this fact to the organization or agency.

Any interest payable by the department pursuant to this section shall be paid by the Controller to the organization or agency from available funds in the department's budget. If any interest charge is paid by the department pursuant to this section, the department shall report this fact to the Legislature and describe what actions are being taken to prevent additional payments of interest charges.

SEC. 76. Section 16650 of the Government Code, as added by Chapter 1254 of the Statutes of 1986, is amended and renumbered to read:

16649.5. Present, future, and former Regents of the University of California, jointly and individually, officers and employees of the University of California, and investment managers under contract with the University of California shall be indemnified from the General Fund by the State of California from all claims, demands, suits, actions, damages, judgments, costs, charges and expenses, including court costs and attorney's fees and against all liability, losses, and damages of any nature whatsoever that these present, future, or former regents, officers, employees, or contract investment managers shall or may at any time sustain by reason of any decision to restrict, reduce, or eliminate university investments in business firms with business operations in South Africa or business arrangements with the government of South Africa or investments in financial institutions extending credit to the government of South Africa or South African corporations.

SEC. 77. Section 19064 of the Government Code is amended and renumbered to read:

19062.3. An employee holding a full- or part-time appointment shall be entitled to the amount of employment specified at the time of the appointment, subject to provisions of law and rule governing work force reduction and separation from civil service positions.

SEC. 78. Section 19065 of the Government Code is amended and renumbered to read:

19062.5. The board may establish rules specifying minimum service and eligibility requirements governing movement of employees between full-time, part-time, and intermittent positions.

SEC. 79. Section 19879.1 of the Government Code is amended to read:

19879.1. (a) For the purpose of this section, an eligible employee is an employee designated managerial by the Department of Personnel Administration under subdivision (e) of Section 3513 and Section 18801.1, a nonelected officer of the executive branch of government exempt from civil service designated by the department as eligible to receive managerial benefits, or a State Traffic Sergeant in the California Highway Patrol.

(b) Notwithstanding any other provision of this article, an eligible employee who has enrolled in the annual leave program under Article 2.5 (commencing with Section 19858.3) shall receive nonindustrial disability leave benefits in accordance with all of the following:

(1) A disabled employee shall be eligible to receive Nonindustrial Disability Insurance benefits in an amount equal to one-half full pay, 50 percent of gross salary.

(2) A disabled employee shall be eligible to receive Nonindustrial Disability Insurance benefits without being required to use any sick leave accrued under Article 3 (commencing with Section 19859) or

annual leave accrued under Article 2.5 (commencing with Section 19858.3) unless the employee, in his or her sole discretion, elects to use sick leave or annual leave in lieu of receiving benefits.

(3) If the employee elects to use sick leave or annual leave credits prior to receiving Nonindustrial Disability Insurance payments, he or she shall not be required to exhaust the accrued leave balance.

(4) Following the start of Nonindustrial Disability Insurance payments, an employee may at any time change from the receipt of Nonindustrial Disability Insurance payments to the utilization of sick leave or annual leave. Once such an election is made, the employee may not recommence receiving Nonindustrial Disability Insurance payments until that leave is exhausted.

(5) In accordance with the state's return to work policy, an employee who is eligible to receive Nonindustrial Disability Insurance benefits and who is medically certified as unable to return to his or her full-time work during the period of his or her disability, may, with medical approval, and at the discretion of his or her appointing power, work up to the number of hours, in hour increments, which when combined with his or her Nonindustrial Disability Insurance benefits will result in a salary which does not exceed 100 percent of his or her regular full pay.

(6) If an employee refuses to return to work in a position offered by the employer under the state's Injured State Worker Assistance Program, Nonindustrial Disability Insurance benefits shall be terminated effective as of the date of the offer.

(7) An employee may with his or her department head's approval elect to supplement Nonindustrial Disablity Insurance benefits with sick or annual leave up to 100 percent of his or her regular full pay.

SEC. 80. Section 20017.12 of the Government Code is amended and renumbered to read:

20017.91. "State safety member" shall also include persons employed under the title of "campus firefighter" who performed active firefighting duties for the state on April 1, 1973, and who, on January 1, 1979, performed those duties for a local agency providing fire protection under contract to the state.

The campus firefighter may elect by a writing filed with the board prior to December 31, 1979, to be restored to his or her previous status as a state miscellaneous member with respect to that service. Upon the filing of the election, the service shall cease to be state safety member service and the campus firefighter's rights and obligations shall be adjusted accordingly and his or her status shall be the same as if this section had not been enacted.

SEC. 81. Section 20126 of the Government Code is amended to read:

20126. The board may enter into an agreement with the State Compensation Insurance Fund under which the latter shall represent the retirement system, as its agent, or the Attorney General under which the latter shall represent the retirement system, in proceedings instituted or to be instituted before the

Workers' Compensation Appeals Board as may be referred to it by the board to determine whether the death or disability of a member is industrial. The agreed cost of this service and the expenses incidental thereto shall be paid from the Retirement Fund, except that there shall be no charge to the retirement system by the Attorney General in cases involving members of the system who are employees of the General Fund state agencies.

SEC. 82. Article 3.5 (commencing with Section 20540) of Chapter 4 of Part 3 of Division 5 of Title 2 of the Government Code, as added by Chapter 1458 of the Statutes of 1986, is repealed.

SEC. 83. Article 3.7 (commencing with Section 20550) is added to Chapter 4 of Part 3 of Division 5 of Title 2 of the Government Code, to read:

Article 3.7. Alternative Return of Contributions Benefit Plan

20550. The board shall investigate the feasibility of developing an additional benefit plan under this part to consist of a return of contributions benefit plan.

The board shall consult with contracting agencies, representatives of employee organizations of contracting agencies, and appropriate legislative staff members in conjunction with this investigation.

SEC. 84. Section 51282.3 of the Government Code, as added by Chapter 764 of the Statutes of 1980, is repealed.

SEC. 85. Section 53590 of the Government Code, as added by Section 20 of Chapter 1033 of the Statutes of 1985, is amended and renumbered to read:

53589.5. An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any issuance or proposed issuance of refunding bonds under this article, and the legality and validity of all proceedings previously taken or proposed to be taken in a resolution or ordinance adopted by the local agency for the authorization, issuance, sale, and delivery of the bonds, for entering into any credit reimbursement or other agreement in connection therewith, for the use of the proceeds of the bonds, and for the payment of the principal of, and interest on, the bonds.

SEC. 86. Section 53651.2 of the Government Code is amended to read:

53651.2. (a) To be an eligible security under subdivision (m) of Section 53651, a promissory note placed in a securities pool on or after January 1, 1987, shall comply with all of the following provisions:

(1) Each promissory note shall be secured by a first mortgage or first trust deed on improved 1 to 4 unit residential real property located in California, shall be fully amortized over the term of the note, and shall have a term of no more than 30 years. No promissory note shall provide for negative amortization.

(2) Each promissory note shall be eligible for sale to the Federal National Mortgage Association, the Government National Mortgage

Association, or the Federal Home Loan Mortgage Corporation; provided, however, that up to 25 percent of the total dollar amount of any promissory note securities pool established pursuant to Section 53658 may consist of promissory notes with loan amounts which exceed the maximum amounts eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, but which do not exceed: (i) five hundred thousand dollars ($500,000) in the case of a single family dwelling; (ii) one million dollars ($1,000,000) in the case of a 2, 3, or 4 unit dwelling.

(b) To be an eligible security under subdivision (m) of Section 53651, a promissory note which was placed in a securities pool on or before December 31, 1986, and which remains in that securities pool continuously thereafter shall comply with all the requirements of subdivision (m) of Section 53651, as in effect on December 31, 1986, and of the regulations of the administrator adopted under that subdivision (m), as in effect on December 31, 1986.

(c) The following shall not constitute eligible securities under subdivision (m) of Section 53651:

(1) Any promissory note on which any payment is more than 90 days past due.

(2) Any promissory note secured by a mortgage or deed of trust as to which there is a lien prior to the mortgage or deed of trust. For the purposes of this paragraph, no lien specified in Section 766 of the Financial Code shall be considered a prior encumbrance unless any installment or payment thereunder (other than a rental or royalty under a lease) is due and delinquent.

(3) Any promissory note secured by a mortgage or deed of trust as to which a notice of default has been recorded pursuant to Section 2924 of the Civil Code or an action has been commenced pursuant to Section 725a of the Code of Civil Procedure.

(d) The depository may exercise, enforce, or waive any right granted to it by the promissory note, mortgage, or deed of trust.

(e) For purposes of this article, the market value of a promissory note which is an eligible security under subdivision (m) of Section 53651, shall be determined in accordance with the regulations adopted by the Treasurer under paragraph (2) of subdivision (m) of Section 53651, as the regulations and statute were in effect on December 31, 1986. However, if and when regulations on the subject are adopted by the administrator, the market value shall be determined in accordance with those regulations of the administrator.

SEC. 87. Section 53730 of the Government Code, as added by Chapter 81 of the Statutes of 1949, is amended and renumbered to read:

53730.5. As used in this article, "local agency" means a city, county, or district empowered to levy and collect assessments or taxes.

SEC. 88. The heading of Division 2 (commencing with Section

58000) of Title 6 of the Government Code is amended and renumbered to read:

DIVISION 1. GENERAL

SEC. 89. The heading of Division 2.5 (commencing with Section 60400) of Title 6 of the Government Code is amended and renumbered to read:

DIVISION 2. ROSSMOOR SPECIAL COMMUNITY SERVICES DISTRICT

SEC. 90. Section 61765.11 of the Government Code, as added by Chapter 313 of the Statutes of 1986, is amended and renumbered to read:

61765.12. 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. 91. Section 61780 of the Government Code is amended to read:

61780. Upon the establishment of a zone, bonds may be issued for purposes of benefiting the zones in accordance with Chapter 4 (commencing with Section 61650) of Part 5 or the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5).

SEC. 92. Section 68081 of the Government Code is amended to read:

68081. Before the Supreme Court, a court of appeal, or the appellate department of a superior court renders a decision in a proceeding other than a summary denial of a petition for an extraordinary writ, based upon an issue which was not proposed or briefed by any party to the proceeding, the court shall afford the parties an opportunity to present their views on the matter through supplemental briefing. If the court fails to afford that opportunity, a rehearing shall be ordered upon timely petition of any party.

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. 93. The heading of Chapter 2.5 (commencing with Section 68701) of Title 8 of the Government Code is amended to read:

CHAPTER 2.5. COMMISSION ON JUDICIAL PERFORMANCE

SEC. 94. Section 69906 of the Government Code, as added by Chapter 775 of the Statutes of 1984, is amended and renumbered to read:

69906.5. Notwithstanding Section 270 of the Welfare and Institutions Code, in Mendocino County the offices of assistant probation officer and deputy probation officer, or either of them, shall exist only if established by an ordinance adopted by the board of supervisors; and the probation officer may appoint one or more deputy or assistant probation officers only if the positions have been authorized by the board of supervisors.

SEC. 95. 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 each 100 words, and for each copy for the party buying the original made at the same time, ten cents ($0.10) for each 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.

SEC. 96. Section 73485 of the Government Code is amended to read:

73485. The marshal may appoint:

(a) Four deputy marshals.

(b) One clerk-typist II.

(c) One clerk-typist I.

SEC. 97. 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 or she served as that officer, excluding any period of time for which the judge 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 the Attorney General, Legislative Counsel, Commissioner of Corporations, a district attorney, county counsel, city attorney, city prosecutor, public defender, or a 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 or her election, and as a condition to receiving that credit, pay into the Judges' Retirement Fund a sum equal to the amount which would have been deducted from his or her salary and paid into that fund pursuant to Section 75102 had he or she been a judge during the time for which he or she elects to receive credit for service, computed by applying the rates of deduction applicable to judges' salaries during that time to the rate of salary the judge actually received during the first year as a judge, plus interest at 3 percent a year, to the date of his or her payment, upon the amounts of the deductions and from the respective dates they would have been paid had he or she been a judge during the time for which he or she elects to receive credit for service. The 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 the 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. 98. Section 75060 of the Government Code is amended to read:

75060. (a) Any judge who is unable to discharge efficiently the duties of his or her office by reason of mental or physical disability that is or is likely to become permanent may, with his or her consent and with the approval of the Chief Justice or Acting Chief Justice and the Commission on Judicial Performance, be retired from office. The consent of the judge shall be made on a written application to the Commission on Judicial Performance. The retirement shall be effective upon approval by the designated officers, except as provided in subdivision (b). A certificate evidencing the approval shall be filed with the Secretary of State. Upon the filing of the certificate, a successor shall be appointed to fill the vacancy.

(b) Any judge who dies after executing an application evidencing his or her consent that has been received in the office of the commission and before the approval of both of the designated officers has been obtained shall be deemed to have retired on the

date of his or her death if the designated officers, prior to the filling of the vacancy created by the judge's death, file with the Secretary of State their certificate of approval.

(c) No retirement under this section may be approved unless a written statement by a physician or psychiatrist that he or she has personally examined the judge applying for retirement under this section and that he or she is of the opinion that the judge is unable to discharge efficiently the duties of the judge's office by reason of a mental or physical disability that is or is likely to become permanent is presented to the persons having the responsibility to approve or disapprove the retirement.

SEC. 99. Section 294 of the Harbors and Navigation Code is amended to read:

294. (a) Any person responsible for natural gas, oil, drilling waste, or exploration, as defined in paragraph (4) of subdivision (g), shall be absolutely liable without regard to fault for any damages incurred by any injured party which arise out of, or are caused by, the discharge or leaking of natural gas, oil, or drilling waste into or onto marine waters, or by any exploration in or upon marine waters, from any of the following sources:

(1) Any offshore well or undersea site at which there is exploration for or extraction or recovery of natural gas or oil.

(2) Any offshore facility, oil rig, or oil platform at which there is exploration for, or extraction, recovery, processing, or storage of, natural gas or oil.

(3) Any vessel offshore in which natural gas, oil, or drilling waste is transported, processed, or stored.

(4) Any pipeline located offshore in which natural gas, oil, or drilling waste is transported.

(b) A responsible person is not liable to an injured party under this section for any of the following:

(1) Damages, other than costs of removal incurred by the state or a local government, caused solely by any act of war, hostilities, civil war, or insurrection or by an unanticipated grave natural disaster or other act of God of an exceptional, inevitable, and irresistible character, which could not have been prevented or avoided by the exercise of due care or foresight.

(2) Damages caused solely by the negligence or intentional malfeasance of that injured party.

(3) Damages caused solely by the criminal act of a third party other than the defendant or an agent or employee of the defendant.

(4) Natural seepage not caused by a responsible party.

(5) Discharge or leaking of oil or natural gas from a private pleasure boat or vessel.

(6) Damages which arise out of, or are caused by, a discharge which is authorized by a state or federal permit.

(c) Upon motion and sufficient showing by a person deemed to be responsible under this section, the court shall join to the action any other person who may be responsible under this section.

(d) In determining whether a party is a responsible person under this section, the court shall consider the results of any chemical or other scientific tests conducted to determine whether oil or other substances produced, discharged, or controlled by the defendant matches the oil or other substance which caused the damage to the injured party. The defendant shall have the burden of producing the results of tests of samples of the substance which caused the injury and of substances for which the defendant is responsible, unless it is not possible to conduct the tests because of unavailability of samples to test or because the substance is not one for which reliable tests have been developed. At the request of any party, any other party shall provide samples of oil or other substances within its possession or control for testing.

(e) The court may award reasonable costs of the suit, attorneys' fees, and the costs of any necessary expert witnesses, to any prevailing plaintiff. The court may award reasonable costs of the suit and attorneys' fees to any prevailing defendant if the court finds that the plaintiff commenced or prosecuted the suit under this section in bad faith or solely for purposes of harassing the defendant.

(f) This section does not prohibit any person from bringing an action for damages caused by natural gas, oil, or drilling waste, or by exploration, under any other provision or principle of law, including, but not limited to, common law. However, damages shall not be awarded pursuant to this section to an injured party for any loss or injury for which the party is or has been awarded damages under any other provision or principle of law. Subdivision (b) does not create any defense not otherwise available regarding any action brought under any other provision or principle of law, including, but not limited to, common law.

(g) As used in this section, the following definitions apply:

(1) "Damages" are damages for any of the following:

(A) Injury or harm to real or personal property.

(B) Business loss, including loss of income.

(C) Costs of cleanup, removal, or treatment of natural gas, oil, or drilling waste.

(D) Cost of wildlife rehabilitation.

(E) When the injured party is the state, or a city, county, or district, in addition to any injury described in subparagraphs (A) to (D), inclusive, damages include all of the following:

(i) Injury to natural resources or wildlife, and loss of use and enjoyment of public beaches and other public resources or facilities, within the jurisdiction of the state, city, county, or district.

(ii) Costs incurred to monitor the cleanup of the natural gas, oil, or drilling waste.

(iii) Loss of taxes.

(iv) Costs to assess damages to natural resources, wildlife, or habitat.

(2) "Injured party" means any person who suffers damages from natural gas, oil, or drilling waste, which is discharged or leaks into

marine waters, or from offshore exploration. The state, or a city, county, or district, may be an injured party.

(3) "Natural gas" includes natural gas, liquified natural gas, and natural gas byproducts. "Natural gas" does not include natural gas carried in a vessel for use as fuel in that vessel.

(4) "Exploration" means boring and soil sampling.

(5) "Oil" and "drilling wastes" include, but are not limited to, petroleum, refined or processed petroleum, petroleum byproducts, oil sludge, oil refuse, oil mixed with wastes, and chemicals or other materials used in the exploration, recovery, or processing of oil. "Oil" does not include oil carried in a vessel for use as fuel in that vessel.

(6) "Person" means an individual, proprietorship, firm, partnership, joint venture, corporation, or other business entity, or an association or other organization.

(7) "Responsible person" means any of the following:

(A) The owner or transporter of natural gas, oil, or drilling waste which causes an injury covered by this section.

(B) The owner, operator, or lessee of, or person who charters by demise, any offshore well, undersea site, facility, oil rig, oil platform, vessel, or pipeline which is the source of natural gas, oil, drilling waste, or is the source or location of exploration which causes an injury covered by this section.

"Responsible party" does not include the United States, the state, or any public agency.

(h) Liability under this section shall be joint and several. However, this section does not bar a cause of action that a responsible party has or would have, by reason of subrogation or otherwise, against any person.

(i) Section 3291 of the Civil Code applies to actions brought under this section.

(j) This section does not apply to claims for damages for personal injury or wrongful death, and does not limit the right of any person to bring an action for personal injury or wrongful death under any provision or theory of law.

SEC. 100. Section 5950 of the Harbors and Navigation Code, as added by Chapter 195 of the Statutes of 1986, is amended and renumbered to read:

5950.5. 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. 101. The heading of Chapter 1.11 (commencing with Section 199.7) of Part 1 of Division 1 of the Health and Safety Code is amended and renumbered to read:

CHAPTER 1.16. CALIFORNIA AIDS PROGRAM (CAP)

SEC. 102. Section 199.7 of the Health and Safety Code is amended and renumbered to read:

199.70. The intent of the Legislature in enacting this chapter is as follows:

(a) To fund specified pilot AIDS education programs.

(b) To fund pilot projects to demonstrate the value of noninstitutional health care services such as hospice, home health, and attendant care in controlling costs and providing humane care to people with AIDS and AIDS-related conditions.

(c) To fund clinical research.

(d) To fund the development of an AIDS Mental Health Project.

(e) To fund specified needs assessments, studies, and program evaluations.

(f) To authorize the use of funds appropriated by Section 6 of Chapter 23 of the Statutes of 1985 for preventive education for individuals who are seropositive as a result of antibody testing.

(g) To promote broad-based support for AIDS programs by encouraging community level networking and coordination of efforts among private sector, nonprofit, and public service agencies as well as health care professionals and providers of essential services.

SEC. 103. Section 199.33 of the Health and Safety Code is amended to read:

199.33. Notwithstanding Section 199.31, whether or not the research subject, with respect to whom any confidential research record is maintained, gives prior written consent, the content of the confidential research record may be disclosed in any of the following situations:

(a) To medical personnel to the extent it is necessary to meet a bona fide medical emergency of a research subject.

(b) To the state department to the extent necessary for the conduct of a special investigation pursuant to Section 211, in which case the confidentiality provisions of Chapter 1.13 (commencing with Section 199.42) shall apply.

SEC. 104. Chapter 1.13 (commencing with Section 199.45) of Part 1 of Division 1 of the Health and Safety Code is repealed.

SEC. 105. Chapter 1.13 (commencing with Section 199.42) is added to Part 1 of Division 1 of the Health and Safety Code, to read:

CHAPTER 1.13. ACQUIRED IMMUNE DEFICIENCY SYNDROME PUBLIC HEALTH RECORDS CONFIDENTIALITY ACT

199.42. (a) Public health records relating to acquired immune deficiency syndrome (AIDS), containing personally identifying information, which were developed or acquired by state or local public health agencies shall be confidential and shall not be disclosed, except as otherwise provided by law for public health purposes or pursuant to a written authorization by the person who is the subject

of the record or by his or her guardian or conservator.

(b) State or local public health agencies may disclose personally identifying information in public health records, as described in subdivision (a), to other local, state, or federal public health agencies or to corroborating medical researchers, when the confidential information is necessary to carry out the duties of the agency or researcher in the investigation, control, or surveillance of disease, as determined by the state or local public health agency.

(c) Any disclosure authorized by subdivision (a) or (b) shall include only the information necessary for the purpose of that disclosure and shall be made only upon agreement that the information will be kept confidential and will not be further disclosed without written authorization, as described in subdivision (a).

(d) No confidential public health record, as described in subdivision (a), shall be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding.

(e) Any person who willfully or maliciously discloses the content of any confidential public health record, as described in subdivision (a), to any third party, except pursuant to a written authorization, as described in subdivision (a), or as otherwise authorized by law, shall be subject to a civil penalty in an amount not less than one thousand dollars ($1,000) and not more than five thousand dollars ($5,000) plus court costs, as determined by the court, which penalty and costs shall be paid to the person whose record was disclosed.

(f) In the event that a public health record, as described in subdivision (a), is disclosed, the information shall not be used to determine employability, or insurability of any person.

199.43. (a) To the extent Chapter 1.11 (commencing with Section 199.20) and Chapter 1.12 (commencing with Section 199.30) apply to records or information which would be covered by this chapter, Chapters 1.11 and 1.12 shall supersede this chapter.

(b) This chapter supersedes Section 211.5 to the extent it applies to records or information covered by Section 211 or 211.5.

199.44. For purposes of this chapter:

(a) "Disclosed" or "disclosure" or "discloses" has the same meaning as set forth in subdivision (b) of Section 199.40.

(b) "State or local public health agencies" are the State Department of Health Services, and any local entity that a health officer, as defined in Section 3000, serves.

SEC. 106. The heading of Chapter 1.15 (commencing with Section 199.81) of Part 1 of Division 1 of the Health and Safety Code is amended and renumbered to read:

CHAPTER 1.17. AIDS INFORMATION

SEC. 107. The heading of Article 1.6 (commencing with Section 235) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, immediately preceding Section 235, is added and renumbered,

to read:

Article 1.8. Nutrition

SEC. 108. Section 237 of the Health and Safety Code is amended to read:

237. (a) The State Department of Health Services shall assess the availability and adequacy of existing state and local food and nutrition data systems. All state departments and agencies which are required to provide data pursuant to this article are encouraged to participate to the fullest extent possible in all aspects of this program and to make their data available to counties upon request.

(b) The state departments from which existing data shall be provided for project purposes shall include the State Departments of Health Services, Aging, Education, and Social Services. Upon request of the State Department of Health Services, these departments shall provide existing nutrition-related data collection forms, documentation, and reports, including, but not limited to, the following programs:

(1) In the Department of Aging: Congregate Nutrition Services, Home Delivered Nutrition Services, and the Brown Bag Network.

(2) In the State Department of Education: National School Lunch Program, the National School Breakfast Program, the Child Care Food Program, the Special Milk Program, the Nutrition Education and Training Program, and the various commodities programs.

(3) In the State Department of Health Services: Special Supplemental Food Program for Women, Infants and Children (WIC), the Comprehensive Perinatal Care Program, the Genetics Disease Program, the Child Health and Disability Prevention Program, California Children's Services, County Health Services, Primary Health Services Development, Indian Health Program, Medical Care Services (Medi-Cal), Adult Health, and Vital Statistics.

(4) In the State Department of Social Services: the Food Stamp Program.

(c) The state department may require any other state agency, department, board, or commission, with the exception of the University of California, to provide existing nutrition-related data, as described in this article. The state department may request the University of California to provide this data in the case of the University of California Cooperative Extension Program, the Home Economics Program, and the Expanded Food and Nutrition Education Program. Additionally, other programs in local government and the private sector, such as local public health and social services departments, food banks, pantries, and meal programs, voluntary health organizations, and charitable social service agencies shall be encouraged to provide available nutrition monitoring information.

SEC. 109. Section 239 of the Health and Safety Code is amended to read:

239. The state department shall analyze the results of the California Nutrition Monitoring Development Act of 1986 in a report to the Governor and the Legislature. Where feasible and appropriate, other reports on nutritional status within the state department shall be consolidated into one nutrition monitoring report. This report shall include all of the following components:

(a) The types of data to be collected and reported on shall include, but are not limited to, the data described in Section 236 for purposes of carrying out this article.

(b) Based upon the findings of subdivision (a), the state department shall identify those areas in which existing data is meeting user needs, areas in which users have identified deficiencies or inefficiencies, and areas in which data collection efforts are not occurring. The state department shall recommend specifications for a suitable data system using microcomputer technology where feasible. The system shall involve state and local government agencies and the private sector.

(c) Using the data collected in subdivisions (a) and (b), the state department shall identify options for providing data of the type and timeliness needed by local users.

(d) The state department shall submit its report and recommendations to the Governor and the Legislature no later than January 1, 1988.

SEC. 110. Section 437.07 of the Health and Safety Code is amended to read:

437.07. (a) In order to effectively implement the provisions of this part, the Legislature finds that it is indispensable that providers of health care be free to engage in voluntary, cooperative efforts with consumers, government, or other providers of health care to fulfill the purposes of the health planning laws.

(b) Approved plans and projects undertaken in compliance with those plans, as provided in Sections 437.20, 437.21, 437.22, and 437.23, are exempt from the provisions of Chapter 1 (commencing with Section 16600), Chapter 2 (commencing with Section 16700), Chapter 3 (commencing with Section 16900), and Chapter 4 (commencing with Section 17000) of Part 2 of Division 7 of the Business and Professions Code.

(c) In the case of a project which, on or before January 1, 1987, is included in the Tulare County countywide long-range capital investment plan, which is contained in the "April 1983 Multi-Hospital Capital Investment and Master Plan," as amended by the April 1986 update, the exemptions set forth in subdivision (b) shall apply even though the project is not undertaken until after January 1, 1987.

SEC. 111. Section 1155.7 of the Health and Safety Code is amended to read:

1155.7. Notwithstanding Section 1155, the county board of supervisors may, upon concurrence of the county officer providing the services, transfer all or any portion of the function of providing vector control services to any mosquito abatement district or vector

control district formed pursuant to Chapter 5 (commencing with Section 2200) of Division 3. A county which chooses to transfer the services shall continue to receive funds appropriated for the purposes of this article if it complies with all other minimum standards and if the vector control program is maintained at a level which meets the minimum standards set by the State Department of Health Services.

SEC. 112. Article 2.5 (commencing with Section 1527) of Chapter 3 of Division 2 of the Health and Safety Code, as added by Chapter 830 of the Statutes of 1986, is repealed.

SEC. 113. Article 2.6 (commencing with Section 1528) is added to Chapter 3 of Division 2 of the Health and Safety Code, to read:

Article 2.6. Foster Care for Children

1528. The State Department of Social Services shall establish a task force consisting of representatives from the State Department of Health Services, (Licensing and Certification Division, Medi-Cal Policy Division and California Children's Services Program), the State Department of Developmental Services, the County Welfare Directors Association, the State Foster Parent's Association, and the California Continuity of Care Association to conduct a study of the problems of medically fragile children who are dependents or potential dependents of the court in care outside of an acute care hospital. The findings and recommendations of the task force shall be submitted to the Legislature by January 1, 1988. The report shall include, but not be limited to, the following:

(a) Identification of a "medically fragile child" shall include, but not be limited to, children with the following conditions or care needs:

(1) Children with enteral feeding tubes.

(2) Children with tracheostomies.

(3) Children who are oxygen dependent.

(4) Children on cardiorespiratory monitors.

(5) Children who have had a colostomy or ileostomy.

(6) Children who are on intravenous therapy.

(7) Children who are on total parenteral nutrition.

(8) Children with urinary catheterization.

(9) Children who are in need of special medication regimes including, but not limited to, injections, aerosol treatment, or intravenous or oral medications.

(b) Recommendations regarding the need for a new licensing category to provide services to the medically fragile child and the roles the State Department of Social Services and the State Department of Health Services will assume in terms of facility licensure and program standards for caring for these children.

(c) Development of a process for ensuring the individual facility's ability to serve the medically fragile child.

(d) Recommendations for qualifications or training of care

providers.

(e) Recommendations for appropriations in the 1988–89 budget to implement this level of care.

SEC. 114. Section 1597.531 of the Health and Safety Code is amended to read:

1597.531. (a) All family day care homes for children shall either maintain in force liability insurance covering injury to clients and guests in the amount of at least one hundred thousand dollars ($100,000) per occurrence and three hundred thousand dollars ($300,000) in the total annual aggregate, sustained on account of the negligence of the licensee or its employees, or a bond in the aggregate amount of three hundred thousand dollars ($300,000). In lieu of the liability insurance or the bond, the family day care home may maintain a file of affidavits signed by each parent with a child enrolled in the home which meets the requirements of this subdivision. The affidavit shall state that the parent has been informed that the family day care home does not carry liability insurance or a bond according to standards established by the state. These affidavits shall be on a form provided by the department and shall be reviewed at each licensing inspection.

(b) The department shall initiate proceedings to revoke the license of any family day care home that is out of compliance with this section.

SEC. 115. The heading of Chapter 3.5 (commencing with Section 3130) of Division 4 of the Health and Safety Code is amended to read:

CHAPTER 3.5. FOOD PRODUCT SAFETY

SEC. 116. Section 18551 of the Health and Safety Code is amended to read:

18551. (a) The department shall establish regulations for manufactured home, mobilehome, and commercial coach foundation systems which shall be applicable throughout the state. When established, these regulations supersede any ordinance enacted by any city, county, or city and county applicable to manufactured home, mobilehome, and commercial coach foundation systems. The department may approve alternate foundation systems to those provided by regulation where the department is satisfied of equivalent performance. The department shall document approval of alternate systems by its stamp of approval on the plans and specifications for the alternate foundation system.

(b) Prior to installation of a manufactured home, mobilehome, or commercial coach on a foundation system, the manufactured home, mobilehome, or commercial coach owner or a licensed contractor shall obtain a building permit from the appropriate local agency. To obtain a permit, the owner or contractor shall provide the following:

(1) Written evidence acceptable to the local agency that the manufactured home, mobilehome, or, commercial coach owner owns, holds title to, or is purchasing the real property where the

mobilehome is to be installed on a foundation system. A lease held by the manufactured home, mobilehome, or commercial coach owner, which is transferable, for the exclusive use of the real property where the manufactured home, mobilehome, or commercial coach is to be installed, shall be deemed to comply with this paragraph if the lease is for a term of 35 years or more, or if less than 35 years, for a term mutually agreed upon by the lessor and lessee, and the term of the lease is not revocable at the discretion of the lessor except for cause, as described in subdivisions 2 to 5, inclusive, of Section 1161 of the Code of Civil Procedure.

(2) Written evidence acceptable to the local agency that the registered owner owns the manufactured home, mobilehome, or commercial coach free of any liens or encumbrances or, in the event that the legal owner is not the registered owner, or liens and encumbrances exist on the manufactured home, mobilehome, or commercial coach, written evidence provided by the legal owner and any lienors or encumbrancers that the legal owner, lienor, or encumbrancer consents to the attachment of the manufactured home, mobilehome, or commercial coach upon the discharge of any personal lien, which may be conditioned upon the satisfaction by the registered owner of the obligation secured by the lien.

(3) Plans and specifications required by department regulations or a department-approved alternate for the manufactured home, mobilehome, or commercial coach foundation system.

(4) The manufactured home, mobilehome, or commercial coach manufacturer's installation instructions, or plans and specifications signed by a California licensed architect or engineer covering the installation of an individual manufactured home, mobilehome, or commercial coach in the absence of the manufactured home, mobilehome, or commercial coach manufacturer's instructions.

(5) Building permit fees established by ordinance of the city, county, or city and county of the appropriate local agency.

(6) A fee payable to the department in the amount of eleven dollars ($11) for each transportable section of the manufactured home, mobilehome, or commercial coach, which shall be transmitted to the department at the time the certificate of occupancy is issued with a copy of the building permit and any other information concerning the manufactured home, mobilehome, or commercial coach which the department may prescribe on forms provided by the department.

(c) (1) On the same day that the certificate of occupancy for the manufactured home, mobilehome, or commercial coach is issued by the appropriate local agency, the local agency shall record with the county recorder of the county in which the real property is situated, on which the manufactured home, mobilehome, or commercial coach has been installed, a document naming the owner of the real property, describing the real property with certainty, and stating that a manufactured home, mobilehome, or commercial coach has been affixed to that real property by installation on a foundation

system pursuant to this section.

(2) When recorded, the document referred to in paragraph (1) shall be indexed by the county recorder to the named owner and shall be deemed to give constructive notice as to its contents to all persons thereafter dealing with the real property.

(3) Fees received by the department pursuant to subdivision (b) shall be deposited in the Mobilehome-Manufactured Home Revolving Fund established under subdivision (a) of Section 18016.5. To the extent these fees are utilized for enforcement of consumer protections, subdivision (b) of Section 18016.5 does not apply.

(d) The department shall adopt regulations providing for the cancellation of registration of a manufactured home, mobilehome, or commercial coach which is permanently attached to the ground on a foundation system pursuant to this section. The regulations shall provide for the surrender to the department of the certificate of title and other indicia of registration. For the purposes of this subdivision, permanent affixation to a foundation system shall be deemed to have occurred on the day a certificate of occupancy is issued to the manufactured home, mobilehome, or commercial coach owner and the document referred to in paragraph (6) of subdivision (b) is recorded. Cancellation shall be effective as of that date and the department shall enter the cancellation on its records upon receipt of a copy of the certificate of occupancy. This subdivision shall not be construed to affect the application of existing laws, or the department's regulations or procedures with regard to the cancellation of registration, except as to the requirement therefor and the effective date thereof.

(e) Once installed on a foundation system in compliance with subdivisions (b), (c), and (d), a manufactured home, mobilehome, or commercial coach shall be deemed a fixture and a real property improvement to the real property to which it is affixed. Physical removal of the manufactured home, mobilehome, or commercial coach shall thereafter be prohibited without the consent of all persons or entities who, at the time of removal, have title to any estate or interest in the real property to which the manufactured home, mobilehome, or commercial coach is affixed.

(f) For the purposes of this part:

(1) "Physical removal" shall include, without limitation, the unattaching of the manufactured home, mobilehome, or commercial coach from the foundation system, except for temporary purposes of repair or improvement thereto.

(2) Consent to removal shall not be required from the owners of rights-of-way or easements or the owners of subsurface rights or interests in or to minerals, including, but not limited to, oil, gas, or other hydrocarbon substances.

(g) At least 30 days prior to a legal removal of the manufactured home, mobilehome, or commercial coach from the foundation system and transportation away from the real property to which it was formerly affixed, the manufactured home, mobilehome, or

commercial coach owner shall notify the department and the county assessor of the intended removal of the manufactured home, mobilehome, or commercial coach. The department shall require written evidence that the necessary consents have been obtained pursuant to this section and shall require application for either a transportation permit or manufactured home, mobilehome, or commercial coach registration as the department may decide is appropriate to the circumstances. Immediately upon removal, as defined in this section, the manufactured home, mobilehome, or commercial coach shall be deemed to have become personal property and subject to all laws governing the same as applicable to a manufactured home, mobilehome, or commercial coach.

(h) Notwithstanding any other provision of law, any manufactured home, mobilehome, or commercial coach installed on a foundation system, attached, or otherwise permanently affixed to, real property without compliance with subdivisions (b), (c), and (d), shall not be deemed a fixture or improvement to the real property. This subdivision shall not be construed to affect the application of sales and use or property taxes.

(i) Once installed on a foundation system, a manufactured home, mobilehome, or commercial coach shall be subject to state enforced health and safety standards for manufactured homes, mobilehomes, or commercial coaches enforced pursuant to Section 18020.

(j) No local agency shall require that any manufactured home, mobilehome, or commercial coach currently on private property be placed on a foundation system.

(k) No local agency shall require that any manufactured home or mobilehome located in a mobilehome park be placed on a foundation system, so as to be permanently affixed to real property.

(*l*) No local agency shall require, as a condition for the approval of the conversion of a rental mobilehome park to a resident-owned park, including, but not limited to, a subdivision, cooperative, or condominium for mobilehomes, that any manufactured home or mobilehome located there be placed on a foundation system, so as to be permanently affixed to real property. This subdivision shall only apply to the conversion of a rental mobilehome park which has been operated as a rental mobilehome park for a minimum period of five years.

SEC. 117. Section 25534 of the Health and Safety Code is amended to read:

25534. (a) Within 90 days after receiving an acutely hazardous material registration form filed pursuant to Section 25533, the administering agency may require the submission of an RMPP if the administering agency determines that the handler's operation may present an acutely hazardous materials accident risk. The handler shall prepare the RMPP in accordance with subdivision (c). The RMPP shall be prepared within 12 months following the request made by the administering agency pursuant to this section.

(b) In addition to any requirements imposed pursuant to

subdivision (a), an owner or operator of a new or modified facility which will be used for the handling of acutely hazardous materials and which will commence operations on or after January 1, 1988, in the case of a new facility or commence the operations which will be modified on or after January 1, 1988, in the case of an existing facility, shall prepare an RMPP. The RMPP shall be approved by the administering agency pursuant to subdivision (e) of Section 25535.

(c) The RMPP shall include all of the following elements:

(1) A description of each accident involving acutely hazardous materials which has occurred at the business or facility within three years from the date of the request made pursuant to subdivision (a), together with a description of the underlying causes of the accident and the measures taken, if any, to avoid a recurrence of a similar accident.

(2) A report specifying the nature, age, and condition of the equipment used to handle acutely hazardous materials at the business or facility and any schedules for testing and maintenance.

(3) Design, operating, and maintenance controls which minimize the risk of an accident involving acutely hazardous materials.

(4) Detection, monitoring, or automatic control systems to minimize potential acutely hazardous materials accident risks.

(5) A schedule for implementing additional steps to be taken by the business, in response to the findings of the assessment performed pursuant to subdivision (d), to reduce the risk of an accident involving acutely hazardous materials. These actions may include any of the following:

(A) Installation of alarm, detection, monitoring, or automatic control devices.

(B) Equipment modifications, repairs, or additions.

(C) Changes in the operations, procedures, maintenance schedules, or facility design.

(6) Auditing and inspection programs designed to allow the handler to confirm that the RMPP is effectively carried out.

(7) Recordkeeping procedures for the RMPP.

(d) The RMPP shall be based upon an assessment of the processes, operations, and procedures of the business, and shall consider all of the following:

(1) An offsite consequence analysis which, at a minimum, assumes a complete release of all acutely hazardous materials, pessimistic air dispersion parameters, and other adverse environmental conditions, to determine any potential acutely hazardous materials accident risk.

(2) The results of a probabilistic risk assessment, which quantifies the likelihood and consequences of an event involving a release of the acutely hazardous materials, and the uncertainties of the computed values of the event's likelihood and consequences, for any acutely hazardous material which has been determined, pursuant to the offsite consequence analysis, to present a possible acutely hazardous materials accident risk.

(e) The business shall submit to the administering agency any

additional supporting technical information deemed necessary by the administering agency to clarify information submitted pursuant to subdivision (c).

(f) A handler shall maintain all records concerning an RMPP for a period of at least five years.

(g) The RMPP shall identify, by title, all personnel at the business who are responsible for carrying out the specific elements of the RMPP, and their respective responsibilities, and the RMPP shall include a detailed training program to ensure that those persons are able to implement the RMPP.

(h) The handler shall review the RMPP, and shall make necessary revisions to the RMPP at least every three years, but, in any event, within 60 days following a modification which would materially affect the handling of an acutely hazardous material.

(i) Any person who handles acutely hazardous materials and who owns or operates two or more business facilities which are substantially identical may prepare a single generic RMPP applicable to all those facilities if the handling of the acutely hazardous materials is substantially similar at all of those facilities.

(j) The RMPP, and any revisions required by subdivision (h), shall be certified as complete by a registered professional and the facility operator.

(k) Except as specified in subdivision (e) of Section 25535, the handler shall implement all activities and programs specified in the RMPP within one year following the certification made pursuant to subdivision (j). Implementation of the RMPP shall include carrying out all operating, maintenance, monitoring, inventory control, equipment inspection, auditing, recordkeeping, and training programs as required by the RMPP. The administering agency may grant an extension of this deadline upon a showing of good cause.

SEC. 118. 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 November 23, 1970, 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 those plans entered into or renewed on or after November 23, 1970, shall be construed to be in compliance with this section, and any provision in any 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 July 1, 1972, 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 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 those provisions apply generally to all benefits paid under the plan. If a fixed amount is specified in the 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 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 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 those services, to the

employer's employees or their dependents.

SEC. 119. Section 11628 of the Insurance Code is amended to read:

11628. (a) No admitted insurer, licensed to issue and issuing motor vehicle liability policies as defined in Section 16450 of the Vehicle Code, shall fail or refuse to accept an application for that insurance, to issue that insurance to an applicant therefor, or issue or cancel that insurance under conditions less favorable to the insured than in other comparable cases, except for reasons applicable alike to persons of every race, language, color, religion, national origin, ancestry, or the same geographic area; nor shall race, language, color, religion, national origin, ancestry, or location within a geographic area of itself constitute a condition or risk for which a higher rate, premium, or charge may be required of the insured for the insurance.

As used in this section "geographic area" means a portion of this state of not less than 20 square miles defined by description in the rating manual of an insurer or in the rating manual of a rating bureau of which the insurer is a member or subscriber. In order that geographic areas used for rating purposes may reflect homogeneity of loss experience, a record of loss experience for the geographic area shall include the breakdown of actual loss experience statistics by zip code area (as designated by the United States Postal Service) within each geographic area for family owned private passenger motor vehicles and lightweight commercial motor vehicles, under 1½-ton load capacity, used for local service or retail delivery, normally within a 50-mile radius of garaging, and which are not part of a fleet of five or more motor vehicles under one ownership. A record of loss experience for the geographic area, including statistical data by zip code area, shall be submitted annually to the commissioner for examination by each insurer. An insurer may satisfy its obligation to report statistical data under this subdivision by providing its loss experience data to a rating or advisory organization for submission to the commissioner. This data shall be made available to the public by the commissioner annually after examination; however, it shall be released in aggregate form by zip code in order that no individual insurer's loss experience for any specific geographic area be revealed. Differentiation in rates between geographical areas shall not constitute unfair discrimination.

All information reported to the department pursuant to this subdivision shall be confidential.

As used in this section, "language" means the inability to speak, read, write, or comprehend the English language.

(b) No admitted insurer, licensed to issue and issuing motor vehicle liability insurance policies as defined in Section 16450 of the Vehicle Code, shall fail or refuse to accept an application for that insurance, refuse to issue that insurance to an applicant therefor, or cancel that insurance solely for the reason that the applicant for the insurance or any insured is employed in a specific occupation.

Nothing in this section shall prohibit an insurer from:

(1) Considering the occupation of the applicant or insured as a condition or risk for which a higher rate or discounted rate may be required or offered for coverage in the course and scope of his or her occupation.

(2) Charging a deviated rate to any classification of risks involving a specific occupation, or grouping thereof, if the rate meets the requirements of Chapter 9 (commencing with Section 1850) of Part 2 of Division 1 and is based upon actuarial data which demonstrates a significant actual historical differential between past losses or expenses attributable to the specific occupation, or grouping thereof, and the past losses or expenses attributable to other classification of risks. For purposes of compiling the actuarial data for a specific occupation or grouping thereof, a person shall be deemed employed in the occupation in which that data is compiled if: (A) the majority of his or her employment during the previous year was in the occupation, or (B) the majority of his or her aggregate earnings for the immediate preceding three-year period were derived from the occupation, or (C) the person is a member in good standing of a union which is an authorized collective bargaining agent for persons engaged in the occupation.

Nothing in this section shall be construed to include in the definition of "occupation" active duty service in the Armed Forces of the United States, any status or activity which does not result in remuneration for work done or services performed, or self-employment in a business operated out of an applicant's or insured's place of residence or persons engaged in the renting, leasing, selling, repossessing, rebuilding, wrecking or salvaging of motor vehicles.

(c) Nothing in this section shall limit or restrict the ability of an insurer to refuse to accept an application for or refuse to issue or cancel the insurance for the reason that it is a commercial vehicle or based upon the consideration of a vehicle's size, weight, design or intended use.

(d) It is the intent of the Legislature that actuarial data by occupation may be examined for credibility by the commissioner on the same basis as any other automobile insurance data which he or she is empowered to examine.

(e) The provisions of this section shall be known and may be cited as the "Rosenthal-Robbins Auto Insurance Nondiscrimination Law."

SEC. 120. 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, district, or other local governmental agency.

(b) "Governing body" means the board of supervisors in the case of a 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 which is 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 is organized for patriotic, fraternal, and benevolent objects.

SEC. 121. Section 241 of the Penal Code is amended to read:

241. (a) An assault is punishable by a fine not exceeding one thousand dollars ($1,000), or by imprisonment in the county jail not exceeding six months, or by both the fine and imprisonment.

(b) When an assault is committed against the person of a peace officer, firefighter, emergency medical technician, mobile intensive care paramedic, lifeguard, traffic officer, or animal control officer engaged in the performance of his or her duties, or a physician or nurse engaged in rendering emergency medical care outside a hospital, clinic, or other health care facility, and the person committing the offense knows or reasonably should know that the victim is a peace officer, firefighter, emergency medical technician, mobile intensive care paramedic, lifeguard, traffic officer, or animal control officer engaged in the performance of his or her duties, or a physician or nurse engaged in rendering emergency medical care, the assault is punishable by a fine not exceeding two thousand dollars ($2,000), or by imprisonment in the county jail not exceeding one year, or by both the fine and imprisonment.

(c) As used in this section:

(1) Peace officer means any person defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2.

(2) "Emergency medical technician" means a person possessing a valid course completion certificate from a program approved by the State Department of Health Services for the medical training and education of ambulance personnel, and who meets the standards of Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

(3) "Mobile intensive care paramedic" refers to those persons who meet the standards set forth in Section 1481 of, and Division 2.5 (commencing with Section 1797) of, the Health and Safety Code.

(4) "Nurse" means a person who meets the standards of Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

(5) "Lifeguard" means a person who is:

(A) Employed as a lifeguard by the state, a county, or a city, and is designated by local ordinance as a public officer who has a duty and responsibility to enforce local ordinances and misdemeanors through the issuance of citations.

(B) Wearing distinctive clothing which includes written identification of the person's status as a lifeguard and which clearly

identifies the employing organization.

(6) "Traffic officer" means any person employed by a county or city to monitor and enforce state laws and local ordinances relating to parking and the operation of vehicles.

(7) "Animal control officer" means any person employed by a county or city for purposes of enforcing animal control laws or regulations.

SEC. 122. Section 597 of the Penal Code is amended to read:

597. (a) Except as provided in subdivision (c), every person who maliciously and intentionally maims, mutilates, tortures, or wounds a living animal which is the property of another, or maliciously and intentionally, kills an animal which is the property of another, is guilty of an offense punishable by imprisonment in the state prison, or by a fine of not more than twenty thousand dollars ($20,000), or by both the fine and imprisonment, or, alternatively, by imprisonment in the county jail for not more than one year, or by a fine of not more than two thousand dollars ($2,000), or by both the fine and imprisonment.

(b) Except as otherwise provided in subdivision (a) or (c), every person who overdrives, overloads, drives when overloaded, overworks, tortures, torments, deprives of necessary sustenance, drink, or shelter, cruelly beats, mutilates, or cruelly kills any animal, or causes or procures any animal to be so overdriven, overloaded, driven when overloaded, overworked, tortured, tormented, deprived of necessary sustenance, drink, or shelter, or to be cruelly beaten, mutilated, or cruelly killed; and whoever, having the charge or custody of any animal, either as owner or otherwise, subjects any animal to needless suffering, or inflicts unnecessary cruelty upon the animal, or in any manner abuses any animal, or fails to provide the animal with proper food, drink, or shelter or protection from the weather, or who drives, rides, or otherwise uses the animal when unfit for labor, is, for every such offense, guilty of a misdemeanor.

(c) Every person who maliciously and intentionally maims, mutilates, or tortures any mammal, bird, reptile, amphibian, or fish, as described in subdivision (d), is guilty of an offense punishable by imprisonment in the state prison, or by a fine of not more than twenty thousand dollars ($20,000), or by both the fine and imprisonment, or, alternatively, by imprisonment in the county jail for not more than one year, by a fine of not more than two thousand dollars ($2,000), or by both the fine and imprisonment if any of the following facts are proven:

(1) The person knows the mammal, bird, reptile, amphibian, or fish is a creature described in subdivision (d).

(2) The person has been convicted of a violation of Section 12008 of the Fish and Game Code, which conviction occurred within five years of the conviction of this violation.

(3) The person has been convicted of a violation of this subdivision, which conviction occurred within five years of the conviction of this offense.

(4) The person maliciously and intentionally maims, tortures, or mutilates three or more separate specimens of the creatures described in subdivision (d) whether from the same or separate or any combination of the groups of creatures described therein.

(d) Subdivision (c) applies to any mammal, bird, reptile, amphibian, or fish which is a creature described as follows:

(1) Endangered species or threatened species as described in Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code.

(2) Fully protected birds described in Section 3511 of the Fish and Game Code.

(3) Fully protected mammals described in Chapter 8 (commencing with Section 4700) of Part 3 of Division 4 of the Fish and Game Code.

(4) Fully protected reptiles and amphibians described in Chapter 2 (commencing with Section 5050) of Division 5 of the Fish and Game Code.

(5) Fully protected fish as described in Section 5515 of the Fish and Game Code.

This subdivision does not supersede or affect any provisions of law relating to taking of the described species, including, but not limited to, Section 12008 of the Fish and Game Code.

(e) For the purposes of subdivision (c) each act of malicious and intentional maiming, mutilating, or torturing a separate specimen of a creature described in subdivision (d) is a separate offense. If any person is charged with a violation of subdivision (c), the proceedings shall be subject to Section 12157 of the Fish and Game Code.

(f) Upon the conviction of a person charged with a violation of this section by causing or permitting an act of cruelty, as defined in Section 599b, all animals lawfully seized and impounded with respect to the violation by a peace officer, officer of a humane society, or officer of a pound or animal regulation department of a public agency shall be adjudged by the court to be forfeited and shall thereupon be awarded to the impounding officer for proper disposition. A person convicted of a violation of this section by causing or permitting an act of cruelty, as defined in Section 599b, shall be liable to the impounding officer for all costs of impoundment from the time of seizure to the time of proper disposition.

Mandatory seizure or impoundment shall not apply to animals in properly conducted scientific experiments or investigations performed under the authority of the faculty of a regularly incorporated medical college or university of this state.

SEC. 123. Section 667.7 of the Penal Code is amended to read:

667.7. (a) Any person convicted of a felony in which the person inflicted great bodily injury as provided in Section 12022.7, or personally used force which was likely to produce great bodily injury, who has served two or more prior separate prison terms as defined in Section 667.5 for the crime of murder; attempted murder; voluntary manslaughter; mayhem; rape by force, violence, or fear of

immediate and unlawful bodily injury on the victim or another person; oral copulation by force, violence, duress, menace or fear of immediate and unlawful bodily injury on the victim or another person; sodomy by force, violence, duress, menace or fear of immediate and unlawful bodily injury on the victim or another person; lewd acts on a child under the age of 14 years by use of force, violence, duress, menace or fear of immediate and unlawful bodily injury on the victim or another person; a violation of subdivision (a) of Section 289 where the act is accomplished against the victim's will by means of force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person; kidnapping for ransom, extortion, or robbery; robbery involving the use of force or a deadly weapon; assault with intent to commit murder; assault with a deadly weapon; assault with a force likely to produce great bodily injury; assault with intent to commit rape, sodomy, oral copulation, penetration of a vaginal or anal opening in violation of Section 289, or lewd and lascivious acts on a child; arson of a structure; escape or attempted escape by an inmate with force or violence in violation of subdivision (a) of Section 4530, or of Section 4532; exploding a device with intent to murder in violation of Section 12308; exploding a destructive device which causes bodily injury in violation of Section 12309, or mayhem or great bodily injury in violation of Section 12310; exploding a destructive device with intent to injure, intimidate, or terrify, in violation of Section 12303.3; any felony in which the person inflicted great bodily injury as provided in Section 12022.7; or any felony punishable by death or life imprisonment with or without the possibility of parole is a habitual offender and shall be punished as follows:

(1) A person who served two prior separate prison terms shall be punished by imprisonment in the state prison for life and shall not be eligible for release on parole for 20 years, or the term determined by the court pursuant to Section 1170 for the underlying conviction, including any enhancement applicable under Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, or any period prescribed by Section 190 or 3046, whichever is greatest. The provisions of Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply to reduce any minimum term in a state prison imposed pursuant to this section, but the person shall not otherwise be released on parole prior to that time.

(2) Any person convicted of such a felony who has served three or more prior separate prison terms, as defined in Section 667.5, for the crimes specified in subdivision (a) of this section shall be punished by imprisonment in the state prison for life without the possibility of parole.

(b) This section shall not prevent the imposition of the punishment of death or imprisonment for life without the possibility of parole. No prior prison term shall be used for this determination which was served prior to a period of 10 years in which the person remained free of both prison custody and the commission of an

offense which results in a felony conviction. As used in this section, a commitment to the Department of the Youth Authority after conviction for a felony shall constitute a prior prison term. The term imposed under this section shall be imposed only if the prior prison terms are alleged under this section in the accusatory pleading, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by a plea of guilty or nolo contendere or by a trial by the court sitting without a jury.

SEC. 124. Section 868.8 of the Penal Code, as added by Chapter 1172 of the Statutes of 1985, is repealed.

SEC. 125. The heading of Chapter 2.3 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code is amended and renumbered to read:

CHAPTER 2.2. CAREER CRIMINALS

SEC. 126. The heading of Chapter 2.4 (commencing with Section 999i) of Title 6 of Part 2 of the Penal Code is amended and renumbered to read:

CHAPTER 2.3. REPEAT SEXUAL OFFENDERS

SEC. 127. Section 1205 of the Penal Code is amended to read:

1205. (a) A judgment that the defendant pay a fine, with or without other punishment, may also direct that he or she be imprisoned until the fine is satisfied and may further direct that the imprisonment begin at and continue after the expiration of any imprisonment imposed as a part of the punishment or of any other imprisonment to which he or she may theretofore have been sentenced. Each of these judgments shall specify the extent of the imprisonment for nonpayment of the fine, which shall not be more than one day for each thirty dollars ($30) of the fine, nor exceed in any case the term for which the defendant might be sentenced to imprisonment for the offense of which he or she has been convicted. A defendant held in custody for nonpayment of a fine shall be entitled to credit on the fine for each day he or she is so held in custody, at the rate specified in the judgment. When the defendant has been convicted of a misdemeanor, a judgment that the defendant pay a fine may also direct that he or she pay the fine within a limited time or in installments on specified dates and that in default of payment as therein stipulated he or she be imprisoned in the discretion of the court either until the defaulted installment is satisfied or until the fine is satisfied in full; but unless the direction is given in the judgment, the fine shall be payable forthwith.

(b) Except as otherwise provided in case of fines imposed as conditions of probation, the defendant shall pay the fine to the clerk of the court, or to the judge thereof if there is no clerk, unless the defendant is taken into custody for nonpayment of the fine, in which

event payments made while he or she is in custody shall be made to the officer who holds him or her in custody and all amounts so paid shall be forthwith paid over by the officer to the court which rendered the judgment. The clerk shall report to the court every default in payment of a fine or any part thereof, or if there is no clerk, the court shall take notice of the default. If time has been given for payment of a fine or it has been made payable in installments, the court shall, upon any default in payment, immediately order the arrest of the defendant and order him or her to show cause why he or she should not be imprisoned until the fine or installment thereof, as the case may be, is satisfied in full. If the fine, or installment, is payable forthwith and it is not so paid, the court shall without further proceedings, immediately commit the defendant to the custody of the proper officer to be held in custody until the fine or installment thereof, as the case may be, is satisfied in full.

(c) This section applies to any violation of any of the codes or statutes of this state punishable by a fine or by a fine and imprisonment.

Nothing in this section shall be construed to prohibit the clerk of the court, or the judge thereof if there is no clerk, from turning these accounts over to another county department or a collecting agency for processing and collection.

(d) The defendant shall pay to the clerk of the court or the collecting agency a fee for the processing of installment accounts. This fee shall equal the administrative and clerical costs, as determined by the board of supervisors, except that the fee shall not exceed thirty dollars ($30). The Legislature hereby authorizes the establishment of the following program described in this section, to be implemented in the County of San Diego or the County of Alameda, or both, upon the adoption of a resolution by the board of supervisors authorizing it. The Board of Supervisors of the County of San Diego, and the Board of Supervisors of the County of Alameda, may establish a fee for the processing of accounts receivable that are not to be paid in installments. The defendant shall pay to the clerk of the court or the collecting agency the fee established for the processing of the accounts. The fee shall equal the administrative and clerical costs, as determined by the board of supervisors, except that the fee shall not exceed thirty dollars ($30).

SEC. 128. Section 1463.01 of the Penal Code is repealed.

SEC. 129. Section 1464 of the Penal Code is amended to read:

1464. (a) Subject to the provisions of Section 76000 of the Government Code, there shall be levied an assessment in an amount equal to five dollars ($5) for every ten dollars ($10) or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund

of the county pursuant to subparagraph (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code. Any bail schedule adopted pursuant to Section 1269b may include the necessary amount to pay the assessments established by this section and Section 76000 of the Government Code for all matters where a personal appearance is not mandatory and the bail is posted primarily to guarantee payment of the fine.

(b) Where multiple offenses are involved, the assessment shall be based upon the total fine or bail for each case. When a fine is suspended, in whole or in part, the assessment shall be reduced in proportion to the suspension.

(c) When any deposited bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making the deposit shall also deposit a sufficient amount to include the assessment prescribed by this section for forfeited bail. If bail is returned, the assessment made thereon pursuant to this section shall also be returned.

(d) In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the assessment, the payment of which would work a hardship on the person convicted or his or her immediate family.

(e) After a determination by the court of the amount due, the clerk of the court shall collect the amount and transmit it to the county treasury. The portion thereof attributable to Section 76000 of the Government Code shall be deposited in the appropriate county fund and the balance shall then be transmitted to the State Treasury to be deposited in the Assessment Fund, which is hereby created. The transmission to the State Treasury shall be carried out in the same manner as fines collected for the state by a county.

(f) The moneys so deposited shall be distributed as follows:

(1) Once a month there shall be transferred into the Fish and Game Preservation Fund an amount equal to 0.38 percent of the funds deposited in the Assessment Fund during the preceding month, but in no event shall the amount be less than the assessment levied on fines or forfeitures for violation of state laws relating to the protection or propagation of fish and game. These moneys are to be used for the education or training of department employees which fulfills a need consistent with the objectives of the Department of Fish and Game.

(2) Once a month there shall be transferred into the Restitution Fund an amount equal to 22.12 percent of the funds deposited in the Assessment Fund during the preceding month. These funds shall be available in accordance with subdivision (b) of Section 13967 of the Government Code.

(3) Once a month there shall be transferred into the Peace Officers' Training Fund an amount equal to 27.75 percent of the funds deposited in the Assessment Fund during the preceding month.

(4) Once a month there shall be transferred into the Driver Training Penalty Assessment Fund an amount equal to 29.73 percent of the funds deposited in the Assessment Fund during the preceding month.

(5) Once a month there shall be transferred into the Corrections Training Fund an amount equal to 9.12 percent of the funds deposited in the Assessment Fund during the preceding month. Money in the Corrections Training Fund is not continuously appropriated and shall be appropriated in the Budget Act.

(6) Once a month there shall be transferred into the Local Public Prosecutors and Public Defenders Training Fund established pursuant to Section 11503 an amount equal to 0.90 percent of the funds deposited in the Assessment Fund during the preceding month. The amount so transferred shall not exceed the sum of eight hundred fifty thousand dollars ($850,000) in any fiscal year. The remainder in excess of eight hundred fifty thousand dollars ($850,000) shall be transferred to the Restitution Fund.

(7) Once a month there shall be transferred into the Victim-Witness Assistance Fund an amount equal to 10 percent of the funds deposited in the Assessment Fund during the preceding month.

SEC. 130. Section 2932 of the Penal Code is amended to read:

2932. (a) (1) For any time credit accumulated pursuant to Section 2931 or to Section 2933, not more than 360 days of credit may be denied or lost for a single act of murder, attempted murder, solicitation of murder, manslaughter, rape, sodomy, or oral copulation accomplished against the victim's will, attempted rape, attempted sodomy, or attempted oral copulation accomplished against the victim's will, assault or battery causing serious bodily injury, assault with a deadly weapon or caustic substance, taking of a hostage, escape with force or violence, or possession or manufacture of a deadly weapon or explosive device, whether or not prosecution is undertaken for purposes of this paragraph. Solicitation of murder shall be proved by the testimony of two witnesses, or of one witness and corroborating circumstances.

(2) Not more than 180 days of credit may be denied or lost for a single act of misconduct, except as specified in paragraph (1), which could be prosecuted as a felony whether or not prosecution is undertaken.

(3) Not more than 90 days of credit may be denied or lost for a single act of misconduct which could be prosecuted as a misdemeanor, whether or not prosecution is undertaken.

(4) Not more than 30 days of credit may be denied or lost for a single act of misconduct defined by regulation as a serious disciplinary offense by the Department of Corrections. Any person confined due to a change in custodial classification following the commission of any serious disciplinary infraction shall, in addition to any loss of time credits, be ineligible to receive participation or worktime credit for a period not to exceed the number of days of

credit which have been lost for the act of misconduct or 180 days, whichever is less. Any person confined in a secure housing unit for having committed any misconduct specified in paragraph (1) in which great bodily injury is inflicted upon a nonprisoner shall, in addition to any loss of time credits, be ineligible to receive participation or worktime credit for a period not to exceed the number of days of credit which have been lost for that act of misconduct, or for the period that the prisoner is confined in a secure housing unit, whichever is less. In unusual cases, an inmate may be denied the opportunity to participate in a credit qualifying assignment for up to six months beyond the period specified in this subdivision if the Director of Corrections finds, after a hearing, that no credit qualifying program may be assigned to the inmate without creating a substantial risk of physical harm to staff or other inmates. At the end of the six-month period and of successive six-month periods, the denial of the opportunity to participate in a credit qualifying assignment may be renewed upon a hearing and finding by the director.

The prisoner may appeal the decision through the department's review procedure, which shall include a review by an individual independent of the institution who has supervisorial authority over the institution.

(b) For any credit accumulated pursuant to Section 2931, not more than 30 days of participation credit may be denied or lost for a single failure or refusal to participate. Any act of misconduct described by the Department of Corrections as a serious disciplinary infraction if committed while participating in work, educational, vocational, therapeutic or other prison activity shall be deemed a failure to participate.

(c) Any procedure not provided for by this section, but necessary to carry out the purposes of this section, shall be those procedures provided for by the Department of Corrections for serious disciplinary infractions if those procedures are not in conflict with this section.

(1) The Department of Corrections shall, using reasonable diligence to investigate, provide written notice to the prisoner. The written notice shall be given within 15 days after the discovery of information leading to charges that may result in a possible denial of credit, except that if the prisoner has escaped, the notice shall be given within 15 days of the prisoner's return to the custody of the Director of Corrections. The written notice shall include the specific charge, the date, the time, the place that the alleged misbehavior took place, the evidence relied upon, a written explanation of the procedures that will be employed at the proceedings and the prisoner's rights at the hearing. The hearing shall be conducted by an individual who shall be independent of the case and shall take place within 30 days of the written notice.

(2) The prisoner may elect to be assigned an employee to assist in the investigation, preparation, or presentation of a defense at the

disciplinary hearing if it is determined by the department that: (i) the prisoner is illiterate; or (ii) the complexity of the issues or the prisoner's confinement status makes it unlikely that the prisoner can collect and present the evidence necessary for an adequate comprehension of the case.

(3) The prisoner may request witnesses to attend the hearing and they shall be called unless the person conducting the hearing has specific reasons to deny this request. The specific reasons shall be set forth in writing and a copy of the document shall be presented to the prisoner.

(4) The prisoner has the right, under the direction of the person conducting the hearing, to question all witnesses.

(5) At the conclusion of the hearing the charge shall be dismissed if the facts do not support the charge, or the prisoner may be found guilty on the basis of a preponderance of the evidence.

(d) If found guilty the prisoner shall be advised in writing of the guilty finding and the specific evidence relied upon to reach this conclusion and the amount of time-credit loss. The prisoner may appeal the decision through the Department of Corrections' review procedure, and may, upon final notification of appeal denial, within 15 days of the notification demand review of the department's denial of credit to the Board of Prison Terms, and the board may affirm, reverse, or modify the department's decision or grant a hearing before the board at which hearing the prisoner shall have the rights specified in Section 3041.5.

(e) Each prisoner subject to Section 2931 shall be notified of the total amount of good behavior and participation credit which may be credited pursuant to Section 2931, and his or her anticipated time-credit release date. The prisoner shall be notified of any change in the anticipated release date due to denial or loss of credits, award of worktime credit, under Section 2933, or the restoration of any credits previously forfeited.

(f) If the conduct the prisoner is charged with also constitutes a crime, the Department of Corrections may refer the case to criminal authorities for possible prosecution. The department shall notify the prisoner, who may request postponement of the disciplinary proceedings pending the referral.

The prisoner may revoke his or her request for postponement of the disciplinary proceedings up until the filing of the accusatory pleading. In the event of the revocation of the request for postponement of the proceeding, the department shall hold the hearing within 30 days of the revocation.

In the case where the prisoner is prosecuted by the district attorney, the Department of Corrections shall not deny time credit where the prisoner is found not guilty and may deny credit if the prisoner is found guilty, in which case the procedures in subdivision (c) shall not apply.

(g) If time credit denial proceedings or criminal prosecution prohibit the release of a prisoner who would have otherwise been

released, and the prisoner is found not guilty of the alleged misconduct, the amount of time spent incarcerated, in excess of what the period of incarceration would have been absent the alleged misbehavior, shall be deducted from the prisoner's parole period.

(h) Nothing in the amendments to this section made at the 1981–82 Regular Session of the Legislature shall affect the granting or revocation of credits attributable to that portion of the prisoner's sentence served prior to January 1, 1983.

SEC. 132. Section 5085 of the Penal Code is amended to read:

5085. (a) There is hereby created in state government the Robert B. Presley Institute of Corrections Research and Training, hereafter referred to as "the institute," for the purpose of developing and enhancing research, education, and training for corrections personnel within the youth and adult corrections system in California.

(b) The Legislature declares that the institute shall research and recommend short-term and long-term approaches to address the following:

(1) Identify the methods and practices necessary for the most beneficial operation of the state's correctional institutions.

(2) Reduce prison, jail, and youth facility violence and recidivism rates.

(3) Ensure that California remains the nationwide leader in modern, humane, secure, and efficient correctional systems.

(4) Review current educational and training practices for correctional staff and recommend new curricula and training regimens intended to enhance the professionalism, expertise, and effectiveness of these personnel.

SEC. 133. Section 5085.5 of the Penal Code is amended to read:

5085.5. The Legislature further finds and declares the following:

(a) That the Department of Corrections and the Department of the Youth Authority require assistance in improving methods for the training and education of adult and youth corrections line employees, supervisors, managers, and directors.

(b) That there is a need for theoretical and applied research in the subjects of the following:

(1) Correctional facility management, planning, design, and construction.

(2) Inmate diagnosis, classification, and treatment.

(3) Staff security and inmate discipline.

(4) Ward and inmate vocational training, and development of job skills for their permanent civilian employment.

(5) Correctional facility overcrowding.

(6) Prison, jail, and street gang activity.

(7) Safe, secure, and cost-effective incarceration in California's correctional institutions.

(8) New approaches to inmate and ward rehabilitation during and after incarceration.

(9) New methods to reduce recidivism and the consequent

victimization of California citizens.

SEC. 134. Section 5086 of the Penal Code is amended to read:

5086. The institute shall be governed by a 16-member board of trustees, hereafter referred to as "the board," which shall consult with the governing body of the University of California, and the governing bodies of the California State University and the California community colleges. The institute shall also consult with the Governor and the Legislature on matters related to corrections research, education, and training.

SEC. 135. Section 5094 of the Penal Code is amended to read:

5094. (a) It is the intent of the Legislature to encourage the board to seek funding for necessary training, education, and research projects from the Legislature, the state college and university systems, private colleges and universities, foundations, the federal government, and other sources deemed appropriate by the board.

(b) The executive director shall, subject to review and approval of the board, negotiate the terms, services, and costs of contracts and research projects consistent with funds available. The board shall approve contracts negotiated by the executive director and shall retain legal counsel for purposes of contract review.

(c) Consistent with the funds available, the executive director shall obtain all necessary office space, equipment, supplies, and services he or she deems necessary for the institute to perform its mandated duties.

SEC. 136. Section 6028.11 of the Penal Code is repealed.

SEC. 137. The heading of Chapter 11 (commencing with Section 6350) of Title 7 of Part 3 of the Penal Code is amended and renumbered to read:

CHAPTER 10.5. PRISON VISITOR SERVICES

SEC. 138. Section 11105.2 of the Penal Code is amended to read:

11105.2. (a) The Department of Justice may provide subsequent arrest notification to any agency authorized by Section 11105 to receive state summary criminal history information to assist in fulfilling employment, licensing, or certification duties upon the arrest of any person whose fingerprints are maintained on file at the Department of Justice as the result of an application for licensing, employment, or certification. The notification shall consist of a current copy of the person's state summary criminal history transcript.

(b) Any agency, other than a law enforcement agency employing peace officers as defined in Section 830.1, subdivisions (a), (b), and (f) of Section 830.2, subdivision (a) of Section 830.3, subdivisions (a) and (b) of Section 830.5, and subdivision (a) of Section 830.31, shall enter into a contract with the Department of Justice in order to receive notification of subsequent arrests for licensing, employment, or certification purposes.

(c) Any agency which submits the fingerprints of applicants for

licensing, employment, or certification to the Department of Justice for the purpose of establishing a record of the applicant to receive notification of subsequent arrests shall immediately notify the department when the employment of the applicant is terminated, when the applicant's license or certificate is revoked, or when the applicant may no longer renew or reinstate the license or certificate. The Department of Justice shall terminate subsequent arrest notification on any applicant upon the request of the licensing, employment, or certifying authority.

(d) Any agency receiving a notification of subsequent arrest for a person unknown to the agency, or for a person no longer employed by the agency, or no longer eligible to renew the certificate or license for which subsequent arrest notification service was established shall immediately return the subsequent arrest notification to the Department of Justice, informing the department that the agency is no longer interested in the applicant. The agency shall not record or otherwise retain any information received as a result of the subsequent arrest notice.

(e) Any agency which submits the fingerprints of an applicant for employment, licensing, or certification to the Department of Justice for the purpose of establishing a record at the department to receive notification of subsequent arrest shall immediately notify the department if the applicant is not subsequently employed, or if the applicant is denied licensing or certification.

(f) An agency which fails to provide the Department of Justice with notification as set forth in subdivisions (c), (d), and (e) may be denied further subsequent arrest notification service.

(g) Notwithstanding subdivisions (c), (d), and (f), subsequent arrest notification by the Department of Justice and retention by the employing agency shall continue as to retired peace officers listed in subdivision (c) of Section 830.5.

SEC. 139. Section 11165.1 of the Penal Code, as added by Chapter 1572 of the Statutes of 1985, is amended and renumbered to read:

11165.7. In addition to those persons specified in the definition of "child care custodian" contained in Section 11165, the term also includes any person who is an administrator or presenter of, or a counselor in, a child abuse prevention program in any public or private school.

SEC. 140. Section 11165.5 of the Penal Code is amended to read:

11165.5. (a) As used in Sections 11165 and 11166.5, "child care custodian," in addition to the persons specified therein, means an instructional aide, a teacher's aide, or a teacher's assistant employed by any public or private school, who has been trained in the duties imposed by this article, if the school district has so warranted to the State Department of Education. It also includes a classified employee of any public school who has been trained in the duties imposed by this article if the school has so warranted to the State Department of Education.

(b) Training in the duties imposed by this article shall include

training in child abuse identification and training in child abuse reporting. As part of that training, school districts shall provide to all employees being trained a written copy of the reporting requirements and a written disclosure of the employees' confidentiality rights.

(c) School districts which do not train the employees specified in subdivision (a) in the duties of child care custodians under the child abuse reporting laws shall report to the State Department of Education the reasons why this training is not provided.

SEC. 141. Section 11166.1 of the Penal Code, as added by Chapter 1593 of the Statutes of 1985, is amended and renumbered to read:

11166.4. When a child protective agency receives a report of abuse alleged to have occurred in facilities licensed to care for children by the State Department of Social Services, it shall, within 24 hours, notify the licensing office with jurisdiction over the facility.

SEC. 143. Section 13524 of the Penal Code, as added by Chapter 654 of the Statutes of 1980, is repealed.

SEC. 144. The heading of Title 5 (commencing with Section 13600) of Part 4 of the Penal Code is amended and renumbered to read:

TITLE 4.5. YOUTH AND ADULT CORRECTIONAL PEACE OFFICER STANDARDS AND TRAINING

SEC. 145. Section 1202 of the Probate Code is amended to read:

1202. At any time after the issuance of letters testamentary or of administration, any person interested in the estate, whether as heir, devisee, legatee, creditor, beneficiary under a trust, or as otherwise interested, or the Controller, may, in person or by attorney, serve upon the executor or administrator, or upon the attorney for the executor or administrator, and file with the clerk of the court where the proceedings are pending, with a written admission or proof of service, a written request, stating that the person desires special notice of the filing of any or all of the petitions or accounts mentioned in Section 1200.5, and giving the post office address of the person making the request or the person's attorney. Thereafter the person is entitled to notice as provided in Section 1200.5.

SEC. 146. The heading of Chapter 1 (commencing with Section 17000) of Part 5 of Division 9 of the Probate Code is amended to read:

CHAPTER 1. JURISDICTION AND VENUE

SEC. 148. The heading of Article 6.5 (commencing with Section 20209) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code is amended and renumbered to read:

Article 6.7. Transit Districts

SEC. 149. Section 3824.5 of the Public Resources Code is amended 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 have been achieved.

SEC. 150. Section 5002.3 of the Public Resources Code is amended to read:

5002.3. A public hearing shall be scheduled by the State Park and Recreation Commission to consider each matter of classification or reclassification of a unit and of approval of the department's general plan for a unit. Notice of the hearing shall be posted in plain sight at one or more places within the affected unit, published in one or more newspapers of general circulation in each county within which the affected unit is located, and mailed to every person who has filed a request for notice of the hearing with the commission. If the notice of hearing is published in a weekly newspaper, it shall appear therein on at least two different days of publication; and if in a newspaper published more often, there shall be at least five days from the first to the last day of publication, both days included. The content of the notice of hearing shall substantially comply with the requirements of Section 11346.5 of the Government Code.

Copies of the department's inventory of features, in the case of a hearing on classification or reclassification, or copies of the department's general plan, in the case of a hearing on approval of the plans, shall be made available to the public at each of the department's district offices on the last date of publication of the notice.

The hearing shall be held by the commission in, or within a radius of 100 miles of, the City of San Diego, Los Angeles, San Francisco, San Bernardino, Eureka, Redding, Fresno, or Sacramento, whichever is closest to the unit affected, not less than 30 days, nor more than 60 days, after the last date of publication of the notice. However, the Cities of Eureka and Redding, and the area within a radius of 100 miles of each of these cities, shall be considered as a single location for hearings of the commission, and not more than one hearing in any year may be held at that location. The hearing shall be conducted in the manner specified in Section 11346.8 of the Government Code. The vote of each individual member of the commission on each matter of classification or reclassification and of approval of the department's general plan shall be recorded when the final decision of the commission is announced.

SEC. 151. Section 5184 of the Public Resources Code is amended to read:

5184. The Governor shall issue a commission to each

commissioner appointed by him or her, and each commissioner shall, within 20 days after the receipt thereof, take and subscribe the oath of office prescribed by law.

SEC. 153. Section 311 of the Public Utilities Code is amended to read:

311. (a) The commission, each commissioner, the executive director, and the assistant executive directors may administer oaths, certify to all official acts, and issue subpoenas for the attendance of witnesses and the production of papers, waybills, books, accounts, documents, and testimony in any inquiry, investigation, hearing, or proceeding in any part of the state.

(b) The administrative law judges may administer oaths, examine witnesses, issue subpoenas, and receive evidence, under rules that the commission adopts. The commission, upon scheduling hearings and specifying the scope of issues to be heard in any proceeding involving an electrical, gas, telephone, railroad, or water corporation, or a highway carrier, shall assign an administrative law judge to preside over the hearings, either sitting alone or assisting the commissioner or commissioners who will hear the case.

(c) The evidence in any hearing shall be taken by the administrative law judge designated for that purpose. The administrative law judge may receive and exclude evidence offered in the hearing in accordance with the rules of practice and procedure of the commission.

(d) The administrative law judge shall prepare and file an opinion setting forth recommendations, findings, and conclusions. The opinion of the administrative law judge shall become the proposed decision and a part of the public record in the proceeding. The proposed decision of the administrative law judge shall be filed with the commission and served upon all parties to the action or proceeding without undue delay, not later than 90 days after the matter has been submitted for decision. The commission shall issue its decision not sooner than 30 days following filing and service of the proposed decision by the administrative law judge. The commission may, in issuing its decision, adopt, modify, or set aside the proposed decision or any part thereof. Every finding, opinion, and order made in the proposed decision and approved or confirmed by the commission shall, upon that approval or confirmation, be the finding, opinion, and order of the commission.

(e) The commission may specify that the administrative law judge assigned to a proceeding involving an electrical, gas, telephone, railroad, or water corporation, or a highway carrier, initiated by customer or subscriber complaint need not prepare, file, and serve an opinion, unless the commission finds this is required in the public interest in a particular case.

SEC. 154. Section 3542 of the Public Utilities Code, as added by Chapter 794 of the Statutes of 1986, is amended and renumbered to read:

3542.5. The commission shall not issue a highway carrier permit

pursuant to this chapter unless the applicant certifies on a form acceptable to the commission that the applicant will maintain its vehicles in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Administrative Code relative to motor vehicle safety.

SEC. 155. The heading of Article 4 (commencing with Section 16501) of Chapter 4 of Division 7 of the Public Utilities Code is repealed.

SEC. 156. The heading of Article 1 (commencing with Section 30800) of Chapter 6 of Part 3 of Division 10 of the Public Utilities Code is repealed.

SEC. 157. Section 99268.12 of the Public Utilities Code is amended to read:

99268.12. Notwithstanding Sections 99268.2 and 99268.3, the transportation planning agency or the county transportation commission may set the required ratio of fare revenue to operating cost at not less than three-twentieths for an operator in a county with a population of 500,000 or less and serving an urbanized area where funds may be allocated under Article 8 (commencing with Section 99400). Prior to setting the required ratio, the transportation planning agency or the county transportation commission shall make findings specifying the reasons for its action.

SEC. 158. Section 142009 of the Public Utilities Code is amended to read:

142009. If the electors do not 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.

SEC. 159. Section 98.6 of the Revenue and Taxation Code is amended to read:

98.6. (a) Notwithstanding any other provision of this chapter, the amount allocated pursuant to Sections 96 or 97, and 98, to a special district, as defined in Article 1 (commencing with Section 2201) of Chapter 3 of Part 4, excluding multicounty districts, and the amount allocated pursuant to Section 75.70 to a special district which is governed by the board of supervisors of a county or whose governing body is the same as the board of supervisors of a county, shall be reduced by an amount computed as follows:

(1) A ratio shall be computed for each of the special districts equal to the amount of state assistance payment for the special district for the 1978–79 fiscal year divided by the sum of the state assistance payment for the special district plus the amount of property tax revenue allocated to the special district for the 1978–79 fiscal year pursuant to Section 26912 of the Government Code.

(2) The amount by which the allocation pursuant to Sections 75.70, 96 or 97, and 98, shall be reduced shall be equal to the allocation multiplied by the factor computed for the district pursuant to

paragraph (1).

(3) For the 1984–85 fiscal year and each fiscal year thereafter, the amount computed for each special district pursuant to this subdivision, other than a special district governed by a county board of supervisors or whose governing board is the same as the county board of supervisors, shall not be greater than the amount computed for the 1983–84 fiscal year.

(4) The total of all amounts computed for special districts within each county shall be deposited in the Special District Augmentation Fund which shall specify amounts for each governing body as defined in Section 16271 of the Government Code and which shall be allocated pursuant to subdivision (b).

(b) There is hereby created a Special District Augmentation Fund in each county to augment the revenues of special districts. On or before June 1 of each year, the governing body shall notify each special district of the estimated amount of funds in the Special District Augmentation Fund available to special districts in the coming fiscal year. The auditor shall, on or before September 30 of each year, notify each governing body, as defined in Section 16271 of the Government Code, of the amount allocated to it pursuant to this section.

(c) Within 15 days of the notice, the governing body shall hold a public hearing for the purpose of determining the distribution of the funds. The governing body shall send written notice to the legislative body of each special district which is not governed by the board of supervisors or the city council. The notice shall include all of the following:

(1) The amount of funds disbursed to each special district and the amount of funds disbursed pursuant to subdivision (j) in the past fiscal year.

(2) The amount of funds computed pursuant to subdivision (a).

(3) The amount of funds proposed to be allocated pursuant to subdivision (j).

(4) The time and place of the hearing.

The governing body shall also publish the notice in a newspaper of general circulation in the county not less than three days prior to the hearing. The published notice shall include the time and place of the hearing.

(d) Within 30 days of the notice of allocation, the governing body shall allocate the funds to special districts, and may allocate funds pursuant to subdivision (j). The governing body shall disburse the entire amount of the fund to special districts during the fiscal year, except for the amounts allocated pursuant to subdivision (j).

(e) In determining the amount of funds to be disbursed to each special district, the governing body shall not consider any revenues raised by a special district pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1, or Article 16 (commencing with Section 53970) of Chapter 4 of Part 1 of Division 2, of Title 5 of, the Government Code.

(f) In determining the amount of funds to be allocated to each special district, the governing body may consider the revenues which are raised, or could be raised, by a special district from its enterprise activities.

(g) In determining the amount of funds to be allocated to each special district, the governing body shall not allocate funds to any special district which is governed by the board of supervisors or the city council if the governing body intends that those funds are to be transferred to that county or city upon or after disbursement to the special district, except as reimbursement to the city or county for services rendered to the special district.

(h) Within 30 days after determining the amount of funds to be allocated, the governing body shall send written notice to the legislative body of each special district which is not governed by the board of supervisors or the city council which shall include:

(1) The total amount of funds computed pursuant to subdivision (a).

(2) The amount of funds allocated to each special district.

(3) The amount of funds allocated pursuant to subdivision (j).

(i) In determining the amount of funds to be disbursed to a special district, the governing body may restrict the use of the funds requested by a special district for purposes of capital purchases to those purposes.

(j) The funds allocated pursuant to this section shall be used exclusively for special districts and shall not be used for any general county or municipal expenses, except that:

(1) The governing body may allocate to its general fund an amount not to exceed the actual demonstrated cost of administering the Special District Augmentation Fund, which shall be an amount necessary to reimburse the actual demonstrated expenditures made to carry out the requirements of subdivisions (a) to (i), inclusive, and also the actual demonstrated cost of providing the assistance requested by special districts, which amount shall not exceed 1 percent of the amount in the fund.

(2) The governing body may allocate to a special account in its general fund an amount not to exceed 1 percent of the amount of the Special District Augmentation Fund to pay only the costs of the following:

(A) Expenses incurred by special districts in the event of an emergency. As used in this subparagraph, "emergency" means a sudden, unexpected occurrence which threatens the public peace, health, safety, or welfare and which is, or is likely to be, beyond the control of the services, personnel, equipment, or facilities of the special district.

(B) To carry out the purposes of the California Special District Consolidation Assistance Program established pursuant to Chapter 9.5 (commencing with Section 60350) of Division 2 of Title 6 of the Government Code.

(C) To establish a Special District Augmentation Fund Loan

program. The program funds may be loaned to special districts under those terms and conditions and in those amounts as are specified by the governing body.

(3) Notwithstanding the limits of paragraph (2), the governing body of a county with a population of less than 50,000, as determined by the Department of Finance, may allocate an amount not to exceed 2 percent of the fund. Those governing bodies may accumulate in the special account an amount not to exceed 5 percent of the fund over a period of three fiscal years.

(4) The governing body shall disburse to special districts any amount allocated pursuant to this subdivision which is greater than the limits set by paragraphs (2) and (3) in the succeeding fiscal year.

(k) The county auditor shall disburse funds to the special district in the same manner as disbursements which are made from the county treasurer's property tax trust fund.

(*l*) Disbursements to cities with more than one subsidiary special district may be made to the city. Each city shall distribute these funds to their individual subsidiary special districts in accordance with the city council's final determination.

(m) Any interest which accrues to the Special District Augmentation Fund shall be considered part of the fund and shall not be allocated or distributed in any way to the general fund of the governing body.

SEC. 160. Section 2611.5 of the Revenue and Taxation Code is amended to read:

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

(1) The full value of locally assessed property, including assessments made for irrigation district purposes in accordance with Section 26625.1 of the Water Code.

(2) The tax rate required by Article XIII A of the California Constitution.

(3) The rate or dollar amount of taxes levied in excess of the 1-percent limitation to pay for voter-approved indebtedness incurred before July 1, 1978, or bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986.

(4) The amount of any special taxes and special assessments levied.

(5) The amount of any tax rate reduction pursuant to Section 100 of this code, with the notation: "Tax reduction by (name of jurisdiction)."

(6) The amount of any exemptions. Exemptions reimbursable by the state shall be separately shown.

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

(8) Instructions on tendering payment, including the name and mailing address of the tax collector.

(b) In any year in which all of the assessments on the local secured roll have been raised or lowered as a result of a board order adopted

pursuant to Section 18 of Article XIII of the California Constitution, the full value may be omitted or, if shown, the tax bill shall include an explanation of the inconsistency of that figure with the equalized value and announced assessment ratio.

SEC. 161. Section 6472 of the Revenue and Taxation Code is amended to read:

6472. For purposes of Section 6471, prepayment shall be accompanied by a report of the amount of the prepayment in a form prescribed by the board and shall be made to the board as follows:

(a) In the first, third, and fourth calendar quarters, on or before the 24th day next following the end of each of the first two monthly periods of each quarterly period.

(b) In the second calendar quarter as follows:

(1) The first prepayment on or before the 24th day next following the end of the first monthly period of each quarterly period.

(2) The second prepayment on or before the 23rd day of the third monthly period of each quarterly period for the second monthly period and the first 15 days of the third monthly period of each quarterly period.

SEC. 162. Section 8359 of the Revenue and Taxation Code is amended to read:

8359. The board may, without at the time furnishing vouchers and itemized statements, draw from the Motor Vehicle Fuel Account a sum not to exceed five thousand dollars ($5,000). The sum so drawn shall be used as a revolving fund where cash advances are necessary.

SEC. 163. Section 8360 of the Revenue and Taxation Code is amended to read:

8360. The board may pay out of the appropriations made to it from the Motor Vehicle Fuel Account all expenses incurred in the prosecution before any court of this state of any person charged with the violation of this part.

SEC. 164. Section 24357.8 of the Revenue and Taxation Code is amended to read:

24357.8. (a) In the case of a qualified research contribution, the amount otherwise allowed as a deduction under Section 24357 shall be reduced by that amount of the reduction provided by Section 24357.1 which is no greater than the sum of the following:

(1) One-half of the amount computed pursuant to Section 24357.1 (computed without regard to this paragraph).

(2) The amount (if any) by which the charitable contribution deduction under this section for any qualified research contribution (computed by taking into account the amount determined by paragraph (1), but without regard to this paragraph) exceeds twice the basis of the property.

(b) For purposes of this section, "qualified research contribution" means a charitable contribution by a taxpayer of tangible personal property described in paragraph (1) of Section 1221 of the Internal Revenue Code of 1954, but only if all of the following conditions are met:

(1) The contribution is to an educational organization which is described in subsection (b) (1) (A) (ii) of Section 170 of the Internal Revenue Code of 1954 and which is an institution of higher education (as defined in Section 3304(f) of the Internal Revenue Code of 1954) in California.

(2) The contribution is made not later than two years after the date the construction of the property is substantially completed.

(3) The original use of the property is by the donee.

(4) The property is scientific equipment or apparatus substantially all of the use of which by the donee is for research or experimentation (within the meaning of Sections 24365 to 24368, inclusive), or for research training, in physical, applied, or biological sciences, or for instructional purposes.

(5) The property is not transferred by the donee in exchange for money, other property, or services.

(6) The taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with this section, and with respect to property substantially all of the use of which is for instructional purposes, the taxpayer receives from the donee a written statement representing that the property will be used as an integral part of the instructional program. In the case of a computer, the statement shall also represent that the donee has acquired or will acquire, necessary basic operational software and the means to provide trained staff to utilize the property.

(7) The contribution is made on or after July 1, 1983, and on or before December 31, 1987.

(8) The taxpayer shall report to the Franchise Tax Board, on forms prescribed by the board, the name and address of the recipient educational organization, a description of the qualified charitable contribution, the fair market value of the contribution, and the date the contribution was made. The taxpayer shall forward a copy of the forms, along with the written statements prescribed in paragraph (6), to the following:

(A) The President of the University of California, in the case of contributions to institutions within the University of California system.

(B) The California Postsecondary Education Commission, in the case of contributions to private institutions.

(C) The Chancellor of the California State University, in the case of contributions to institutions within the California State University system.

(D) The Chancellor of the California Community Colleges, in the case of contributions to institutions within the California Community College system.

(c) For purposes of this section, the term "taxpayer" shall not include a service organization (as defined in Section 414(m) (3) of the Internal Revenue Code of 1954).

SEC. 165. Section 2006 of the Streets and Highways Code is

amended to read:

2006. (a) 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 subdivision does not apply 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.

(b) Each county shall furnish evidence to the Controller that it has complied with this section.

(c) 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 Transportation Tax 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.

(d) 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.

SEC. 166. Section 8680 of the Streets and Highways Code is amended to read:

8680. (a) The unpaid assessments shall be payable in annual series corresponding in number to the number of series of bonds issued. An annual proportion of each assessment shall be payable in

each year preceding the date of maturity of each of the several series of bonds which have been issued, sufficient to pay the bonds when due. The annual proportion of each assessment coming due in any year, together with the annual interest on the assessment, shall be payable in the same manner and at the same time and in the same installments as the general taxes of the city on real property are payable, and the assessment installments and the annual interest on the assessment shall be payable and become delinquent at the same times and in the same proportionate amounts and, except as provided in subdivision (b), shall bear the same proportionate penalties and interest after delinquency as do the general taxes on real property of the city.

(b) The legislative body may provide, in the resolution of intention to do the work, that a penalty of 2 percent per month of the total amount of the delinquent installment shall be added to the delinquent installment after the close of business on the delinquency date and an additional penalty of 2 percent of the amount of the delinqency shall be added at the beginning of business on the 10th day of each succeeding month until that delinquent installment and all penalties thereon are fully paid. This penalty shall be in lieu of all other penalties assessed by other provisions of law. The treasurer or the designated paying agent shall collect the penalties with, and as a part of, the delinquent installments, and all penalties collected shall be deposited in the redemption fund.

SEC. 167. Section 984 of the Unemployment Insurance Code is amended to read:

984. (a) (1) Each worker shall pay worker contributions at the rate determined by the director pursuant to this section with respect to wages, as defined by Sections 926, 927, and 985. On or before October 31 of each calendar year, the director 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) Except as provided in paragraph (3), the rate of worker contributions for calendar year 1987 and for each subsequent calendar year shall be 1.45 times the amount disbursed from the Disability Fund during the 12-month period ending September 30 and immediately preceding the calendar year for which the rate is to be effective, less the amount in the Disability Fund on that September 30, with the resulting figure divided by total wages paid pursuant to Sections 926, 927, and 985 during the same 12-month period, and then rounded to the nearest one-tenth of 1 percent.

(3) In no event shall the rate of worker contributions exceed 1 and two-tenths percent or be less than one-tenth of 1 percent. For calendar year 1990, and for each subsequent calendar year, the rate of worker contributions shall not decrease from the rate in the previous year by more than two-tenths of 1 percent.

(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 the 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 another method determined by the director.

(c) The director's action in determining a rate under this section shall not constitute an authorized regulation.

SEC. 168. Section 2267 of the Vehicle Code, as added by Chapter 23 of the Statutes of 1982, is amended and renumbered to read:

2269. (a) The commissioner shall provide, as safety equipment, boots to each member of the California Highway Patrol who is assigned to ride motorcycles. This safety equipment shall remain the property of the state. Items lost or damaged because of the negligence of the officer shall be replaced by the officer at his or her expense.

(b) The commissioner shall pay the cost of aviation boots to each member of the California Highway Patrol who is assigned to aircraft operations and shall make aviation boots directly available for purchase by those members.

SEC. 169. Section 12519.5 of the Vehicle Code is amended to read:

12519.5. (a) No person shall operate a tour bus unless that person has in his or her immediate possession a valid driver's license for the appropriate class of vehicle operated. When transporting one or more passengers, that person shall also have in his or her immediate possession a certificate to operate a tour bus issued by the department pursuant to subdivision (b).

(b) The driver's certificate shall be issued only to applicants qualified by examinations prescribed and conducted by the department upon payment of a forty-one dollar ($41) fee.

(c) An operator of a tour bus shall, at all times when operating a tour bus, do all of the following:

(1) Use a safety belt.

(2) Report any accidents involving the tour bus to the Department of the California Highway Patrol.

(d) The department may adopt implementation dates for this section by regulation in order to accomplish an orderly certification program.

SEC. 170. Section 23196 of the Vehicle Code, as added by Chapter 1104 of the Statutes of 1986, is amended and renumbered to read:

23198. (a) Upon motion of the prosecution in a criminal action for a felony violation of Section 23153 which resulted in serious bodily injury to any person other than the defendant, the court may declare the motor vehicle driven by the defendant to be a nuisance if both of the following conditions are present:

(1) The defendant is the registered owner of the vehicle.

(2) The defendant has, within the five years immediately preceding the violation, been convicted of one or more separate violations of Section 23152 or 23153.

(b) Except as provided in subdivision (g), upon the conviction of the defendant, the court shall order any vehicle declared to be a nuisance pursuant to subdivision (a) to be sold. Any vehicle ordered to be sold pursuant to this subdivision shall be surrendered to the sheriff of the county or the chief of police of the city in which the violation occurred. The officer to whom the vehicle is surrendered shall promptly ascertain from the department the names and addresses of all legal and registered owners of the vehicle and, within five days of receiving that information, shall send by certified mail a notice to all legal and registered owners of the vehicle other than the defendant, at the addresses obtained from the department, informing them that the vehicle has been declared a nuisance and will be sold or otherwise disposed of pursuant to this section and of the approximate date and location of the sale or other disposition. The notice shall also inform any legal owner of its right to conduct the sale pursuant to subdivision (c).

(c) Any legal owner which in the regular course of its business conducts sales of repossessed or surrendered motor vehicles may take possession and conduct the sale of the vehicle declared to be a nuisance if it notifies the officer to whom the vehicle is surrendered of its intent to conduct the sale within 15 days of the mailing of the notice pursuant to subdivision (b). Sale of the vehicle pursuant to this subdivision may be conducted at the time, in the manner, and on the notice usually given by the legal owner for the sale of repossessed or surrendered vehicles. The proceeds of any sale conducted by the legal owner shall be disposed of as provided in subdivision (e).

(d) If the legal owner does not notify the officer to whom the vehicle is surrendered of its intent to conduct the sale as provided in subdivision (c), the officer shall offer the vehicle for sale at public auction within 60 days of receiving the vehicle. At least 10 days but not more than 20 days prior to the sale, not counting the day of sale, the officer shall give notice of the sale by advertising once in a newspaper of general circulation published in the city or county, as the case may be, in which the vehicle is located, which notice shall contain a description of the make, year, model, identification

number, and license number of the vehicle and the date, time, and location of the sale. For motorcycles, the engine number shall also be included. If there is no newspaper of general circulation published in the county, notice shall be given by posting a notice of sale containing the information required by this subdivision in three of the most public places in the city or county in which the vehicle is located, and at the place where the vehicle is to be sold, for 10 consecutive days prior to and including the day of the sale.

(e) The proceeds of a sale conducted pursuant to this section shall be disposed of in the following priority:

(1) To satisfy the costs of the sale, including costs incurred with respect to the taking and keeping of the vehicle pending sale.

(2) To the legal owner in an amount to satisfy the indebtedness owed to the legal owner remaining as of the date of sale, including accrued interest or finance charges and delinquency charges.

(3) To the holder of any subordinate lien or encumbrance on the vehicle to satisfy any indebtedness so secured if written notification of demand is received before distribution of the proceeds is completed. The holder of a subordinate lien or encumbrance, if requested, shall reasonably furnish reasonable proof of its interest and, unless it does so on request, is not entitled to distribution pursuant to this paragraph.

(4) To any other person who can establish an interest in the vehicle, including a community property interest, to the extent of his or her provable interest.

(5) The balance, if any, to the city or county in which the violation occurred, to be deposited in its general fund.

The person conducting the sale shall disburse the proceeds of the sale as provided in this subdivision, and provide a written accounting regarding the disposition to all persons entitled to or claiming a share of the proceeds, within 15 days after the sale is conducted.

(f) If the vehicle to be sold under this section is not of the type that can readily be sold to the public generally, the vehicle shall be destroyed or donated to an eleemosynary institution.

(g) No vehicle shall be sold pursuant to this section in either of the following circumstances:

(1) The vehicle is stolen, unless the identity of the legal and registered owners of the vehicle cannot be reasonably ascertained.

(2) The vehicle is owned by another, or there is a community property interest in the vehicle owned by a person other than the defendant and the vehicle is the only vehicle available to the defendant's immediate family which may be operated on the highway with a class 3 or class 4 driver's license.

(h) The Legislature finds and declares it to be the public policy of this state that no policy of insurance shall afford benefits which would alleviate the financial detriment suffered by any person as a direct or indirect result of a confiscation of a vehicle pursuant to this section.

SEC. 171. Section 23206.5 of the Vehicle Code is amended to read:

23206.5. (a) If any person is convicted of a violation of Section 23152 or 23153 and the offense was a second or subsequent offense punishable under Section 23165, 23170, 23175, or 23185, the court shall require that any term of imprisonment that is imposed include at least one period of not less than 48 consecutive hours of imprisonment or, in the alternative and notwithstanding Section 4024.2 of the Penal Code, that the person serve not less than 10 days of community service.

(b) Notwithstanding any other provision of law, except Section 2900.5 of the Penal Code, unless the court expressly finds in the circumstances that the punishment inflicted would be cruel or unusual punishment prohibited by Section 17 of Article I of the California Constitution, no court or person to whom a person is remanded for execution of sentence shall release, or permit the release of, a person from the requirements of subdivision (a), including, but not limited to, any work-release program, weekend service of sentence program, diversion or treatment program, or otherwise.

(c) For purposes of this section, "imprisonment" means confinement in a jail, in a minimum security facility, or in an inpatient rehabilitation facility, as provided in Part 1309 (commencing with Section 1309.1) of Title 23 of the Code of Federal Regulations.

(d) This section shall become operative only if, and upon the date of the certification by, the Department of Motor Vehicles to the Secretary of State that California has submitted a completed application for federal Title 408 grant programs funds pursuant to that Part 1309.

SEC. 172. Article 4 (commencing with Section 23240) of Chapter 12 of Division 11 of the Vehicle Code, as added by Chapter 985 of the Statutes of 1986, is repealed.

SEC. 173. Article 5 (commencing with Section 23249.50) is added to Chapter 12 of Division 11 of the Vehicle Code, to read:

Article 5. Alcohol and Drug Problem Assessment Program

23249.50. (a) The Legislature finds and declares all of the following:

(1) Driving under the influence of an alcoholic beverage or a drug is a serious problem, constituting the largest group of misdemeanor violations in many counties.

(2) Studies of first offenders have found that more than half of first offenders are alcoholics or problem drinkers. There are higher percentages of problem drinkers among second offenders than among first offenders.

(3) As the link between the health and legal aspects of the problem has become recognized, the courts have sought more information on a presentence basis in determining the appropriate sentence.

(4) Laws relating to driving under the influence of an alcoholic beverage or a drug allow the courts to order a presentence investigation to determine whether a person can benefit from an education, training, or treatment program. The Legislature thus finds that, to adequately assess whether an individual arrested for driving under the influence of an alcoholic beverage or a drug is chemically dependent, it is important to develop and implement screening programs in order to continue to address the problem of driving under the influence of alcoholic beverages or drugs in the state.

(b) It is therefore the intent of the Legislature to establish an additional procedure to assist the courts in the use of presentence investigations of individuals convicted of driving under the influence of an alcoholic beverage or a drug and to enable the courts to make appropriate dispositions in these cases. As part of this process, the courts should obtain and consider a presentence investigation report detailing the defendant's driving and criminal record, and, where possible, an alcohol or drug problem assessment report. In all cases, an alcohol or drug problem assessment report should be completed by qualified personnel prior to the determination of an education or treatment plan and subsequent sentencing by the courts.

23249.51. A county may develop, implement, operate, and administer an alcohol and drug problem assessment program pursuant to this article by resolution of the board of supervisors. The alcohol and drug problem assessment program may include a referral and client tracking component.

23249.52. Any person convicted of a violation of Section 23152 or 23153 in a county that administers an alcohol and drug problem assessment program pursuant to this article shall participate in the program.

23249.53. An alcohol and drug problem assessment report shall be made on each person who participates in the program. The report may be used to determine the appropriate sentence for persons convicted of a violation of Section 23152 or 23153.

23249.54. (a) Notwithstanding any other provision of law, in addition to any other fine or penalty assessment, there shall be levied an assessment of not more than fifty dollars ($50) upon every fine, penalty, or forfeiture imposed and collected by the courts for a violation of Section 23152 or 23153 in any county that administers an alcohol and drug problem assessment program pursuant to this article.

(b) The court may determine if the defendant has the ability to pay all or part of the assessment. The court may set the amount to be reimbursed and order the defendant to pay that sum to the county in the manner which the court determines is 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.

(c) Notwithstanding Section 1463 or 1464 of the Penal Code or any other provision of law, all moneys collected pursuant to this section shall be deposited in a special account in the county treasury and shall be used exclusively to pay for the costs of developing, implementing, operating, maintaining, and evaluating alcohol and drug problem assessment programs.

(d) On January 15 of each year, the treasurer of each county that administers an alcohol and drug problem assessment program shall determine those moneys in the special account which were not expended during the preceding fiscal year, and shall transfer those moneys to the general fund of the county.

(e) Any moneys remaining in the special account, if and when the alcohol and drug problem assessment program is terminated, shall be transferred to the general fund of the county.

(f) The county treasurer shall annually transfer an amount of money equal to the county's administrative cost incurred pursuant to this section, as he or she shall determine, from the special account to the general fund of the county.

23249.55. The Office of Traffic Safety shall adopt rules and guidelines to implement this article.

23249.56. Any alcohol and drug problem assessment program established pursuant to this article may be terminated by the county on or before December 31, 1989.

23249.57. 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.

SEC. 174. Section 34501 of the Vehicle Code, as added by Section 3 of Chapter 969 of the Statutes of 1986, is amended to read:

34501. (a) (1) The department shall adopt reasonable rules and regulations which, in the judgment of the department, are designed to promote the safe operation of vehicles described in Section 34500, regarding, but not limited to, hours of service of drivers, equipment, fuel containers, fueling operations, inspection, maintenance, recordkeeping, accident reports, and drawbridges. The rules and regulations shall not, however, be applicable to schoolbuses, which shall be subject to rules and regulations adopted pursuant to Section 34501.5.

(2) The commissioner shall appoint a committee of 15 members, consisting of representatives of industry subject to the regulations to be adopted pursuant to this section, to act in an advisory capacity to the department, and the department shall cooperate and confer with the advisory committee so appointed. The commissioner shall appoint a separate committee to advise the department on rules and regulations concerning wheelchair lifts for installation and use on buses, consisting of persons who use the wheelchair lifts, representatives of transit districts, representatives of designers or manufacturers of wheelchairs and wheelchair lifts, and representatives of the Department of Transportation.

(3) The department may inspect any vehicles in maintenance facilities or terminals, as well as any records relating to the dispatch of vehicles or drivers, and the pay of drivers, to assure compliance with this code and regulations adopted pursuant to this section.

(b) The department, using the definitions adopted pursuant to Section 2402.7, shall adopt regulations for the transportation of hazardous materials in this state, except the transportation of materials which are subject to other provisions of this code, that the department determines are reasonably necessary to ensure the safety of persons and property using the highways. The regulations may include provisions governing the filling, marking, packing, labeling, and assembly of, and containers that may be used for, hazardous materials shipments, and the manner by which the shipper attests that the shipments are correctly identified and in proper conditions for transport.

(c) At least once every 13 months, the department shall inspect every maintenance facility or terminal of any person who at any time operates any bus.

(d) The commissioner shall adopt and enforce regulations which will make the public or private users of any bus aware of the operator's last safety rating.

(e) It is unlawful and a misdemeanor for any person to operate any bus without the inspection specified in subdivision (c) having been conducted.

(f) The department may adopt regulations restricting or prohibiting the movement of any vehicle from a maintenance facility or terminal if the vehicle is found in violation of this code or regulations adopted pursuant to this section.

SEC. 175. Section 42001.9 of the Vehicle Code, as added by Chapter 1009 of the Statutes of 1986, is amended and renumbered to read:

42001.10. Every person convicted for a violation of Section 38020 shall be punished by a fine of not less than twenty-five dollars ($25) for a first offense, and not less than fifty dollars ($50) for every subsequent offense.

SEC. 176. Section 1394 of the Water Code is amended to read:

1394. (a) The board may reserve jurisdiction, in whole or in part, to amend, revise, supplement, or delete terms and conditions in a permit under either of the following circumstances:

(1) If the board finds that sufficient information is not available to finally determine the terms and conditions which will reasonably protect vested rights without resulting in waste of water or which will best develop, conserve, and utilize in the public interest the water sought to be appropriated, and that a period of actual operation or time for completion of studies will be necessary in order to secure the required information.

(2) If the application or applications being acted upon represent only part of a coordinated project, other applications for the project being pending, and the board finds that the coordinated project

requires coordinated terms and conditions which cannot reasonably be decided upon until a decision is reached on the other pending applications.

(b) Jurisdiction shall be reserved under this section for no longer period of time than the board finds to be reasonably necessary, and in no case shall jurisdiction be exercised after the issuance of the license. The jurisdiction shall be exercised only after notice to the parties and a hearing. The board's decision or order reserving jurisdiction and the board's decision or order in the exercise of its reserved jurisdiction shall both be subject to reconsideration by the board and judicial review as authorized in this part.

SEC. 177. Section 8609 of the Water Code is amended 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 and their tributaries and distributaries.

(c) This section is declaratory of existing law.

SEC. 178. Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, as added by Chapter 87 of the Statutes of 1984, is repealed.

SEC. 179. Chapter 3 (commencing with Section 20220) is added to Division 10 of the Water Code, to read:

CHAPTER 3. WATER DISTRICT TAXES

20220. (a) Notwithstanding any other provision of law, a mobilehome used primarily for residential purposes and located on rental spaces within a mobilehome park is not property subject to ad valorem property taxes for debt service of any water district or of any improvement district therein.

(b) As used in this chapter, "water district" means any district or other political subdivision, other than a city or county, a primary function of which is the irrigation, reclamation, or drainage of land or the diversion, storage, or distribution of water primarily for domestic, municipal, agricultural, industrial, recreation, fish and wildlife enhancement, flood control, or power production purposes.

SEC. 180. Section 20527.91 of the Water Code is amended to read:

20527.91. Notwithstanding Section 20527 or any other provision of law, in the Big Springs Irrigation District in Siskiyou County and in the Princeton-Codora-Glenn Irrigation District, every owner of real property within the district, but no others, may vote at elections for directors or otherwise. Owners need not be residents of the district in order to qualify as voters. The last equalized county

assessment roll is conclusive evidence of ownership of the real property so owned. Where land is owned in joint tenancy, tenancy in common, or any other multiple ownership, the owners of the land shall designate in writing which one of the owners shall be deemed the owner of the land for purposes of qualifying as a voter.

The legal representative of a corporation or estate owning real property may vote on behalf of the corporation or estate. As used in this section, legal representative means an official of a corporation owning real property or a guardian, conservator, executor, or administrator of the estate of the holder of title to real property who is all of the following:

(a) Appointed under the laws of this state.

(b) Entitled to the possession of the estate's real property.

(c) Authorized by the appointing court to exercise the particular right, privilege, or immunity which the legal representative seeks to exercise. Before a legal representative votes at a district election, the legal representative shall present to the precinct board a certified copy of his or her authority which shall be kept and filed with the returns of the election.

Every voter, or his or her legal representative, may vote at any district election either in person or by a person duly appointed as his or her proxy, but shall be entitled to cast only one vote. The appointment of a proxy shall be as provided in Section 35005.

Notwithstanding Section 21100 or any other provision of law, any voter, as defined in this section, is eligible to be a member of the Board of Directors of the Big Springs Irrigation District or the Board of Directors of the Princeton-Codora-Glenn Irrigation District.

SEC. 181. Section 318 of the Welfare and Institutions Code, as added by Chapter 1122 of the Statutes of 1986, is amended and renumbered to read:

318.5. In a juvenile court hearing, where the parent or guardian is represented by counsel, the county counsel or district attorney shall, at the request of the juvenile court judge, appear and participate in the hearing to represent the petitioner.

SEC. 182. Section 361.3 of the Welfare and Institutions Code is amended to read:

361.3. (a) In any case in which a child is removed from the physical custody of his or her parents pursuant to Section 361, preferential consideration shall be given to a request by a relative of the child for placement of the child with the relative. In determining whether such a placement is appropriate, the probation officer and court shall consider the ability of the relative to provide a secure and stable environment for the child. Factors to be considered in that assessment include, but are not limited to, the good moral character of the relative; the ability of the relative to exercise proper and effective care and control of the child; the ability of the relative to provide a home and the necessities of life for the child; which relative is most likely to protect the child from his or her parents; which relative is most likely to facilitate visitation with the child's other

relatives and to facilitate reunification efforts with the parents; and the best interests of the child. In this regard, the Legislature declares that a physical disability, such as blindness or deafness, is no bar to the raising of children, and a probation officer's determination as to the ability of a disabled relative to exercise care and control should center upon whether the relative's disability prevents him or her from exercising care and control.

(b) In any case in which more than one appropriate relative requests preferential consideration pursuant to this section, the probation officer and the court, in determining which relative should receive preferential consideration, shall consider the best interests of the child, and which of the relatives is most likely to protect the child from his or her parents, to facilitate visitation with the child's other relatives, and to facilitate reunification efforts with the parents. Consideration shall also be given to attempting to place siblings and stepsiblings in the same home if such a placement is found to be in their best interests.

(c) For purposes of this section:

(1) "Preferential consideration" means that the relative seeking placement shall be the first placement to be considered and investigated.

(2) "Relative" means an adult who is a grandparent, aunt, uncle, first cousin, or sibling.

SEC. 183. Section 5350.2 of the Welfare and Institutions Code is amended to read:

5350.2. Reasonable attempts shall be made by the county mental health program to notify family members or any other person designated by the person for whom conservatorship is sought, of the time and place of the conservatorship hearing. The person for whom the conservatorship is sought shall be advised by the facility treating the person that he or she may request that information about the time and place of the conservatorship hearing not be given to family members, in those circumstances where the proposed conservator is not a family member. The request shall be honored by the mental health program. Neither this section nor Section 5350 shall be interpreted to allow the proposed conservatee to request that any proposed conservator not be advised of the time and place of the conservatorship hearing.

SEC. 184. Section 5769 of the Welfare and Institutions Code, as added by Chapter 1286 of the Statutes of 1985, is amended and renumbered to read:

5769.5. The department shall review the licensing, benefits, and reimbursement policies of the Medi-Cal program and make recommendations as necessary to the Director of Health Services, the Secretary of the Health and Welfare Agency, the Governor, and the Legislature to assure that these state policies are consistent with the following goals:

(a) Voluntary placement for the provision of mental health treatment services shall be encouraged at all times.

(b) Counties shall be allowed maximum flexibility to respond to community needs for the provision of involuntary mental health treatment.

The director shall consult with the Conference of Local Mental Health Directors and the Citizens Advisory Council in fulfilling this responsibility.

SEC. 185. Section 11201.5 of the Welfare and Institutions Code is amended to read:

11201.5. (a) The department shall conduct a demonstration program in order to determine whether the definition of "unemployed parent" specified in Section 11201 discourages primary wage earners receiving assistance under this chapter from accepting employment offered to them.

(b) The department shall seek the necessary waivers to implement this section.

The waivers shall provide that for recipients of aid under this chapter, "unemployed parent" means the principal earner, whose wages, after applicable earned income disregards, is less than the minimum basic standard of adequate care for the family size. This definition applies only to those families receiving Aid to Families with Dependent Children-Unemployed Parent assistance whose total applicable family income meets the gross and net income eligibility standards established by regulation.

(c) The demonstration program provided for in this section shall provide for one county to demonstrate whether this revised definition of "unemployed parent" would do either of the following:

(1) Increase the number of principal earners accepting employment.

(2) Reduce the average level of grant payments being made in the Aid to Families with Dependent Children-Unemployed Parent Program.

The duration of the demonstration program shall be for two years from the date of implementation by the county.

(d) The department shall institute, as soon as possible, both of the following:

(1) Upon receipt of the federal waivers, the demonstration program described in subdivision (c).

(2) As part of the demonstration project, as described in subdivision (c), to test the impact of this revised definition of "unemployed parent" as part of the State-Only AFDC-U Program provided in Article 3.1 (commencing with Section 11315). If the federal waivers are obtained, this program shall be implemented concurrently with the program described in paragraph (1). If the federal waivers are denied, this program shall be implemented as soon as possible after the denial. The duration of the program shall be for two years from the date of implementation by the county.

For purposes of this demonstration program, the Aid to Families With Dependent Children-Unemployed Parent applicant shall not have quit a job without good cause within the 90 days immediately

prior to the beginning date of aid. If the Aid to Families With Dependent Children-Unemployed Parent applicant quits a job without good cause within this 90-day period, the entire family shall be ineligible for aid under this chapter for 90 days from the date the applicant quit his or her job.

An Aid to Families With Dependent Children-Unemployed Parent recipient shall not refuse an offer of employment without good cause. Good cause does not exist when the wage, less applicable earned income disregards, would make the family financially ineligible for aid under this chapter.

The demonstration program established pursuant to this section shall be in addition to the refugee demonstration programs provided for during the 1983–84 Regular Session of the Legislature.

(e) The department shall report to the Legislature the results of the demonstration program.

SEC. 186. The heading of Chapter 6 (commencing with Section 13000) of Part 3 of Division 9 of the Welfare and Institutions Code is amended and renumbered to read:

CHAPTER 5.1. SOCIAL SERVICES

SEC. 187. The heading of Chapter 6.3 (commencing with Section 13500) of Part 3 of Division 9 of the Welfare and Institutions Code is amended and renumbered to read:

CHAPTER 5.5. EMERGENCY SHELTERS FOR ELDERLY AND DEPENDENT ADULT ABUSE VICTIMS

SEC. 188. Section 14171 of the Welfare and Institutions Code is amended to read:

14171. (a) The director shall establish administrative appeal processes to review grievances or complaints arising from the findings of an audit or examination made pursuant to Sections 10722 and 14170.

(b) Different administrative appeal processes may be established by the director for grievances or complaints arising from the determinations of a tentative or final settlement based on audit or examination findings made by or on behalf of the department pursuant to Sections 10722 and 14170, except that consistent with existing practice, no administrative appeal shall be available for tentative settlement of cost reports.

(c) The administrative appeal process established by the director for final settlements, including, in the case of hospitals, the application of Sections 51536, 51537, and 51539 of Title 22 of the California Administrative Code shall include the procedural requirements of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The impartial hearing shall be conducted by an administrative law judge appointed by the director. The director may subcontract with the Office of

Administrative Hearings to conduct hearings on cases involving complicated issues of fact or law, or to reduce the backlog of cases.

(d) The administrative appeal process established by the director for tentative settlements, including, in the case of hospitals, the application of Sections 51536, 51537, and 51539 of Title 22 of the California Administrative Code shall be an informal process which, however, guarantees a provider the right to present any grievance or complaint to the department in writing. Any subsequent hearings shall be conducted in an informal manner and shall be held at the discretion of the department.

(e) The time limitations in subdivision (g) for the impartial hearing and the final decisions are mandatory. If the department fails to conduct the hearing within 360 days or to adopt a final decision thereon within 180 days of the hearing, the amount of any overpayment which is ultimately determined by the department to be due shall be reduced by 10 percent for each 30-day period that either the hearing or the decision, or both, are delayed beyond 360 days or the additional 180 days provided in subdivision (g). However, the time period shall be extended by either of the following:

(1) Delay caused by a noninstitutional provider.

(2) Extensions of time granted a noninstitutional provider at its sole request or at the joint request of the provider and the department.

(f) Notwithstanding subdivision (c), the administrative appeal process established by the director for institutional providers at final settlements shall commence with an informal conference with the provider, a representative of the department and the hearing officer. The hearing officer, when appropriate, may assign the administrative appeal to an informal level of review where efforts could be made to resolve facts and issues in dispute in a fair and equitable manner, subject to the requirements of state and federal law. Nothing in this subdivision shall prohibit the provider from presenting any unresolved grievances or complaints at an impartial hearing pursuant to subdivision (c).

(g) Notwithstanding subdivision (c), the administrative appeal process established by the director for noninstitutional providers shall commence with an informal conference with the provider, a representative of the department, and the hearing officer. The informal conference shall be conducted no later than 90 days after the filing of a timely and specific statement of disputed issues by the noninstitutional provider. The administrative law judge, when appropriate, may assign the administrative appeal to an informal level of review where efforts could be made to resolve facts and issues in dispute in a fair and equitable manner, subject to the requirements of state and federal law. The review conducted at this informal level shall be completed no later than 180 days after the filing of a timely and specific statement of disputed issues by the noninstitutional provider. Nothing in this subdivision shall prohibit the provider from presenting any unresolved grievances or

complaints at an impartial hearing pursuant to subdivision (c). For noninstitutional providers, the impartial hearing shall be conducted no later than 360 days after the issuance of the first statement of account status or demand for payment to the noninstitutional provider. A proposed decision shall be prepared within 60 days after the impartial hearing is concluded, and a final decision shall be adopted within 180 days of the hearing.

(h) In the event recovery of a disallowed payment has been made by the department, a provider who prevails in an appeal of a disallowed payment shall be entitled to interest at the rate equal to the monthly average received on investments in the Surplus Money Investment Fund, commencing on the date the appeal is formally accepted by the department or the date payment is received by the department, whichever is later.

(i) Commencing 60 days after issuance of the first statement of account status or demand for repayment resulting from an audit or examination made pursuant to Sections 10722 and 14170, interest at the rate equal to the monthly average received on investments in the Surplus Money Investment Fund during the month the first statement of account status or demand for repayment was issued shall be assessed against any unrecovered overpayment due to the department.

(j) The final decision of the director shall be reviewable in accordance with Section 1094.5 of the Code of Civil Procedure within six months of the issuance of the director's final decision.

SEC. 189. Section 15630 of the Welfare and Institutions Code is amended to read:

15630. (a) Any elder or dependent adult care custodian, health practitioner, or employee of a county adult protective services agency or a local law enforcement agency, who in his or her professional capacity or within the scope of his or her employment, either has observed an incident that reasonably appears to be physical abuse, has observed a physical injury where the nature of the injury, its location on the body, or the repetition of the injury, clearly indicates that physical abuse has occurred, or is told by an elder or dependent adult that he or she has experienced behavior constituting physical abuse, shall report the known or suspected instance of physical abuse either to the long-term care ombudsman coordinator or to a local law enforcement agency when the physical abuse is alleged to have occurred in a long-term care facility, or to either the county adult protective services agency or to a local law enforcement agency when the physical abuse is alleged to have occurred anywhere else, immediately or as soon as possible by telephone, and shall prepare and send a written report thereof within 36 hours.

(b) Any care custodian, health practitioner, or employee of an adult protective services agency or local law enforcement agency who has knowledge of or reasonably suspects that other types of elder or dependent adult abuse have been inflicted upon an elder or

dependent adult or that his or her emotional well-being is endangered in any other way, may report the known or suspected instance of abuse either to a long-term care ombudsman coordinator or to a local law enforcement agency when the abuse is alleged to have occurred in a long-term care facility, or to either the county adult protective services agency or to a local law enforcement agency when the abuse is alleged to have occurred anywhere else.

(c) When two or more persons who are required to report are present and jointly have knowledge of a known or suspected instance of abuse of an elder or a dependent adult, and when there is agreement among them, the telephone report may be made by a member of the team selected by mutual agreement and a single report may be made and signed by the selected member of the reporting team. Any member who has knowledge that the member designated to report has failed to do so shall thereafter make the report.

(d) The reporting duties under this section are individual, and no supervisor or administrator shall impede or inhibit the reporting duties and no person making such a report shall be subject to any sanction for making the report. However, internal procedures to facilitate reporting, ensure confidentiality, and apprise supervisors and administrators of reports may be established, provided they are not inconsistent with this chapter.

(e) (1) An adult protective services agency shall immediately or as soon as practically possible report by telephone to the law enforcement agency having jurisdiction over the case and to any public agency given responsibility for investigation in that jurisdiction of cases of elder and dependent adult abuse, every known or suspected instance of physical abuse of an elder or dependent adult. A county adult protective services agency shall also send a written report thereof within 36 hours of receiving the information concerning the incident to each agency to which it is required to make a telephone report under this subdivision.

Only a written report, sent within 36 hours, shall be required in the case of types of elder and dependent adult abuse other than physical abuse.

If an adult protective services agency receives a report of abuse alleged to have occurred in a long-term care facility, that adult protective services agency shall immediately inform the person making the report that he or she shall make it to the long-term care ombudsman coordinator or to a local law enforcement agency. The adult protective services agency shall not accept the reports.

(2) If an adult protective services agency or local law enforcement agency or ombudsman program receiving a report of known or suspected elder or dependent adult abuse involving physical abuse or neglect determines, pursuant to its investigation, that the abuse is being committed by a health practitioner licensed under Division 2 (commencing with Section 500) of the Business and Professions Code, or any related initiative act, or by a person

purporting to be such a licensee, the adult protective services agency or local law enforcement agency or ombudsman program shall immediately report this information to the appropriate licensing agency. The licensing agency shall investigate the report in light of the potential for physical harm. The transmittal of information to the appropriate licensing agency shall not relieve the adult protective services agency or local law enforcement agency or ombudsman program of the responsibility to continue its own investigation as required under applicable provisions of law. The information reported pursuant to this paragraph shall remain confidential and shall not be disclosed.

(f) A law enforcement agency shall immediately or as soon as practically possible report by telephone to the long-term care ombudsman coordinator when the abuse is alleged to have occurred in a long-term care facility or to the county adult protective services agency when it is alleged to have occurred anywhere else, and to the agency given responsibility for the investigation of cases of elder and dependent adult abuse every known or suspected instance of abuse of an elder or a dependent adult. A law enforcement agency shall also send a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it is required to make a telephone report under this subdivision.

(g) A long-term care ombudsman coordinator may report the instance of abuse to the county adult protective services agency or to the local law enforcement agency for assistance in the investigation of the abuse if the victim gives his or her consent.

(h) When a county adult protective services agency, a long-term care ombudsman coordinator, or a local law enforcement agency receives a report of abuse, neglect, or abandonment of an elder or dependent adult alleged to have occurred in a long-term care facility, that county adult protective services agency, long-term care ombudsman coordinator, or local law enforcement agency shall report the incident to the licensing agency by telephone as soon as possible.

(i) Each long-term care ombudsman coordinator shall report to the county adult protective services agency monthly on the reports it receives pursuant to this chapter. The reports shall be on forms adopted by the department. The information reported shall include, but shall not be limited to, the number of incidents of abuse, the number of persons abused, the type of abuse, and the actions taken on the reports. For purposes of these reports, sexual abuse shall be reported separately from physical abuse.

(j) Each county adult protective services agency shall report to the State Department of Social Services monthly on the reports received pursuant to this chapter. The reports shall be made on forms adopted by the department. The information reported shall include, but shall not be limited to, the number of incidents of abuse, the number of persons abused, the type of abuse sustained, and the actions taken on the reports. For purposes of these reports, sexual

abuse shall be reported separately from physical abuse.

The county's report to the department shall include reports it receives from the long-term care ombudsman coordinator pursuant to subdivision (i).

SEC. 190. Section 18966.1 of the Welfare and Institutions Code is amended to read:

18966.1. (a) Any federal funds provided for child abuse prevention challenge grants to provide matching funds to states that have established children's trust funds shall be allocated to the counties' children's trust funds in the following manner:

(1) Those counties which receive less than twenty thousand dollars ($20,000) per annum for their county children's trust funds from the fees on birth certificates collected pursuant to Section 10605 of the Health and Safety Code, shall be granted from federal matching funds that amount necessary to bring that income to the trust fund to twenty thousand dollars ($20,000) per year.

If the state's annual federal matching fund allocation is insufficient to provide each county children's trust fund with a minimum total annual funding level of twenty thousand dollars ($20,000), the Office of Child Abuse Prevention shall determine an allocation process for federal matching funds to ensure that each county's children's trust fund receives a minimum level of annual funding from all sources.

(2) The remaining funds from the federal challenge grant shall then be distributed equally among all the counties, up to ten thousand dollars ($10,000) per county.

(3) If sufficient federal matching funds exist after each county children's trust fund is provided a total annual children's trust fund allocation of twenty thousand dollars ($20,000) and after each county children's trust receives a maximum annual allocation of ten thousand dollars ($10,000) in federal matching funds, the remaining federal matching funds shall be distributed to each county children's trust fund according to population.

(b) (1) Federal challenge grant funds shall be received by the Office of Child Abuse Prevention and allocated in the manner specified in subdivision (a).

(2) Boards of supervisors may establish criteria for determining those programs which shall receive funding. Boards of supervisors may accept all program proposals, prioritize those proposals, and make the final decision as to which programs shall receive funds.

(c) Federal matching funds shall be allocated pursuant to subdivision (a) for counties that have not established a local children's trust fund and shall be transferred to that county's existing children's trust fund established by the Office of Child Abuse Prevention in the State Children's Trust Fund. Nothing in this section shall prevent a county that has not established a local children's trust fund from establishing a local children's trust fund.

(d) Receipt by a county of any federal funds available for the purposes set forth in this section shall be contingent upon the provision of assurances that the county will provide to the Office of

Child Abuse Prevention all information necessary to meet federal reporting mandates. Those information needs shall be identified by the department at the time federal funds are allocated.

SEC. 191. Section 2 of Chapter 1420 of the Statutes of 1985 is repealed.

SEC. 192. Section 5 is added to Chapter 522 of the Statutes of 1986, to read:

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 conform provisions relating to driving restrictions to the changes in penalties for driving under the influence offenses made in 1985, and to clarify the meaning of Section 23206.5 of the Vehicle Code at the earliest possible time in order to prevent release of repeat drunk drivers before they have been punished pursuant to law, it is necessary that this act take effect immediately.

SEC. 193. Section 5 of Chapter 1287 of the Statutes of 1986 is amended to read:

Sec. 5. It is the intent of the Legislature that the addition of Section 74108 to the Food and Agricultural Code, as proposed in Section 2 of this act, the addition of Section 74608 to the Food and Agricultural Code, as proposed in Section 3 of this act, and the addition of Section 74908 to the Food and Agricultural Code, as proposed in Section 4 of this act, are intended to apply only to the Winegrowers of California Commission, as proposed to be added by Section 1 of Senate Bill 2048 of the 1985–86 Regular Session, the California Wine Commission, as added by Section 3 of this act, and the California Winegrape Growers Commission, as added by Section 4 of this act, respectively. These sections are not intended to apply to any other agricultural commissions presently in operation or to be created in the future.

SEC. 194. Any section of any act enacted by the Legislature during the 1987 calendar year, which takes effect on or before January 1, 1988, 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. The repeal, or repeal and addition, of any article, chapter, part, title, or division of any code by this act shall not become operative if any section of any other act amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

CHAPTER 57

An act to amend Sections 4357.5 and 4700.1 of the Civil Code, relating to family law.

[Approved by Governor June 17, 1987. Filed with Secretary of State June 17, 1987.]

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

SECTION 1. Section 4357.5 of the Civil Code is amended to read:

4357.5. (a) In any action for child support that has been filed and served, the court may, without a hearing, make an order requiring a parent or parents to pay for the support, maintenance, and education of his or her minor child or children during the pendency of that action, pursuant to this section, in an amount as required by Section 4722 or, if the income of the obligated parent or parents is unknown to the applicant, then the minimum amount of support as provided in Section 11452 of the Welfare and Institutions Code.

An order under this section shall be known as an expedited support order.

As used in this section, "income and expense declaration" means the form for an income and expense declaration in family law matters adopted by the Judicial Council.

(b) An expedited support order shall be made by the superior court upon the filing of an application requesting that relief, setting forth the minimum amount the obligated parent or parents are required to pay pursuant to Section 4722 or pursuant to Section 11452 of the Welfare and Institutions Code, an income and expense declaration for both parents completed by the applicant, a worksheet setting forth the basis of the required amount and a proposed expedited support order.

Except in the event of a hearing concerning the application for an expedited support order, the amount of the expedited support order shall be the minimum amount the obligated parent is required to pay as set forth in the application. An expedited support order shall be effective 30 days after service on the obligated parent of the application, income and expense declarations, worksheet, a notice of consequences of failure to file a response, the proposed order, three blank responses to the application for an expedited support order and notice of hearing forms, and three blank income and expense declaration forms.

The expedited support order shall be effective on the obligated parent, without further action by the court, unless there is a response to the application for an expedited support order.

(c) Service on the obligated parent of the application and other required documents as set forth in subdivision (b) shall be by personal service or by any method available under Sections 415.10 to 415.40, inclusive, of the Code of Civil Procedure.

(d) The response to the application for the proposed expedited support order and the obligated parent's income and expense declaration may be filed with the court at any time prior to the effective date of the expedited support order and, on filing, shall be served upon the applicant by any method by which a response to a notice of motion may be served. The response to the application for an expedited support order shall state the objections of the obligated parent to the proposed expedited support order. The simultaneous filing of the response to the application for an expedited support order and the obligated parent's income and expense declaration shall stay the effective date of the expedited support order. No fee shall be charged for, or in connection with, the filing of the response.

(e) The obligated parent shall cause the court clerk to, and the court clerk shall, set a hearing on the application for the expedited support order not less than 20 nor more than 30 days after the filing of the response to the application for the expedited support order and income and expense declaration. The obligated parent shall give notice of the hearing to the other parties or their counsel by first-class mail no less than 15 days before the hearing. If no such notice is given, expedited support order shall become effective as provided in subdivision (b) subject to the relief available to the responding party as provided by Section 473 of the Code of Civil Procedure or any other available relief whether in law or in equity.

(f) An application for the expedited support order shall confer jurisdiction on the court to hear only the issue of support of the minor child or children. Nothing in this section shall prevent either party from bringing before the court at the hearing other separately noticed issues otherwise relevant and proper to the action in which the application for the expedited support order has been filed.

(g) At the hearing to establish a support order, all parties who are parents of the child or children who are the subject of the action shall produce copies of their most recently filed federal and state income tax returns. A tax return so submitted may be reviewed by the other parties and a party also may be examined by the other parties as to the contents of any such return. A party who fails to submit documents to the court as required by this section shall not be granted the relief that he or she has requested. However, the court may grant the requested relief if a party submits a declaration under penalty of perjury that (1) no such documents exist, or (2) in the case of a tax return, it cannot be produced, but a copy has been requested from the Internal Revenue Service or Franchise Tax Board.

(h) The court shall order an amount of support in accordance with Chapter 2 (commencing with Section 4720) of Title 5 of this part.

(i) When there is a hearing, the resulting order shall be called an order after hearing. The order after hearing shall become effective no more than 30 days after the filing of the response to the application for the expedited support order and may be given retroactive effect to the date of the filing of the application.

(j) An order entered under this section may be modified at any

time on the same basis as any other order for child support.

(k) The Judicial Council shall prepare all forms necessary to give effect to this section.

SEC. 2. Section 4700.1 of the Civil Code is amended to read:

4700.1. (a) It is the intention of the Legislature in enacting this section to provide an additional, simplified method for the modification of child support awards.

(b) A notice of motion to modify an order awarding child support may be filed under this section at any time subsequent to one year after the entry of a previous order for the award of child support, except that the one-year limitation shall not be applicable if the request for modification is based on a significant decrease in the income of the moving party.

A motion to modify child support shall include a proposed order for modification of child support, and a declaration that the facts on which the motion is based are true and correct, under penalty of perjury. The moving party shall cause the notice of motion and the proposed order to be served on the other party to the child support award. The responding party shall have 30 days from the date of service within which to file an objection and request for a hearing. If the responding party so files, he or she shall be responsible for requesting a hearing date and giving notice thereof to the moving party. The original proof of service of the notice of the objection and request shall be filed at the same time as the filing of the objection and the request for hearing.

(c) No attorney at law or person other than the moving or responding party shall take any part in the filing or prosecution or defense of a proceeding pursuant to this section, unless the attorney is appearing as a party to the proceeding. Nothing in this section shall be construed to prohibit an attorney from rendering advice to a party to the proceeding, either before or after the commencement of the proceeding. However, if a party to such a proceeding elects to be represented by counsel, the court shall proceed on the motion as specified in subdivision (i).

(d) Only one modification of child support pursuant to this section shall be granted within any 12-month period, except in cases where the request for a modification is based on a significant decrease in the income of the moving party.

The court may grant a modification of child support, not to exceed an amount equal to 10 percent of the current award for each year subsequent to the date on which the current award was granted, without requiring a showing of changed circumstances by the moving party, to the extent justified by the economic evidence presented by way of the income statements (and expense statements, if the court deems them necessary and relevant) of the parties. In the event of a default by the responding party, the court shall award a modification, without requiring the submission of economic evidence by the moving party.

In cases in which the request for modification is based on a

significant decrease in the income of the moving party, the moving party shall present evidence of his or her decline in economic circumstances. The amount of the modification shall be based on the economic evidence presented by way of income statements (and expense statements, if the court deems them necessary and relevant) of the parties. In the event of a default by the responding party in a case where the request for the modification is based on a significant decrease in the income of the moving party, the court shall award a modification based on the evidence. If the court considering the request for modification awards child support according to guidelines in use within its jurisdiction, the amount of modification shall be based on those guidelines. If no guidelines are in use, the amount of the modification shall be based on the factors employed in determining the existing award.

In addition to the income statement (and the expense statement, if required by the court), in a contested proceeding, both the moving party and the responding party shall make available to the court copies of their federal and state income tax returns for the preceding year at the time of the hearing. No relief shall be granted pursuant to this procedure to a party who fails to submit such documents as may be required by the court or a declaration under penalty of perjury that no such documents exist, or that, in the case of a tax return, it cannot be produced but a copy has been requested from the Internal Revenue Service or the Franchise Tax Board. A tax return so submitted may be reviewed by the other party and a party also may be examined by the other party as to the contents of any such return.

(e) Notice pursuant to this section shall be by certified mail, postage prepaid, return receipt requested, to the last known address of the party to be served, or by personal service. Proof of service shall be filed with the court. In order to facilitate service of process, each party to an order for child support shall provide the other party with his or her current mailing address and any subsequent change of address.

(f) In any proceeding in which the court orders a payment for the support of a minor child, the court shall, at the time of providing written notice of the order, provide the parties with a document describing the procedures by which the order may subsequently be modified.

(g) The party filing a notice of motion to modify child support with the clerk pursuant to this section shall also file a duplicate copy of the notice with the district attorney within five working days of filing.

(h) Nothing in this section shall be construed to infringe upon the duty of the state to comply with federal rules and regulations pertaining to the establishment, enforcement, and collection of child support payments in cases in which the child is receiving public assistance.

(i) Upon notice by a party to a proceeding under this section that

he or she elects to be represented by counsel in the proceeding, the court shall proceed on the motion as in a proceeding for modification of child support pursuant to Section 4700. A party's notice of intent to proceed with the benefit of counsel shall be accompanied by the party's declaration under penalty of perjury stating facts evidencing that intent.

(j) The Judicial Council shall adopt forms or notices for the use of the procedure provided by this section, which shall include a notice advising of the right of a party to proceed with or without benefit of counsel, and which shall incorporate, where appropriate, advice as to the availability of this additional, simplified method for the modification of child support.

(k) Where it appears in the response to a request for a modification pursuant to this section that issues other than support are contested with respect to the child for whom support is sought, those issues shall be set for mediation pursuant to Section 4607. A separate hearing shall be scheduled with regard to any such issue. The pendency of such a mediation proceeding shall not delay a hearing on the request for a modification pursuant to this section.

CHAPTER 58

An act to amend Section 25536 of the Government Code, relating to county contracts.

[Approved by Governor June 22, 1987. Filed with Secretary of State June 23, 1987.]

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

SECTION 1. Section 25536 of the Government Code is amended to read:

25536. (a) Nothing in this article shall prevent the board of supervisors of a county from, and the board of supervisors of any county is empowered to make contracts, acquiring, leasing, or subleasing property pursuant to Section 1261 of the Military and Veterans Code, or, by a four-fifths vote of the board, entering into leases, or concession or managerial contracts involving leasing or subleasing all or any part of county-owned, leased, or managed property devoted to or held for ultimate use for airport, vehicle parking, fairground, beach, park, amusement, recreation, or employee cafeteria purposes, or industrial or commercial development incidental thereto or not inconsistent therewith without compliance with this article.

(b) In addition to the powers provided in subdivision (a), the County of Monterey may enter into a lease, concession, or managerial contract involving the leasing or subleasing of all or any part of a county-owned, leased, or managed property devoted to or

held for ultimate use for juvenile placement.

(c) In addition to the powers provided in subdivisions (a) and (b), the board of supervisors of a county, by a four-fifths vote of the board, may sell or lease all or any part of county-owned property without compliance with this article if the county repurchases or leases back the property as part of the same transaction.

CHAPTER 59

An act to amend Section 1340 of the Elections Code, relating to water district elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1987. Filed with Secretary of State June 23, 1987.]

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

SECTION 1. Section 1340 of the Elections Code is amended to read:

1340. Any local, special, or consolidated election may be conducted wholly by mail provided that:

(a) The governing body of the local agency authorizes the use of mailed ballots for the election; and

(b) The election does not occur on the same date as a statewide direct primary election or statewide general election; and

(c) The election is one of the following:

(1) An election in which no more than 1,000 registered voters are eligible to participate.

(2) A maximum property tax rate election as provided for in Section 2287 of the Revenue and Taxation Code.

(3) An election on a measure or measures restricted to (A) the imposition of special taxes, or (B) expenditure limitation overrides, or (C) both (A) and (B), in a city, county, or special district with 5,000 or less registered voters calculated as of the time of the last report of registration by the county clerk to the Secretary of State.

(4) An election on the issuance of a general obligation water bond in accordance with Section 12944.5 of the Water Code.

(5) An election of the Directors of the Monterey Peninsula Water Management District as authorized in Section 122 of Chapter 527 of the Statutes of 1977, known as the Monterey Peninsula Water Management District Law.

(6) An election of the Aliso Water Management Agency, or its affected member agencies, pursuant to Sections 13416 and 13417 of the Water Code.

(7) An election of the San Jacinto Mountain Area Water Study Agency pursuant to Sections 13416 and 13417 of the Water Code.

(8) An election of the San Lorenzo Valley Water District pursuant

to Sections 13416 and 13417 of the Water Code.

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 permit the San Lorenzo Valley Water District to take necessary measures to preserve the high quality of the water and the unique beauty of the San Lorenzo Valley at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 60

An act to add and repeal Section 37420.5 of the Government Code, and to add and repeal Section 10051.5 of the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1987. Filed with Secretary of State June 23, 1987.]

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

SECTION 1. Section 37420.5 is added to the Government Code, to read:

37420.5. (a) Notwithstanding Article 2 (commencing with Section 10051) of Chapter 1 of Division 5 of the Public Utilities Code, the City of Montebello may sell a water utility pursuant to this article.

(b) 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 10051.5 is added to the Public Utilities Code, to read:

10051.5. (a) Notwithstanding any other provision of this article, the City of Montebello may sell a water utility pursuant to Article 3 (commencing with Section 37420) of Chapter 5 of Part 2 of Division 3 of Title 4 of the Government Code.

(b) 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. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable, within the meaning of Section 16 of Article IV of the California Constitution, because of unique circumstances applicable to the City of Montebello and not generally applicable. The City of Montebello owns a water utility which the city council now finds that it is no longer in the public interest to own and operate. The city desires to sell the water utility but believes that the Legislature has enacted two statutes which may conflict with one another, preventing the

city from selling the water utility without an election. In order to clearly state the law with respect to the City of Montebello, a special statute is needed and a general statute 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:

The City of Montebello desires to sell a city-owned water utility while financial conditions are favorable to the city. However, the city believes that the Legislature has adopted two statutes governing the sale of municipal property which conflict with each other. In order to provide the city with the clear statutory authority to sell its water utility without an election as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 61

An act to amend Section 1191 of the Military and Veterans Code, relating to veterans' memorial districts.

[Approved by Governor June 24, 1987. Filed with Secretary of State June 24, 1987.]

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

SECTION 1. Section 1191 of the Military and Veterans Code is amended to read:

1191. (a) Every district may do all of the following:

(1) Provide and maintain memorial halls, assembly halls, buildings, or meetingplaces, together with suitable indoor and outdoor park and recreation facilities, including swimming pools, picnic areas, and playgrounds, for the use of persons or organizations other than veterans, pursuant to subdivisions (h) and (i), and veteran soldiers, sailors, and marines who have honorably served the United States in any wars or campaigns recognized by law for the purposes of Section 3 of Article XIII of the California Constitution, or for the use of patriotic, fraternal, or benevolent associations of those persons. However, no district shall provide and maintain indoor and outdoor park and recreation facilities, including swimming pools, picnic areas, and playgrounds, unless these projects have been approved by a majority of the voters at either the general district election or at a special election called for that purpose. The question of whether the district shall provide and maintain indoor and outdoor park and recreation facilities may be submitted to the electors of the district by the board on its own motion and shall be submitted by the board upon petition signed by 8 percent of the registered electors of the district, at either the general district election or at a special election called for that purpose. If submitted

at a special election, the election shall be called, conducted, governed, and regulated in the same manner as the general district election.

All plans for indoor and outdoor park and recreation facilities, including swimming pools, picnic areas, and playgrounds, shall be approved initially by the board of supervisors.

(2) Purchase, receive by donation, condemn, lease, or acquire real or personal property necessary or convenient for the construction or maintenance of halls, buildings, meetingplaces and facilities, and improve, preserve, manage, and control these facilities.

(3) Purchase, construct, lease, build, furnish, or repair halls, buildings, meetingplaces, and facilities upon sites owned or leased by the district or made available to the district; and provide custodians, employees, attendants, and supplies for the proper maintenance, care, and management thereof.

(4) Furnish sites for halls, buildings, meetingplaces, or facilities, to be built either by the district or by or for patriotic, fraternal, or benevolent associations of veterans, if the funds for these sites are supplied by the district or from other sources.

(5) Enter into agreements with county, municipal, school, park, or other public authorities or agencies conveying, leasing, or making available to the district, either gratuitously or for compensation, sites upon public land for the construction, maintenance, and management thereon by the district of assembly or memorial halls, buildings, meetingplaces, or facilities; and construct and maintain thereon halls, buildings, meetingplaces, or facilities.

(6) Sell or lease any district property to the highest responsible bidder, as determined by the board, except as provided by Section 1191.3. The board shall, prior to any sale, make a call for bids and advertise that call pursuant to Section 6062 of the Government Code in a newspaper of general circulation in the district, inviting sealed bids for the sale or lease of the property. The board may either accept the highest responsible bid or reject all bids. The board may require the successful bidder to file with the board good and sufficient undertaking to be approved by the board to insure faithful performance of the contract of sale or lease. No sales or lease shall be transacted, however, if a petition has been filed with the board requesting it not to enter into the sales or leasing of the property.

The petition shall have affixed thereto, as petitioners, the signatures, indicating place of residence and place of signing, of the electors of the district in a number equal to at least 10 percent of the votes cast in the district at the last preceding general election held in the state.

If the petition meets these requirements, as determined by the records of the county clerk or registrar of voters for the county or counties in which the district lies, the board either shall not convey the property or shall submit the matter to the electors of the district to be voted upon at the next primary or general election, or at a special election called for the purpose of ratifying or rejecting the

action of the district to sell or lease the property.

(7) Sell or lease any district property to any political subdivision, or portion thereof, in which the district lies for purposes of roads, streets, or highways, or for the improvements thereof, without regard to the highest responsible bidder but otherwise meeting the petition requirements of subdivision (f).

(8) Adopt, from time to time, reasonable rules and regulations for the use of halls, buildings, meetingplaces, and facilities by veterans or by organizations thereof, and to allow the halls, buildings, meetingplaces, and facilities to be used for lawful purposes consistent with the objects of this section by persons or organizations other than veterans either free of charge or for stated compensation to aid in defraying the cost of maintenance thereof, if that use will not unduly interfere with the reasonable use of the facilities by veterans' associations.

(9) Enter into a joint powers agreement for recreational or senior citizens' services within the boundaries of the district.

(b) In conformance with this section, a district may provide recreational facilities or services at any location within the district boundaries regardless of the location of district-owned facilities. A district may not increase its tax levy for the purpose of providing recreational services for persons other than veterans unless that increase is first approved by a majority of the electors of the district who vote upon the proposal.

CHAPTER 62

An act to add Section 418.11 to the Code of Civil Procedure, relating to appearances.

[Approved by Governor June 24, 1987. Filed with Secretary of State June 24, 1987.]

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

SECTION 1. Section 418.11 is added to the Code of Civil Procedure, to read:

418.11. An appearance at a hearing at which ex parte relief is sought, or an appearance at a hearing for which an ex parte application for a provisional remedy is made, is not a general appearance and does not constitute a waiver of the right to make a motion under Section 418.10.

CHAPTER 63

An act to amend Section 3775 of the Financial Code, relating to banks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1987. Filed with Secretary of State June 24, 1987.]

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

SECTION 1. Section 3775 of the Financial Code is amended to read:

3775. Nothing in this chapter shall be interpreted to affect, to the extent otherwise authorized by the laws of this state or of the United States, the acquisition of, or merger or consolidation with, a California bank or a California bank holding company by a bank that maintains no branch, or by a bank holding company that does not control any bank that maintains a branch, within the United States but outside California if the bank or bank holding company is not controlled by a company having its head office located, or principally conducting its operations, within the United States. Nothing in this chapter shall prohibit any bank holding company from acquiring a credit card portfolio, or portions thereof, from a California bank.

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:

Significant banking transactions currently are in question because of the uncertain applicability of provisions of Chapter 21.6 (commencing with Section 3770) of Division 1 of the Financial Code. So that these transactions may be consummated, it is necessary that this act be immediately implemented to clarify that the chapter is not intended to prohibit the sale by national banks of certain specified assets, particularly where the assets are not related to branches or deposit-taking functions.

CHAPTER 64

An act to add Section 5341.5 to the Food and Agricultural Code, relating to agriculture.

[Approved by Governor June 25, 1987. Filed with Secretary of State June 25, 1987.]

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

SECTION 1. Section 5341.5 is added to the Food and Agricultural Code, to read:

5341.5. (a) Every operator of a motor vehicle entering the state with a shipment of any agricultural commodity shall cause the vehicle and the shipment to be inspected, and shall obtain a certificate of inspection, at the plant quarantine inspection station nearest the point of entry into the state.

(b) Failure to obtain the required certificate of inspection shall subject the operator of the vehicle and the registered owner of the vehicle, if a different person or legal entity, to separate civil penalties of not more than one thousand dollars ($1,000) for each violation. In determining the severity of the penalty to be imposed, the court shall consider any prior violations of the same nature within the preceding 24 months, the commodity being transported, and any evidence, including deviation from normal and usual routes, that the operator of the vehicle intentionally avoided inspection.

(c) Inspection shall not be required when the operator of the vehicle would be required to travel a distance of 15 miles or more from normal and usual routes for the particular trip to obtain the required inspection and certification, or when weather conditions or road closures on normal and usual routes prevent travel to the nearest plant quarantine inspection station.

(d) Violation of this section is a separate offense from violation of any other provision of this code and proceedings under this section shall not be deemed to prevent separate proceedings for any other offense.

(e) Proceedings under this section may be brought by the director or, with the director's concurrence, by the district attorney of the county in which the violation occurred. The civil penalty shall be awarded to the agency which brings the enforcement action for use by that agency in enforcing the provisions of this code.

(f) The director may, by regulation or executive order, as the director deems advisable, permit exceptions for certain commodities, areas, and times consistent with the purposes of this division, patterns of local traffic near border areas, and availability of inspection stations.

(g) Persons holding a valid permit to transport cattle pursuant to Section 21067 are exempt from this section.

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 65

An act to amend Sections 38761 and 38762 of, to amend and renumber Sections 38765, 38766, and 38767 of, to repeal Sections 32518 and 38764 of, and to repeal Article 10.2 (commencing with Section 38348) and Article 30 (commencing with Section 38781) of Chapter 5 of Part 3 of Division 15 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor June 25, 1987. Filed with Secretary of State June 25, 1987.]

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

SECTION 1. Section 32518 of the Food and Agricultural Code is repealed.

SEC. 2. Article 10.2 (commencing with Section 38348) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 3. Section 38761 of the Food and Agricultural Code is amended to read:

38761. Whipped cream or cream topping is a product which is packaged and dispensed from a pressurized hermetically sealed container. It shall be made from market cream which contains not more than 150,000 bacteria per milliliter. It may contain added nonfat milk solids derived from market milk and whey solids.

Whipped cream or cream topping may contain harmless flavoring or coloring and nutritive carbohydrate sweeteners. Harmless edible stabilizers and emulsifiers may be added to the extent required to accomplish the necessary physical effect. Hexitols may be added within limits established by the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq).

Vitamin C and E may be added to whipped cream or cream topping in accordance with subdivision (d) of Section 32909.

SEC. 4. Section 38762 of the Food and Agricultural Code is amended to read:

38762. Whipped cream or cream topping shall contain not less than 18 percent of milk fat and shall contain not more than 30,000 bacteria per milliliter after pasteurization.

SEC. 5. Section 38764 of the Food and Agricultural Code is repealed.

SEC. 6. Section 38765 of the Food and Agricultural Code is amended and renumbered to read:

38764. Whipped cream or cream topping shall be manufactured and processed in a milk products plant which is licensed by the department.

SEC. 7. Section 38766 of the Food and Agricultural Code is amended and renumbered to read:

38765. Whipped cream or cream topping shall be labeled with

the term "whipped cream," "cream topping," or "whipped light cream" and with the name and address of the manufacturer or distributor and shall be labeled with the word "pasteurized" or "ultra-pasteurized".

SEC. 8. Section 38767 of the Food and Agricultural Code is amended and renumbered to read:

38766. Milk or any milk product which is used in the manufacture of whipped cream or cream topping shall be pasteurized or ultra-pasteurized. It may be homogenized.

SEC. 9. Article 30 (commencing with Section 38781) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

CHAPTER 66

An act to amend Sections 74604 and 74607 of the Government Code, relating to courts.

[Approved by Governor June 25, 1987. Filed with Secretary of State June 25, 1987.]

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 2087, 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 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	1343
2	Calendar Coordinator - 1/2 time	0955
4	Municipal Court Clerk II	0860
2	Municipal Court Clerk I	0803
1	Accounting Technician	0820
2	Account Clerk	0642
1	Accountant I	1015
	or Accountant II	1161
2	Data Entry Operator I	0662
	or Data Entry Operator II	0715
	or Data Entry Operator III	0779
13	Intermediate Typist Clerk	0612
4	Municipal Court Legal Process Clerk I	0732
7	Municipal Court Legal Process Clerk II	0803
4	Municipal Court Legal Process Clerk III	0860
4	Supervising Municipal Court Clerk	0955
1	Administrative Services Officer I	1015

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 67

An act to amend Section 25660 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor June 25, 1987. Filed with Secretary of State June 26, 1987.]

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

SECTION 1. Section 25660 of the Business and Professions Code is amended to read:

25660. Bona fide evidence of majority and identity of the person is a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license or an identification card issued to a member of the Armed Forces, which contains the name, date of birth, description, and picture of the person. Proof that the defendant-licensee, or his employee or agent, demanded, was shown and acted in reliance upon such bona fide evidence in any transaction, employment, use or permission forbidden by Sections 25658, 25663 or 25665 shall be a defense to any criminal prosecution therefor or to any proceedings for the suspension or revocation of any license based thereon.

CHAPTER 68

An act to amend Sections 23776 and 25502 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor June 25, 1987. Filed with Secretary of State June 26, 1987.]

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

SECTION 1. Section 23776 of the Business and Professions Code is amended to read:

23776. A wholesaler's license shall not be issued or renewed to any on-sale or off-sale licensee, except that a wholesaler's license restricted to sales to on-sale licensees may be issued or renewed to an on-sale licensee in counties not to exceed 15,000 population.

SEC. 2. Section 25502 of the Business and Professions Code is amended to read:

25502. No manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler, or any officer, director, or agent of any such person, shall, except as authorized by this division:

(a) Hold the ownership, directly or indirectly, of any interest in

an off-sale license.

(b) Furnish, give, or lend any money or other thing of value, directly or indirectly, to, or guarantee the repayment of any loan or the fulfillment of any financial obligation of, any person engaged in operating, owning, or maintaining any off-sale licensed premises.

(c) Own or control any interest, directly or indirectly, by stock ownership, interlocking directors, or trusteeship, in the business, furniture, fixtures, refrigeration equipment, signs, except signs for interior use mentioned in subdivision (g) of Section 25503, or lease in premises licensed with an off-sale license.

(d) Own or control any interest, directly or indirectly, by stock ownership, interlocking directors, trusteeship, or mortgage of the realty upon which an off-sale licensed premises is maintained.

Any wholesaler in counties not to exceed 15,000 population who holds both a beer and wine wholesaler's license and an off-sale general license and who held such licenses prior to September 19, 1947, may continue to hold such licenses but may not transfer the beer and wine wholesaler's license to another individual, individuals, partnership, corporation or other legal entity. Where the off-sale general license is transferred to an individual, individuals, partnership, corporation or other legal entity, the transfer shall be a person-to-person transfer only.

Nothing in this section prohibits any holder of a distilled spirits manufacturer's, manufacturer's agent's, California winegrower's agent, rectifier's, or wholesaler's license, or any officer, employee, or representative of any such licensee, from acting as a trustee for any off-sale general licensee in any bankruptcy or other proceedings for the benefit of the creditors of the off-sale general licensee.

Nothing in this section shall alter, change, or otherwise affect, retroactively or prospectively, any of the rights or privileges granted to a winegrower or brandy manufacturer by Section 23362 of this code, or by any other provision of this division.

CHAPTER 69

An act to amend Section 15364.52 of the Government Code, relating to the California Tourism Commission.

[Approved by Governor June 25, 1987. Filed with Secretary of State June 26, 1987.]

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

SECTION 1. Section 15364.52 of the Government Code is amended to read:

15364.52. (a) There is hereby created in state government a California Tourism Commission, located within the Department of Commerce, which shall consist of the Secretary of the Business,

Transportation and Housing Agency, who shall serve as the chairperson of the commission; the Director of Commerce, who shall serve as vice chairperson of the commission and nine other members appointed as follows:

(1) Five members shall be appointed by the Governor who are able persons, professionally active in the tourism industry representing diverse segments of that industry.

(2) One Member of the Senate shall be appointed by the Senate Rules Committee and one Member of the Assembly shall be appointed by the Speaker of the Assembly. These members shall be ex officio, nonvoting members of the commission.

(3) Two members, who are able persons professionally active in the tourism industry representing diverse segments of that industry, shall be appointed one each by the Senate Rules Committee and the Speaker of the Assembly.

(b) The Director of the Office of Tourism shall serve as secretary to the commission, and shall keep the minutes and records of all commission meetings and provide staff and whatever supportive services necessary to the activities of the commission.

(c) The commission shall meet quarterly and at other times and places as the chairperson may designate for the purpose of transacting the commission's business. Each commission member shall serve without compensation but shall be reimbursed for traveling and other expenses necessarily incurred in the performance of duties.

(d) The commission shall, in cooperation with the Office of Tourism, the department, and the agency, adopt, and annually update, a tourism marketing plan for the State of California which includes both domestic and international tourism promotion. The plan shall, to the extent practical and feasible, do all of the following:

(1) Serve as a guide for effectuating the California Tourism Policy Act, within available resources.

(2) Include an assessment of the activities and accomplishments of the Office of Tourism.

(3) Outline the intended program of tourism promotion and visitor service activities for the oncoming year.

(4) Delineate the ways, means, and programs by which tourism shall be promoted, including any cost-effective marketing methods and techniques to be employed.

(5) Identify resources as are reasonably necessary, from all sources both public and private, to accomplish these promotion and marketing activities.

(6) Identify and articulate cooperative or shared cost programs, or opportunities for these ventures, with private entities.

(7) Contain other information, data, or recommendations which may be germane to the marketing efforts of California pursuant to the intent of this chapter.

(e) The commission, in cooperation with the Office of Tourism, may convene such committees consisting of qualified professionals

and experts in various segments of the tourism industry as may be required to aid in the preparation of, or revision of, the marketing plan, or parts thereof, and as may from time to time be appropriate to further the purposes of this chapter.

(f) The commission shall work to the maximum extent practicable with those private associations, nonprofit corporations, organizations, or other private entities whose purpose includes the promotion of California tourism.

(g) Members of the California Tourism Commission and the staff of the Office of Tourism, when traveling to foreign countries or attending international travel trade shows, shall do so in cooperation with the California State World Trade Commission to preserve its ambassadorial function.

CHAPTER 70

An act to add Section 34501.9 to the Vehicle Code, relating to vehicles.

[Approved by Governor June 29, 1987. Filed with Secretary of State June 29, 1987.]

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

SECTION 1. It is the intent of the Legislature, in enacting Section 34501.9 of the Vehicle Code, that the Industrial Welfare Commission's wage orders regarding driver's overtime exemptions be enforced as of the date the wage orders become effective until the time that they are changed by the commission during its regular hearing process.

SEC. 2. Section 34501.9 is added to the Vehicle Code, to read:

34501.9. (a) Nothing in this division or the regulations adopted under this division is intended to, or shall, affect the rate of payment of wages, including, but not limited to, regular, premium, or overtime rates, paid to any person whether for on-duty hours or driving hours or otherwise.

(b) Nothing in this division or the regulations adopted under this division is intended to, or shall, affect the regulations adopted pursuant to other provisions of law or the rate or rates of payment of wages by any other public agency, including, but not limited to, the Industrial Welfare Commission or the Division of Labor Standards Enforcement of the Department of Industrial Relations.

CHAPTER 71

An act to amend Sections 987.603, 987.61, and 987.65 of the Military and Veterans Code, relating to veterans' farm and home purchases, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1987. Filed with Secretary of State June 29, 1987.]

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

SECTION 1. Section 987.603 of the Military and Veterans Code is amended to read:

987.603. The department may acquire a leasehold interest in trust land and contract with an Indian veteran as provided in Sections 987.601 and 987.602 upon the terms agreed if all of the following conditions are met:

(a) The department is satisfied of the desirability of the property submitted.

(b) The Indian veteran has agreed with the department that the veteran, or members of the veteran's immediate family, will actually reside on the property within 60 days from the date of acquisition by the department, or if the residence on the property is not complete on the date of acquisition, within 60 days after the residence is completed.

(c) The sum to be expended by the department pursuant to a contract for the acquisition of a home or the construction of a dwelling house and other improvements does not exceed ninety thousand dollars ($90,000).

(d) The Indian veteran has paid a reasonable fee set by the department to cover the cost of preliminary service of the department that may be necessary to process the application.

(e) The Indian veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon the real property, together with a contract executed by a contractor licensed by the State of California or by an Indian contractor approved by the department for the construction of the improvements, in accordance with the plans and specifications, within eight months after the acquisition of the leasehold interest in the real property by the department, and a bond executed by the contractor providing for compliance with the terms of the contract and for the payment of materialmen and labor furnishing material or labor on the job, executed by a surety company, authorized to do business in the State of California.

(f) The plans, specifications, contract, and bond are approved by the department.

(g) The Indian veteran has placed in escrow all sums of money to be advanced by the veteran where the cost is in excess of the maximum that may be expended by the department.

SEC. 2. Section 987.61 of the Military and Veterans Code is amended to read:

987.61. The department may purchase property, subject to a participation contract providing for a loan term of not less than 23 years. In no event shall the purchase price plus the participation contract exceed ninety thousand dollars ($90,000) or equal more than 95 percent of the market value of the property as determined by department appraisal, whichever is the lower amount.

SEC. 3. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. The purchase price of a home to the department, or the sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements, shall not exceed the sum of ninety thousand dollars ($90,000), except that the purchase price of a mobilehome sited on a lot owned by the purchaser and installed on a foundation system pursuant to Section 18551 of the Health and Safety Code shall not exceed ninety thousand dollars ($90,000), or of a mobilehome which is to be sited in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, shall not exceed seventy thousand dollars ($70,000). A veteran purchasing the home may advance, subject to Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required, under Section 987.69, to add to the purchase price of the home in fixing the selling price thereof to the veteran. Any amount of the purchase price to the department may be provided by funds from participation contracts or revenue bonds.

The purchase price of a farm to the department shall not exceed two hundred thousand dollars ($200,000). A veteran purchasing the farm may advance the difference between the total price of the farm, or the cost of the dwelling and improvements to be constructed on a farm under a contract, and the sum of the purchase price to the department or contract price to the department and any amount which the department is required, under Section 987.69, to add to the purchase or contract price to the department in fixing the selling price of the farm to the veteran.

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 for the Cal-Vet farm and home purchase program to more nearly reflect the actual housing needs of veterans in this state and make the benefits of this act available to qualified veterans as quickly as possible, it is necessary for this act to become effective immediately.

CHAPTER 72

An act to amend Section 853.6 of the Penal Code, and to amend Sections 22348, 40202, and 40500 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 853.6 of the Penal Code is amended to read:

853.6. (a) In any case in which a person is arrested for an offense declared to be a misdemeanor, including violation of any city or county ordinance, and does not demand to be taken before a magistrate, that person shall, instead of being taken before a magistrate, be released according to the procedures set forth by this chapter. If the person is released, the officer or superior shall prepare in duplicate a written notice to appear in court, containing the name and address of the person, the offense charged, and the time and place where and when the person shall appear in court. If, pursuant to subdivision (i), the person is not released prior to being booked and the officer in charge of the booking or his or her superior determines that the person should be released, the officer or superior shall prepare a written notice to appear in a court.

(b) Unless waived by the person, the time specified in the notice to appear shall be at least 10 days after arrest if the duplicate notice is to be filed by the officer with the magistrate.

(c) The place specified in the notice shall be the court of the magistrate before whom the person would be taken if the requirement of taking an arrested person before a magistrate were complied with, or shall be an officer authorized by that court to receive a deposit of bail.

(d) The officer shall deliver one copy of the notice to appear to the arrested person, and the arrested person, in order to secure release, shall give his or her written promise so to appear in court by signing the duplicate notice which shall be retained by the officer. Thereupon, the arresting officer shall immediately release the person arrested from custody.

(e) The officer shall, as soon as practicable, file the duplicate notice, as follows:

(1) It shall be filed with the magistrate if the offense charged is an infraction.

(2) It shall be filed with the magistrate if the prosecuting attorney has previously directed the officer to do so.

(3) The duplicate notice and underlying police reports in support of the charge or charges shall be filed with the prosecuting attorney in cases other than those specified in paragraphs (1) and (2).

If the duplicate notice is filed with the prosecuting attorney, he or she, within his or her discretion, may initiate prosecution by filing the notice or a formal complaint with the magistrate specified therein within 25 days from the time of arrest. If the prosecution is not to be initiated, the prosecutor shall send notice to the person arrested at the address on the notice to appear. The failure by the prosecutor to file the notice or formal complaint within 25 days of the time of the arrest shall not bar further prosecution of the misdemeanor charged in the notice to appear; however, any further prosecution shall be preceded by a new and separate citation or an arrest warrant.

Upon the filing of the notice with the magistrate by the officer, or the filing of the notice or formal complaint by the prosecutor, the magistrate may fix the amount of bail which in his or her judgment, in accordance with Section 1275, will be reasonable and sufficient for the appearance of the defendant and shall indorse upon the notice a statement signed by him or her in the form set forth in Section 815a. The defendant may, prior to the date upon which he or she promised to appear in court, deposit with the magistrate the amount of bail thus set. Thereafter, at the time when the case is called for arraignment before the magistrate, if the defendant does not appear, either in person or by counsel, the magistrate may declare the bail forfeited, and may, in his or her discretion, order that no further proceedings shall be had in such case, unless the defendant has been charged with violation of Section 374b or 374e of this code or of Section 11357, 11360, or 13002 of the Health and Safety Code, or a violation punishable under Section 5008.7 of the Public Resources Code, and he or she has previously been convicted of a violation of that section or a violation which is punishable under that section, except in cases where the magistrate finds that undue hardship will be imposed upon the defendant by requiring him or her to appear, the magistrate may declare the bail forfeited and order that no further proceedings be had in the case.

Upon the making of the order that no further proceedings be had, all sums deposited as bail shall immediately be paid into the county treasury for distribution pursuant to Section 1463.

(f) No warrant shall be issued for the arrest of a person who has given a written promise to appear in court, unless and until he or she has violated that promise or has failed to deposit bail, to appear for arraignment, trial, or judgment or to comply with the terms and provisions of the judgment, as required by law.

(g) The officer may either book the arrested person, as defined in subdivision 21 of Section 7, prior to release or indicate on the citation that the arrested person shall be booked. If it is indicated on the citation that the arrested person is to be booked, the magistrate shall, before the proceedings are finally concluded, order the defendant to be booked by the arresting agency.

(h) A peace officer shall use the written notice to appear procedure set forth in this section for any misdemeanor offense in which the officer has arrested a person without a warrant pursuant

to Section 836 or in which he or she has taken custody of a person pursuant to Section 847.

(i) Whenever any person is arrested by a peace officer for a misdemeanor, that person shall be released according to the procedures set forth by this chapter unless one of the following is a reason for nonrelease, in which case the arresting officer may release the person, or the arresting officer shall indicate, on a form to be established by his or her employing law enforcement agency, which of the following was a reason for the nonrelease:

(1) The person arrested was so intoxicated that he or she could have been a danger to himself or herself or to others.

(2) The person arrested required medical examination or medical care or was otherwise unable to care for his or her own safety.

(3) The person was arrested under one or more of the circumstances listed in Sections 40302 and 40303 of the Vehicle Code.

(4) There were one or more outstanding arrest warrants for the person.

(5) The person could not provide satisfactory evidence of personal identification.

(6) The prosecution of the offense or offenses for which the person was arrested, or the prosecution of any other offense or offenses, would be jeopardized by immediate release of the person arrested.

(7) There was a reasonable likelihood that the offense or offenses would continue or resume, or that the safety of persons or property would be imminently endangered by release of the person arrested.

(8) The person arrested demanded to be taken before a magistrate or refused to sign the notice to appear.

(9) There is reason to believe that the person would not appear at the time and place specified in the notice. The basis for this determination shall be specifically stated.

The form shall be filed with the arresting agency as soon as practicable and shall be made available to any party having custody of the arrested person, subsequent to the arresting officer, and to any person authorized by law to release him or her for custody before trial.

(j) Once the arresting officer has prepared the written notice to appear and has delivered a copy to the person arrested, the officer shall deliver the remaining original and all copies as provided by subdivision (e) of this section.

Any person, including the arresting officer and any member of the officer's department or agency, or any peace officer, who alters, conceals, modifies, nullifies, or destroys, or causes to be altered, concealed, modified, nullified, or destroyed, the face side of the remaining original or any copy of a citation that was retained by the officer, for any reason, before it is filed with the magistrate or with a person authorized by the magistrate to receive deposit of bail, is guilty of a misdemeanor.

If, after an arrested person has signed and received a copy of a

notice to appear, the arresting officer determines that, in the interest of justice, the citation or notice should be dismissed, the arresting agency may recommend, in writing, to the magistrate that the charges be dismissed. The recommendation shall cite the reasons for the recommendation and shall be filed with the court.

If the magistrate makes a finding that there are grounds for dismissal, the finding shall be entered in the record and the charges dismissed.

Under no circumstances shall a personal relationship with any officer, public official, or law enforcement agency be grounds for dismissal.

SEC. 2. Section 22348 of the Vehicle Code, as amended by Chapter 25 of the Statutes of 1987, is amended to read:

22348. (a) Notwithstanding subdivision (b) of Section 22351, no person shall drive a vehicle upon a highway with a speed limit established pursuant to Section 22349 or 22356 at a speed greater than that speed limit.

(b) Any person who drives a vehicle upon a highway at a speed greater than 100 miles per hour is guilty of an infraction punishable, as follows:

(1) Upon a first conviction of a violation of this subdivision, by a fine of not to exceed five hundred dollars ($500). The court may also suspend the privilege of the person to operate a motor vehicle for a period not to exceed 30 days pursuant to Section 13200.5.

(2) Upon a conviction under this subdivision of an offense which occurred within three years of a prior offense resulting in a conviction of an offense under this subdivision, by a fine of not to exceed five hundred dollars ($500). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to subdivision (a) of Section 13355.

(3) Upon a conviction under this subdivision of an offense which occurred within five years of two or more prior offenses resulting in convictions of offenses under this subdivision, by a fine of not to exceed five hundred dollars ($500). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to subdivision (b) of Section 13355.

(c) Any vehicle subject to Section 22406 shall be driven in a lane designated pursuant to Section 21655, or if no lane has been so designated, in the right-hand lane for traffic or as close as practicable to the right-hand edge or curb. When overtaking and passing another vehicle proceeding in the same direction, the drivers shall use either the designated lane, the lane to the immediate left of the right-hand lane, or the right-hand lane for traffic as permitted under this code. If, however, specific lane or lanes have not been designated on a divided highway having four or more clearly marked lanes for traffic in one direction, any such vehicle may also be driven in the lane to the immediate left of the right-hand lane, unless otherwise prohibited under this code. This subdivision does not apply to a driver who is preparing for a left- or right-hand turn or who is in the

process of entering into or exiting from a highway or to a driver who is required necessarily to drive in a lane other than the right-hand lane to continue on his or her intended route.

SEC. 3. Section 40202 of the Vehicle Code is amended to read:

40202. (a) If a vehicle is unattended during the time of the violation, the peace officer or person authorized to enforce parking laws and regulations shall securely attach to the vehicle a notice of parking violation setting forth the violation, including reference to the section of this code or of the local ordinance or federal statute or regulation so violated, the approximate time thereof, and the location where the violation occurred and fixing a time and place for appearance by the registered owner or the lessee or renter to answer the notice of parking violation. The notice of parking violation shall also set forth the vehicle license number and registration expiration date, the color of the vehicle, and, if possible, the make of the vehicle.

(b) The notice of parking violation shall be attached to the vehicle either under the windshield wiper or in another conspicuous place upon the vehicle so as to be easily observed by the person in charge of the vehicle upon the return of that person.

(c) Once the issuing officer has prepared the notice of parking violation and has attached it to the vehicle as provided in subdivision (a), the officer shall file the notice with the processing agency. Any person, including the issuing officer and any member of the officer's department or agency, or any peace officer who alters, conceals, modifies, nullifies, or destroys, or causes to be altered, concealed, modified, nullified, or destroyed the face of the remaining original or any copy of a citation that was retained by the officer, for any reason, before it is filed with the processing agency or with a person authorized to receive the deposit of the parking penalty, is guilty of a misdemeanor.

If, after a copy of the notice of parking violation is attached to the vehicle, the issuing officer determines that, in the interest of justice, the notice of parking violation should be dismissed, the issuing agency may recommend, in writing, that the charges be dismissed. The recommendation shall cite the reasons for the recommendation and shall be filed with the processing agency.

If the processing agency makes a finding that there are grounds for dismissal, the finding shall be entered on the record and the notice of parking violation shall be canceled pursuant to paragraph (1) of subdivision (a) of Section 40215.

Under no circumstances shall a personal relationship with any officer, public official, or law enforcement agency be grounds for dismissal.

SEC. 4. Section 40500 of the Vehicle Code is amended to read:

40500. (a) Whenever a person is arrested for any violation of this code not declared to be a felony, or for a violation of an ordinance of a city or county relating to traffic offenses and he is not immediately taken before a magistrate, as provided in this chapter, the arresting officer shall prepare in triplicate a written notice to

appear in court or before a person authorized to receive a deposit of bail, containing the name and address of the person, the license number of his vehicle, if any, the name and address, when available, of the registered owner or lessee of the vehicle, the offense charged and the time and place when and where he shall appear.

(b) The Judicial Council shall prescribe the form of the notice to appear.

(c) Nothing in this section requires the law enforcement agency or the arresting officer issuing the notice to appear to inform any person arrested pursuant to this section of the amount of bail required to be deposited for the offense charged.

(d) Once the arresting officer has prepared the written notice to appear, and has delivered a copy to the arrested person, the officer shall deliver the remaining original and all copies of the notice to appear as provided by Section 40506.

Any person, including the arresting officer and any member of the officer's department or agency, or any peace officer, who alters, conceals, modifies, nullifies, or destroys, or causes to be altered, concealed, modified, nullified, or destroyed, the face side of the remaining original or any copy of a citation that was retained by the officer, for any reason, before it is filed with the magistrate or with a person authorized by the magistrate or judge to receive a deposit of bail, is guilty of a misdemeanor.

If, after an arrested person has signed and received a copy of a notice to appear, the arresting officer or other officer of the issuing agency, determines that, in the interest of justice, the citation or notice should be dismissed, the arresting agency may recommend, in writing, to the magistrate or judge that the case be dismissed. The recommendation shall cite the reasons for the recommendation and be filed with the court.

If the magistrate or judge makes a finding that there are grounds for dismissal, the finding shall be entered on the record and the infraction or misdemeanor dismissed.

Under no circumstances shall a personal relationship with any officer, public official, or law enforcement agency be grounds for dismissal.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for 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.

Moreover, 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 other 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 for those other costs.

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 prevent the alteration or concealment of notices to appear, and to avoid confusion in the implementation of speed limit laws, it is necessary that this act take effect immediately.

CHAPTER 73

An act to add Section 65101.1 to the Government Code, relating to planning.

[Approved by Governor June 29, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 65101.1 is added to the Government Code, to read:

65101.1. The Hoopa Valley Business Council, as the governing body of the Hoopa Valley Indian Tribe, may participate as a legislative body, pursuant to subdivision (b) of Section 65101 on the Humboldt County Association of Governments and for that purpose may enter into a joint powers agreement with the parties thereto and shall be deemed to be a public agency for purposes of Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1. The Legislature finds and declares that the unique circumstances of Humboldt County necessitate this special law.

CHAPTER 74

An act to amend Section 35400 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

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

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

(b) This section does not apply to any of the following:

(1) A vehicle used in a combination of vehicles when the excess length is caused by auxiliary parts, equipment, or machinery not used

as space to carry any part of the load, except that the combination of vehicles shall not exceed the length provided for combination vehicles.

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

(3) An articulated bus or articulated trolley coach which does not exceed a length of 60 feet.

(4) A semitrailer while being towed by a motor truck or truck tractor, if the distance from the kingpin to the rearmost axle of the semitrailer does not exceed 40 feet for semitrailers having two or more axles, or 38 feet for semitrailers having one axle if the semitrailer does not, exclusive of attachments, extend forward of the rear of the cab of the motor truck or truck tractor.

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

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

(7) A bus when the excess length is caused by a device attached to the rear of the bus designed and used exclusively for the transporting of bicycles. This device may be up to 10 feet in length, if the device, along with any other device permitted pursuant to this section, does not cause the total length of the bus, including any device or load, to exceed 50 feet.

(8) A bus operated by a public agency or a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, used in transit system service, other than a schoolbus, when the excess length is caused by a folding device attached to the front of the bus which is designed and used exclusively for transporting bicycles. The device, including any bicycles transported thereon, shall be mounted in a manner that does not materially affect efficiency or visibility of vehicle safety equipment, and shall not extend more than 18 inches from the front of the bus when fully deployed.

(c) The Legislature, by increasing the maximum permissible kingpin to rearmost axle distance to 40 feet effective January 1, 1987, as provided in paragraph (4) of subdivision (b), does not intend this action to be considered a precedent for any future increases in truck size and length limitations.

CHAPTER 75

An act to add Sections 11104.5 and 11206.5 to the Vehicle Code, relating to licenses.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 11104.5 is added to the Vehicle Code, to read:

11104.5. Each applicant for a license as a driving school owner, driving school operator, or driving instructor shall submit an application to the department on the forms prescribed by the department. The applicant shall provide the department with any information concerning the applicant's character, honesty, integrity, and reputation which the department may consider necessary.

SEC. 2. Section 11206.5 is added to the Vehicle Code, to read:

11206.5. Each applicant for a license as a traffic violator school owner, traffic violator school operator, or traffic violator school instructor shall submit an application to the department on the forms prescribed by the department. The applicant shall provide the department with any information concerning the applicant's character, honesty, integrity, and reputation which the department may consider necessary.

CHAPTER 76

An act to amend Sections 22113 and 22114 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 22113 of the Education Code is amended to read:

22113. "Compensation earnable" by a member means the compensation as determined by the board which would have been earned by the member if he or she were engaged in his or her duties on a full-time basis.

For part-time service, "compensation earnable" means the compensation which would be earnable if the employment were on a full-time basis and the member worked full time.

For purposes of this part, "full-time" means service that is not less than the minimum schoolday for each day the schools of the district

are maintained during the school year. If persons employed in positions requiring certification qualifications are required to serve a longer period of time in each schoolday than the minimums required, the longer period is recognized provided all those employees in similar grades or levels are similarly required to serve the longer periods of time, and provided that the duties required of those persons during the extended time is directly related to and restricted to their normal assignment.

SEC. 2. Section 22114 of the Education Code is amended to read:

22114. (a) "Compensation" and "salary" mean:

(1) Remuneration in cash payable by the employer to the member.

(2) Any member contributions paid by the employer pursuant to Sections 23000.1 and 23000.5.

(3) Any amount deducted from the member's salary for payment to one other than the member for the purpose of purchasing an annuity contract for the member under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of 1954 (26 U.S.C. Sec. 403(b)).

(4) Any amount deducted from a member's wages for participation in a deferred compensation plan established pursuant to Chapter 4 (commencing with Section 19993) of Part 2.6 of Division 5 of Title 2, or pursuant to Article 1.1 (commencing with Section 53212) of Chapter 2 of Part 1 of Division 2 of Title 5, of the Government Code.

(5) Any amount deducted from the member's salary for payment for participation in a voluntary tax-deferred retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code of 1954 (26 U.S.C. Sec. 401(k)).

(6) Any other payments the board may determine to be "compensation" and "salary."

(b) "Compensation" and "salary" do not mean, and shall not include, any of the following:

(1) Job-related expenses.

(2) Money paid to the employee for overtime service on and after July 1, 1956.

(3) Compensatory damages and money paid to the member in excess of regular salary as a compromise settlement of a dispute arising from termination of a member's employment contract.

(4) Lump-sum payments for accumulated sick leave or accumulated vacation leave.

(5) Money paid for summer school employment.

(6) Money paid as a bonus; for purposes of this part, a bonus is a payment made only to a selected employee or employees and not to the entire class of employees on a systematic basis.

(7) Tax-sheltered annuity contributions which do not result in a reduction of the earned contract salary paid to the employee.

(8) Fringe benefits paid for by the employer in lieu of salary.

(9) Money not available for payment of salaries and which is

applied by an employer for the purchase of annuity contracts or for other insurance programs, including those which meet the requirements of Section 403(b) of the Internal Revenue Code of 1954.

(10) Money not available for payment of salaries and which is applied by an employer for the purchase of a tax-deferred retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code.

(11) Money paid as a stipend to mentor teachers pursuant to subdivision (a) of Section 44494.

(12) Any other payments the board may determine not to be "compensation" and "salary."

(c) Any moneys paid under paragraphs (1) to (12), inclusive, of subdivision (b), shall not be included as a part of the member's compensation subject to contributions reported to the system.

CHAPTER 77

An act to amend Section 1051 of, and to add Section 1057 to, the Labor Code, relating to employment.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 1051 of the Labor Code is amended to read:

1051. Except as provided in Section 1057, any person or agent or officer thereof, who requires, as a condition precedent to securing or retaining employment, that an employee or applicant for employment be photographed or fingerprinted by any person who desires his or her photograph or fingerprints for the purpose of furnishing the same or information concerning the same or concerning the employee or applicant for employment to any other employer or third person, and these photographs and fingerprints could be used to the detriment of the employee or applicant for employment is guilty of a misdemeanor.

SEC. 2. Section 1057 is added to the Labor Code, to read:

1057. Section 1051 shall not apply to any employee of a diversified or nondiversified management company, as defined in Section 80a-5 of Title 15 of the United States Code, and the affiliates thereof, as defined in Sections 80a-2(a)(2) and 80a-2(a)(3) of Title 15 of the United States Code, who is required to be fingerprinted pursuant to federal law.

CHAPTER 78

An act to repeal Sections 2, 12, and 18 of Chapter 1217 of the Statutes of 1985, relating to fiscal affairs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 2 of Chapter 1217 of the Statutes of 1985 is repealed.

SEC. 2. Section 12 of Chapter 1217 of the Statutes of 1985 is repealed.

SEC. 3. Section 18 of Chapter 1217 of the Statutes of 1985 is repealed.

SEC. 4. As of the effective date of this act, the undisbursed balance of the appropriations provided in subdivision (b) of Section 17 of Chapter 1217 of the Statutes of 1985 and in Item 8885-101-001 (jj) of the Budget Act of 1986 (Ch. 186, Stats. 1986) shall revert to the unappropriated surplus of the General Fund.

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 state may reduce expenditures in response to a substantial decline in anticipated revenues and prevent the transfer of certain funding that will otherwise occur during the 1986–87 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 79

An act to amend Section 22754 of the Government Code, relating to public employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. 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:

(1) 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, or who is an employee or annuitant of a special district or county subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3) which has elected to become subject to this part, or who is an employee or annuitant of a special district, as defined in subdivision (i), which 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 employees 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.

(2) Any officer or employee who participates in the retirement system of a contracting agency as defined in paragraph (2) of subdivision (g) which has elected to become subject to this part, except persons employed less than half-time or who are otherwise determined to be ineligible.

(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.

(4) Any employee who has retired under the retirement system provided by a contracting agency as defined in paragraph (2) of subdivision (g) and who receives a retirement allowance from that retirement system, or a surviving family member who receives the retirement allowance in place of the deceased.

(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:

(1) 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.

(2) Any public body or agency of, or within California not covered by the Public Employees' Retirement System or subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3), which provides a retirement system for its employees funded wholly or in part by public funds.

(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.

(i) "Special district" means a nonprofit, self-governed public agency, within the State of California and comprised solely of public employees, performing a governmental rather than proprietary function.

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 primary changes made by this act in Section 22754 of the Government Code were made previously by Chapter 199 of the Statutes of 1986, an urgency statute which took effect on June 27, 1986. However, on January 1, 1987, those changes will be superseded by Chapter 1280 of the Statutes of 1986. Therefore, in order that the changes made in Section 22754 of the Government Code by Chapter 199 of the Statutes of 1986 may remain in effect, it is necessary that this act take effect immediately.

CHAPTER 80

An act to amend Section 1 of Chapter 1352 of the Statutes of 1986, relating to state government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 1 of Chapter 1352 of the Statutes of 1986 is amended to read:

Section 1. (a) There is hereby established an advisory committee in order to study, report on, and make recommendations concerning, the feasibility of creating a Department of Public Safety. In conducting its study, the advisory committee shall consider the efficiency and cost savings to be gained by reorganizing and consolidating into one department the functions of the various offices, departments, divisions, and subdivisions of state government which exist primarily for the purpose of providing emergency services, criminal justice planning, criminal justice assistance to local government, and the protection of state offices and property which employ 500 or fewer personnel.

(b) The committee shall consist of seven members, as follows:

(1) Four members shall be appointed by the Governor.

(2) One member shall be appointed by the Speaker of the Assembly.

(3) One member shall be appointed by the President pro Tempore of the Senate.

(4) One member shall be the Chief of the California State Police Division, or his or her designee.

(c) The Youth and Adult Correctional Agency shall provide the advisory committee with the necessary staff support and technical assistance for completion of the study.

(d) The advisory committee shall report its findings to the Legislature not later than June 30, 1988.

(e) 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 prior to January 1, 1989, 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 allow sufficient time for the advisory committee, recently appointed pursuant to Chapter 1352 of the Statutes of 1986, to complete its study, it is necessary that this act take effect immediately.

CHAPTER 81

An act to amend Section 25666 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 25666 of the Business and Professions Code is amended to read:

25666. In any hearing on an accusation charging a licensee with a violation of Sections 25658, 25663, and 25665, the department shall produce the alleged minor for examination at the hearing unless he or she is unavailable as a witness because he or she is dead or unable to attend the hearing because of a then-existing physical or mental illness or infirmity, or unless the licensee has waived, in writing, the appearance of the minor. When a minor is absent because of a then-existing physical or mental illness or infirmity, a reasonable continuance shall be granted to allow for the appearance of the minor if the administrative law judge finds that it is reasonably likely that the minor can be produced within a reasonable amount of time. Nothing in this section shall prevent the department from taking testimony of the minor as provided in Section 11511 of the Government Code.

CHAPTER 82

An act to amend Sections 1597.82, 1597.83, and 1597.84 of the Health and Safety Code, and to amend Section 11170 of the Penal Code, relating to child care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 1597.82 of the Health and Safety Code is amended to read:

1597.82. The Department of Justice may charge any necessary fees to the parent submitting the request to cover all expenses incurred by the Department of Justice in making this review.

The Department of Justice may adopt regulations establishing a fee schedule for this purpose. The amount of the fee shall be set at a level so that the revenues collected by the fees are adequate to cover the costs incurred pursuant to this chapter. Fees collected shall

be deposited in the General Fund. However, a parent who is a participant in the Greater Avenues for Independence Act of 1985 (Article 3.2 (commencing with Section 11320) of Part 3 of Division 9 of the Welfare and Institutions Code), or is a recipient under the Aid to Families with Dependent Children program, county general assistance program, or state supplementary program for the aged, blind, and disabled, shall only be charged the fingerprint processing fee by the Department of Justice.

SEC. 2. Section 1597.83 of the Health and Safety Code is amended to read:

1597.83. (a) If criminal conviction information or substantiated child abuse is found, the Department of Justice shall notify the prospective professional child care provider in writing first that pertinent criminal conviction information or substantiated child abuse has been found; however, the actual conviction or substantiated child abuse information shall not be divulged.

(b) The prospective professional child care provider shall have 15 days to request that the information not be sent to the parent so that the provider may appeal sending the information.

(c) If the conviction was for a crime that could not be granted an exemption if the prospective professional child care provider were applying for a day care license, the parent or legal guardian shall be immediately notified that there is pertinent criminal conviction information and no appeal is possible for the provider.

In the event that the conviction was for a crime that could be granted an exemption if the prospective professional child care provider were applying for a day care license, the prospective professional child care provider shall have 15 days to appeal the release of the information. Upon receipt by the department of the appeal, the appeal shall be set for hearing. The hearing 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 department has all the powers granted in that chapter.

(d) The Department of Justice shall adopt regulations which are parallel to those used by the State Department of Social Services in determining whether a person applying for a day care license may be granted an exemption to work in a day care facility despite a criminal conviction or a determination of substantiated child abuse.

(e) If an appeal is requested, the Department of Justice shall make the determination within 30 days, based upon the regulations adopted, and then notify the parent or legal guardian whether there is pertinent criminal conviction information or a determination of substantiated child abuse.

(f) If no pertinent criminal conviction or substantiated child abuse information is found, the Department of Justice shall notify the parent or legal guardian and the prospective professional child care provider that there is no pertinent criminal conviction or substantiated child abuse information.

SEC. 3. Section 1597.84 of the Health and Safety Code is amended

to read:

1597.84. (a) The Department of Justice shall maintain and continually update an index of reports of child abuse and pertinent criminal convictions by a professional child care provider for which it has received a written request pursuant to Section 1597.80.

(b) The Department of Justice shall review these reports received from the Child Abuse Registry pursuant to Section 11170 of the Penal Code to determine if the child abuse by the professional child care provider is substantiated.

(c) Parents who submit a written request concerning a professional child care provider pursuant to Section 1597.80, as well as the professional child care provider, shall be notified of the results of any future investigation that determines the professional child care provider's child abuse is substantiated and any future pertinent criminal convictions of that provider. The Department of Justice shall not divulge actual cases in reporting information to the parents or legal guardians.

(d) Within 15 days after the Department of Justice mails notification of the results of an investigation of reports of child abuse and pertinent criminal convictions by a professional child care provider pursuant to this section, the professional child care provider may petition the Department of Justice for a hearing. The hearing shall be set and conducted in the manner prescribed in Section 1597.83.

(e) Notwithstanding any provision of law to the contrary, including Part 3 (commencing with Section 900) of Division 3.6 of the Government Code, state officers or employees shall not be liable for any damages caused by their conduct pursuant to this chapter except for intentional acts or gross negligence.

SEC. 4. Section 11170 of the Penal Code is amended to read:

11170. (a) The Department of Justice shall maintain an index of all reports of child abuse submitted pursuant to Section 11169. The index shall be continually updated by the department and shall not contain any reports that are determined to be unfounded. The department may adopt rules governing recordkeeping and reporting pursuant to this article.

(b) (1) The Department of Justice shall immediately notify a child protective agency which submits a report pursuant to Section 11169, or a district attorney who requests notification, of any information maintained pursuant to subdivision (a) which is relevant to the known or suspected instance of child abuse reported by the agency. A child protective agency shall make that information available to the reporting medical practitioner, child custodian, guardian ad litem appointed under Section 326, or counsel appointed under Section 318 of the Welfare and Institutions Code, or the appropriate licensing agency, if he or she is treating or investigating a case of known or suspected child abuse.

(2) When a report is made pursuant to subdivision (a) of Section 11166, the investigating agency shall, upon completion of the

investigation or after there has been a final disposition in the matter, inform the person required to report of the results of the investigation and of any action the agency is taking with regard to the child or family.

(3) The department shall make available to the State Department of Social Services any information received subsequent to January 1, 1981, pursuant to this section concerning any person who is an applicant for licensure or employment in a position having supervisorial or disciplinary power over a child or children, or who will provide 24-hour care for a child or children in a residential home or facility, pursuant to Section 1522.1 or 1596.876 of the Health and Safety Code, or Section 226 of the Civil Code. If the department has information which has been received subsequent to January 1, 1981, concerning such a person, it shall also make available to the State Department of Social Services any other information maintained pursuant to subdivision (a).

(4) The department shall notify parents or legal guardians requesting a background examination of a professional child care provider pursuant to Chapter 3.65 (commencing with Section 1597.80) of Division 2 of the Health and Safety Code, of the fact that a substantiated report exists which indicates that the professional child care provider was a suspect of child abuse subsequent to January 1, 1981, or prior to January 1, 1981, if there was also a report subsequent to that date.

(5) The department shall notify parents or legal guardians requesting a background examination of a professional child care provider pursuant to Chapter 3.65 (commencing with Section 1597.80) of Division 2 of the Health and Safety Code, of the fact that no substantiated report exists which indicates that the professional child care provider was a suspect of child abuse subsequent to January 1, 1981.

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 make necessary technical and clarifying changes before the pilot projects authorized by Chapter 1496 of the Statutes of 1986 commence operation on July 1, 1987, it is necessary that this act take effect immediately.

CHAPTER 83

An act to amend Sections 5 and 11 of Chapter 1519 of the Statutes of 1986, relating to correctional facilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 5 of Chapter 1519 of the Statutes of 1986 is amended to read:

Sec. 5. Money appropriated to the Board of Corrections by this act shall be allocated as follows:

(a) Funding shall be provided for those projects entitled to be funded under subdivision (c) of Section 3 of Chapter 444 of the Statutes of 1984, as amended, to the extent that those projects have not received full funding.

(b) The following additional amounts shall be allocated to the counties for the construction, reconstruction, replacement, or renovation of county jail facilities or medical facilities for mentally ill prisoners. With the exception of those counties with only one local detention facility, these funds shall not be used to supplant local funds directed to previously approved state funded projects. These funds may be used for allocations specified in subdivisions (c) and (d) of Chapter 444, Statutes of 1984, as amended, or for new projects.

Alameda	$ 8,796,941
Alpine	92,832
Amador	0
Butte	5,911,957
Calaveras	0
Colusa	0
Contra Costa	2,338,176
Del Norte	154,720
El Dorado	6,305,500
Fresno	11,998,924
Glenn	1,267,284
Humboldt	5,820,195
Imperial	0
Inyo	3,500
Kern	7,408,064
Kings	1,264,284
Lake	1,731,391
Lassen	926,847
Los Angeles	161,417,153
Madera	3,567,403
Marin	7,028,712

Mariposa	30,966
Mendocino	2,588,983
Merced	4,180,214
Modoc	278,496
Mono	209,241
Monterey	8,248,790
Napa	1,726,971
Nevada	2,754,017
Orange	18,274,305
Placer	1,298,897
Plumas	0
Riverside	16,895,432
Sacramento	3,775,170
San Benito	2,290,152
San Bernardino	15,000,000
San Diego	32,996,795
San Francisco	22,472,766
San Joaquin	26,383,482
San Luis Obispo	3,107,231
San Mateo	6,998,573
Santa Barbara	2,756,964
Santa Clara	29,209,970
Santa Cruz	1,307,164
Shasta	0
Sierra	278,842
Siskiyou	1,391,007
Solano	1,653,589
Sonoma	14,150,000
Stanislaus	5,981,036
Sutter	618,880
Tehama	556,992
Trinity	526,048
Tulare	20,700
Tuolumne	526,063
Ventura	10,681,110
Yolo	1,821,176
Yuba	4,588,555
	$471,615,899

(c) If any county declares that it is unable to use the funds allocated to it, or if any county is unable to satisfy the prerequisites for funding listed in Section 6, the amount allocated to the county in this section shall revert to the state, to be reallocated by the board as follows:

First priority for reallocation shall be given to counties on the following list subject to the following limits:

Orange County	$ 7,000,000
Sacramento County	3,000,000
San Diego County	2,000,000
San Francisco City and County	10,000,000
Santa Clara County	1,000,000
Ventura County	4,000,000

Among these counties, reallocated funds shall be awarded to each on a pro rata basis based on the amounts listed in this subdivision. Funds shall be distributed twice. The first distribution shall occur on July 1, 1988; the second distribution shall occur on December 31, 1990. If any county on this list has not completed architectural drawings at the time reallocation funds become available for it, the county shall be removed from the reallocation list until it has completed architectural drawings.

(d) If funds beyond those needed for the itemized amounts become available for reallocation, the board shall propose a reallocation formula or procedure for legislative review.

(e) It is the Legislature's intention that in any subsequent state bond measures for county jail construction assistance, first priority for the new moneys shall go for a grant of thirty-six million dollars ($36,000,000) for Los Angeles County; second, to any unfunded allocations under subdivision (b); and third, to any unfunded allocation among those listed in subdivision (c).

SEC. 2. Section 11 of Chapter 1519 of the Statutes of 1986 is amended to read:

Sec. 11. All money in the 1986 County Correctional Facility Expenditure Fund is appropriated without regard to fiscal year for allocation as follows:

(a) Twenty million dollars ($20,000,000) is appropriated to the Department of the Youth Authority for allocation as provided by Section 9 provided that not more than two hundred thousand dollars ($200,000) shall be expended by the Department of the Youth Authority for administrative costs and for performing a statewide needs assessment under subdivision (i) of Section 9.

(b) The remainder is appropriated to the Board of Corrections for allocation in accordance with Sections 5 and 5.5 and for the administrative costs of the Board of Corrections and the Ad Hoc Jail Standards Committee, but the administrative costs shall not exceed 1 percent of the amount allocated, provided, that for any amount disbursed for a project entitled to receive funds under Section 3 of Chapter 444 of the Statutes of 1984, as amended, from the County Jail Capital Expenditure Bond Act of 1981 or the County Jail Capital Expenditure Bond Act of 1984, that amount shall be repaid to the fund from any amounts that may become available under those earlier bond acts including amounts derived under Section 4 of Chapter 444 of the Statutes of 1984.

(c) If bonds have not been sold for projects authorized to meet the

maximum allocations contained in Section 3 of Chapter 444 of the Statutes of 1984, as amended, the Board of Corrections may disperse those funds from the proceeds of the sale of bonds authorized under subdivision (b) of Section 5 of Chapter 1519 of the Statutes of 1986 or disburse funds which may be available under the provisions of Chapter 6 of the Statutes of 1987, to meet this obligation, subject to all of the following conditions:

(1) Counties shall have completed their project or have put the project out for construction bids prior to March 1, 1987, that date being the date upon which proposed revisions to Jail Funding Regulations were issued by the Board of Corrections.

(2) Projects reimbursed, funded, or both, through this provision shall be the same project approved by the Board of Corrections prior to March 1, 1987.

(3) Funds exempted from the requirements of Chapter 1519 of the Statutes of 1986 and corresponding regulations established by the Board of Corrections shall not exceed the combined totals of subdivisions (c) and (d) of Section 3 of Chapter 444 of the Statutes of 1984.

(4) To the extent that counties receive funds under subdivision (b) of Section 5 of Chapter 1519 of the Statutes of 1986 which are in excess of the combined total of those allocations specified in subdivisions (c) and (d) of Section 3 of Chapter 444 of the Statutes of 1984, as amended, those counties shall comply with Jail Funding Regulations issued by the Board of Corrections on or after March 1, 1987, prior to the receipt of those excess funds.

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:

Presently, local facilities for adults 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. Thus, it is necessary that this bill, which will help improve the situation, take effect immediately.

CHAPTER 84

An act to amend Sections 5000.5 and 5010.7 of, and to add Section 5000.6 to, the Education Code, to amend Section 23302.1 of the Elections Code, and to amend Section 36503.5 of the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

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

SECTION 1. Section 5000.5 of the Education Code is amended to read:

5000.5. (a) (1) Notwithstanding any other provision of law, except as provided under Section 5008, after the initial election of governing board members in any school district, or members of a county board of education, the election of governing board members for the district or members of the county board of education may, upon the adoption of an appropriate resolution by the governing board or the county board of education, respectively, be established to regularly occur on the same day upon which a primary, municipal, or general election is held. If a school district is located in more than one county, the district may not consolidate an election if any county in which the district is located denies the request for consolidation.

(2) In the event of consolidation, the election of governing board members or members of the county board of education shall be conducted in accordance with all applicable procedural requirements of the Elections Code pertaining to that primary, municipal, or general election, and shall thereafter occur in consolidation with that election.

(b) (1) The resolution of the governing board or county board of education shall be adopted and submitted to the board of supervisors, for purposes of subdivision (a), no later than 240 days prior to the date of the currently scheduled election of the district or for the members of the county board of education.

(2) The final date for the submission of the resolution by the governing board or county board of education to the board of supervisors is not subject to waiver.

(c) The board of supervisors shall notify all school districts and the county board of education located in the county of the receipt of the resolution to consolidate and shall request input from each district on the effect of consolidation.

(d) (1) 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. Prior to the adoption of a resolution to either approve or deny a consolidation request, the

board or boards of supervisors shall each obtain from the elections official a report on the cost effectiveness of the proposed action.

(2) 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.

(e) Within 30 days after the approval of the resolution by the board of supervisors, the elections official shall notify all registered voters of the districts affected by the consolidation of the approval of the resolution by the board of supervisors. The notice shall be delivered by mail and at the expense of the school district or if applicable, the county board of education.

(f) An election day established pursuant to subdivision (a) shall be prescribed to occur not less than one month, nor more than 12 months, subsequent to the election day prescribed in subdivision (a) of Section 5000 or pursuant to Section 1007, as appropriate. As used in this subdivision, "12 months" means the period from the election day prescribed in subdivision (a) of Section 5000 or pursuant to Section 1007, as appropriate, to the first Tuesday after the first Monday in the 12th month subsequent to that day, inclusive.

(g) In the event that the election day for a school district governing board or county board of education is established pursuant to subdivision (a), the term of office of all then incumbent members of that governing board or county board of education shall be extended accordingly.

(h) (1) If a board of supervisors approves the resolution pursuant to subdivision (d), the school district governing board election shall be conducted on the date specified by the board of supervisors, in accordance with subdivision (a), unless the approval is later rescinded by the board of supervisors.

(2) If the date of a school district governing board election is changed pursuant to this section, at least one election shall be held before the resolution, as approved by the board of supervisors, may be subsequently repealed or amended.

(i) This section shall not apply to the County of San Diego, pursuant to Section 5000.1, and Section 23509.1 of the Elections Code.

SEC. 2. Section 5000.6 is added to the Education Code, to read:

5000.6. A school district in Tehama County or the Tehama County Board of Education, by itself or in concert with other school districts or county boards of education, may purchase or otherwise contribute to the purchase of elections equipment, including, but not limited to, a computer for the purposes of conducting a consolidated election when the equipment shall be owned by Tehama County.

SEC. 3. Section 5010.7 of the Education Code is amended to read:

5010.7. (a) (1) Notwithstanding any other provision of law, a community college district may, by resolution, require that its district governing board member elections be held on the same day as the statewide general election. If a community college district is located in more than one county, the district may not consolidate an election if any county in which the district is located denies the

request for consolidation.

(2) In the event of consolidation, the election of the governing board member or members shall be conducted in accordance with all applicable procedural requirements of the Elections Code pertaining to that statewide general election or municipal election, and shall thereafter occur in consolidation with that election.

(b) (1) The resolution of the community college district governing board shall be adopted and submitted to the board of supervisors, for purposes of subdivision (a), no later than 240 days prior to the date of the currently scheduled election for the governing board members of the community college district.

(2) The final date for the submission of the resolution by the community college district governing board to the board of supervisors is not subject to waiver.

(c) The board of supervisors shall notify all community college districts located in the county of the receipts of the resolution to consolidate and shall request input from each district on the effect of consolidation.

(d) (1) 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.

Prior to the adoption of a resolution to either approve or deny a consolidation request, the board or boards of supervisors shall each obtain from the elections official a report on the cost effectiveness of the proposed action.

(2) 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.

(e) (1) Within 30 days after the approval of the resolution by the board of supervisors, the elections official shall notify all registered voters of the districts affected by the consolidation of the approval of the resolution by the board of supervisors.

(2) The notice required by subdivision (e) shall be delivered by mail and at the expense of the community college district.

(f) An election day established pursuant to subdivision (a) shall be prescribed to occur not less than one month, nor more than 12 months, subsequent to the election day prescribed in subdivision (a) of Section 5000. As used in this subdivision, "12 months" means the period from the election day prescribed in subdivision (a) of Section 5000 to the first Tuesday after the first Monday in the 12th month subsequent to that day, inclusive.

(g) If, pursuant to subdivision (a), a district governing board member election is held on the same day as a statewide general election, those district governing board members whose four-year terms of office would have, prior to the adoption of the resolution, expired prior to that election shall, instead, continue in their offices until successors are elected and qualified.

(h) (1) If a board of supervisors approves the resolution pursuant

to subdivision (d), the school district governing board election shall be conducted on the date specified by the board of supervisors, in accordance with subdivision (a), unless the approval is later rescinded by the board of supervisors.

(2) If the date of a district governing board member election is changed pursuant to this section, at least one election shall be held before the resolution, as approved by the board of supervisors, may be subsequently repealed or amended.

(i) This section shall not apply to the County of San Diego, pursuant to Section 5000.1, and Section 23509.1 of the Elections Code.

SEC. 4. Section 23302.1 of the Elections Code is amended 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.

(1) 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.

(2) 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.

(c) 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.

(d) The elections official shall prepare and transmit to the board of supervisors an impact analysis of the proposed consolidation.

(e) 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. Prior to the adoption of a resolution to either approve or deny a consolidation request, the board or boards of supervisors shall each obtain from the elections official a report on the cost effectiveness of the proposed action.

(f) Within 30 days after the approval of the resolution, the elections official shall notify all registered voters of the districts affected by the consolidation of the approval of the resolution by the board of supervisors. The notice shall be delivered by mail and at the expense of the district.

(g) 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.

(h) 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.

(i) If, pursuant to subdivision (b), a special district 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 beyond December 31 of the year following the year in which the request for consolidation is approved by the board of supervisors.

(j) If a board of supervisors approves the resolution pursuant to subdivision (e), the special district election shall be conducted on the date specified by the board of supervisors, in accordance with subdivision (a), unless the approval is later rescinded by the board of supervisors.

(k) If the date of a special district election is changed pursuant to this section, at least one election shall be held before the resolution, as approved by the board of supervisors, may be subsequently repealed or amended.

SEC. 5. Section 36503.5 of the Government Code is amended to read:

36503.5. (a) (1) 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 or the day of the statewide general election. 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. Prior to adoption of a resolution to either approve or deny a consolidation request, the board or boards of supervisors shall each obtain from the elections official a report on the cost effectiveness of the proposed action.

(2) A city, by itself or in concert with other cities, may purchase or otherwise contribute to the purchase of elections equipment, including, but not limited to, a computer for the purposes of conducting a consolidated election when the equipment shall be owned by the county.

(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. As used in this subdivision, "12 months" means the period between the day upon which the term of office would otherwise have commenced and the first Tuesday after the second Monday in the 12th month before or after that day, inclusive.

(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, 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.

(g) 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. 6. The Legislature hereby finds and declares that the amendments set forth in Section 4 of this act are declaratory of, and do not constitute a substantive change in, existing law.

SEC. 7. Due to the unique circumstances concerning Tehama County, its school districts, and its county board of education, 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 for purposes of Section 2 of this act.

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.

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:

In order to clarify certain statutory provisions relating to the scheduling of school district and municipal elections without undue delay, which provisions took effect on January 1, 1987, it is necessary that this act take effect immediately.

CHAPTER 85

An act to make an appropriation in augmentation of Items 1970-301-036, 1970-301-890, 9840-001-001, 9840-001-494, and 9840-001-988 of Section 2.00 of the Budget Act of 1986, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 30, 1987. Filed with Secretary of State June 30, 1987.]

I am deleting the following appropriation included in the General Fund appropriation contained in Assembly Bill No. 533:

Department of Health Services, Medically Indigent Services Program (MISP) $25,000,000

The MISP block grant program has been completed for the year at the level funded in the Budget Act and through a subsequent augmentation conformed in legislation. With this deletion, I approve Assembly Bill No. 533.

GEORGE DEUKMEJIAN, Governor

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

SECTION 1. (a) The sum of seventy-two million fifty-seven thousand dollars ($72,057,000) is hereby appropriated in accordance with the following schedule:

(1) Notwithstanding any other provision of law, the sum of three hundred one thousand dollars ($301,000) is hereby reappropriated to the Department of Veterans' Affairs for the Veterans' Home of California without regard to fiscal year from the unencumbered balance of category (8) of Item 1970-301-036 of Section 2.00 of the Budget Act of 1984.

(2) Five hundred thirty-one thousand dollars ($531,000) to the Department of Veterans' Affairs for the Veterans' Home of California, in augmentation of, and for the purposes of, Item 1970-301-036 of Section 2.00 of the Budget Act of 1986, as follows:

(A) Two hundred seventy-one thousand dollars ($271,000) for remodeling of Hospital Wards 1, 2, and 3A.

(B) Two hundred sixty thousand dollars ($260,000) for modifications to the storm drain system.

(3) Five hundred three thousand dollars ($503,000) to the Department of Veterans' Affairs for the Veterans' Home of California in augmentation of, and for the purposes of, Item 1970-301-890 of Section 2.00 of the Budget Act of 1986, for remodeling of Hospital Wards 1, 2, and 3A.

(4) Seventy million seven hundred twenty-two thousand dollars ($70,722,000) for expenditure in the 1986–87 fiscal year 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 Section 2.00 of the Budget Act of 1986, in accordance with the following schedule:

(A) Sixty-nine million eight hundred forty-nine thousand dollars ($69,849,000) from the General Fund to the Reserve for Contingencies or Emergencies in Item 9840-001-001.

(B) Twenty-seven thousand dollars ($27,000) from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(C) Eight hundred forty-six thousand dollars ($846,000) from unallocated nongovernmental cost funds to the Reserve for Contingencies or Emergencies in Item 9840-001-988.

(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) On or before December 15, 1987, the Superintendent of Public Instruction shall report to the Director of Finance the actual annual local revenues received by county offices of education and school districts for the county office of education, K-12 district revenue limit, and special education apportionments for the 1986–87 fiscal year.

(b) At the first principal apportionment of the 1987–88 fiscal year, the Superintendent of Public Instruction shall report to the Director of Finance and the State Controller the amounts by which the actual 1986–87 local revenues received by county offices of education for revenue limit purposes, by county offices of education for special education programs, and by school districts for revenue limit purposes, reported at the 1986–87 annual apportionment, exceed the amounts of local revenues received by county offices of education and school districts, as reported at the 1986–87 second principal apportionment. The State Controller shall transfer these amounts, as adjusted pursuant to subdivision (c), from the funds appropriated in Items 6100-101-001, 6100-106-001, and 6100-161-001 of the Budget Act of 1987 to the unappropriated balance of the General Fund.

(c) The local revenue increases specified in subdivision (b) may be adjusted by the net amounts of any adjustments made to county office of education and district revenue limits and to special education entitlements, pursuant to Section 41341 of the Education Code, between the 1986–87 second principal apportionment and the 1986–87 annual apportionment.

SEC. 3. None of the funds appropriated or reappropriated in Section 1 to the Department of Veterans' Affairs shall be encumbered until sufficient funds in the Special Account for Capital Outlay have become available through the reversion of savings from projects previously funded from the account pursuant to Section 16351.5 of the Government Code. Before these funds may be encumbered, the Director of Finance shall notify the chairpersons of the Joint Legislative Budget Committee and of the legislative fiscal committees of the sources and the amounts of the savings.

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 86

An act to amend Sections 93, 94, 2016, 2017, 2019, 2020, 2023, 2024, 2025, 2026, 2027, 2028, 2030, 2031, 2032, 2033, 2033.5, 2034, 2035, and 2036 of, and to repeal and add Section 2018 of, the Code of Civil Procedure, relating to discovery, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 93 of the Code of Civil Procedure is amended to read:

93. (a) The plaintiff has the option to serve case questionnaires with the complaint, using forms approved by the Judicial Council. The questionnaires served shall include a completed copy of the plaintiff's completed case questionnaire, and a blank copy of the defendant's case questionnaire.

(b) Any defendant upon whom a case questionnaire is served shall serve a completed defendant's case questionnaire upon the requesting plaintiff with the answer.

(c) The case questionnaire shall be designed to elicit fundamental information about each party's case, including names and addresses of all witnesses with knowledge of any relevant facts, a list of all documents relevant to the case, a statement of the nature and amount of damages, and information covering insurance coverages, injuries and treating physicians. The Judicial Council shall design and develop forms for case questionnaires.

(d) Approved forms shall be made available by the clerk of the court.

(e) If a party on whom a case questionnaire has been served under subdivision (a) or (b) fails to serve a timely or a complete response to that questionnaire, the party serving the questionnaire may move for an order compelling a response or a further response and for a monetary sanction under Section 2023. If a party then fails to obey an order compelling a response or a further response, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

SEC. 1.3. Section 94 of the Code of Civil Procedure is amended to read:

94. Discovery is permitted only to the extent provided by this section and Section 95. This discovery shall comply with the notice

and format requirements of the particular method of discovery, as provided in Article 3 (commencing with Section 2016) of Chapter 3 of Title 4 of Part 4. As to each adverse party, a party may use the following forms of discovery:

(a) Any combination of 35 of the following:

(1) Interrogatories (with no subparts) under Section 2030.

(2) Demands to produce documents or things under Section 2031.

(3) Requests for admission (with no subparts) under Section 2033.

(b) One oral or written deposition under Sections 2025 to 2028, inclusive.

(c) Any party may serve on any person a deposition subpoena duces tecum requiring the person served to mail copies of documents, books or records to the party's counsel at a specified address, along with an affidavit complying with Section 1561 of the Evidence Code.

The party who issued the deposition subpoena shall mail a copy of the response to any other party who tenders the reasonable cost of copying it.

(d) Physical and mental examinations under Section 2032.

(e) The identity of expert witnesses under Section 2034.

SEC. 1.8. Section 2016 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2016. (a) This article may be cited as the Civil Discovery Act of 1986.

(b) As used in this article:

(1) "Action" includes a civil action and a special proceeding of a civil nature.

(2) "Court" means the trial court in which the action is pending, unless otherwise specified.

(3) "Document" and "writing" mean a writing as defined in Section 250 of the Evidence Code.

(c) This article applies to discovery in aid of enforcement of a money judgment only to the extent provided in Article 1 (commencing with Section 708.010) of Chapter 6 of Title 9 of Part 2.

SEC. 2. Section 2017 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2017. (a) Unless otherwise limited by order of the court in accordance with this article, any party may obtain discovery regarding any matter, not privileged, that is relevant to the subject matter involved in the pending action or to the determination of any motion made in that action, if the matter either is itself admissible in evidence or appears reasonably calculated to lead to the discovery of admissible evidence. Discovery may relate to the claim or defense of the party seeking discovery or of any other party to the action. Discovery may be obtained of the identity and location of persons having knowledge of any discoverable matter, as well as of the existence, description, nature, custody, condition, and location of any document, tangible thing, or land or other property.

(b) A party may obtain discovery of the existence and contents of any agreement under which any insurance carrier may be liable to satisfy in whole or in part a judgment that may be entered in the action or to indemnify or reimburse for payments made to satisfy the judgment. This discovery may include the identity of the carrier and the nature and limits of the coverage. A party may also obtain discovery as to whether that insurance carrier is disputing the agreement's coverage of the claim involved in the action, but not as to the nature and substance of that dispute. Information concerning the insurance agreement is not by reason of disclosure admissible in evidence at trial.

(3) "Document" and "writing" mean a writing as defined in Section 250 of the Evidence Code.

(c) The court shall limit the scope of discovery if it determines that the burden, expense, or intrusiveness of that discovery clearly outweighs the likelihood that the information sought will lead to the discovery of admissible evidence. The court may make this determination pursuant to a motion for protective order by a party or other affected person. This motion shall be accompanied by a declaration stating facts showing a good faith attempt at an informal resolution of each issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(d) In any civil action alleging conduct that constitutes sexual harassment, sexual assault, or sexual battery, any party seeking discovery concerning the plaintiff's sexual conduct with individuals other than the alleged perpetrator is required to establish specific facts showing good cause for that discovery, and that the matter sought to be discovered is relevant to the subject matter of the action and reasonably calculated to lead to the discovery of admissible evidence. This showing shall be made by noticed motion and shall not be made or considered by the court at an ex parte hearing. This motion shall be accompanied by a declaration stating facts showing a good faith attempt at an informal resolution of each issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for discovery, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

SEC. 3. Section 2018 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is repealed.

SEC. 3.5. Section 2018 is added to the Code of Civil Procedure, to read:

2018. (a) It is the policy of the state to: (1) preserve the rights of attorneys to prepare cases for trial with that degree of privacy

necessary to encourage them to prepare their cases thoroughly and to investigate not only the favorable but the unfavorable aspects of those cases; and (2) to prevent attorneys from taking undue advantage of their adversary's industry and efforts.

(b) Subject to subdivision (c), the work product of an attorney is not discoverable unless the court determines that denial of discovery will unfairly prejudice the party seeking discovery in preparing that party's claim or defense or will result in an injustice.

(c) Any writing that reflects an attorney's impressions, conclusions, opinions, or legal research or theories shall not be discoverable under any circumstances.

(d) This section is intended to be a restatement of existing law relating to protection of work product. It is not intended to expand or reduce the extent to which work product is discoverable under existing law in any action.

SEC. 4. Section 2019 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2019. (a) Any party may obtain discovery by one or more of the following methods:

(1) Oral and written depositions.

(2) Interrogatories to a party.

(3) Inspections of documents, things, and places.

(4) Physical and mental examinations.

(5) Requests for admissions.

(6) Simultaneous exchanges of expert trial witness information.

(b) The court shall restrict the frequency or extent of use of these discovery methods if it determines either of the following:

(1) The discovery sought is unreasonably cumulative or duplicative, or is obtainable from some other source that is more convenient, less burdensome, or less expensive.

(2) The selected method of discovery is unduly burdensome or expensive, taking into account the needs of the case, the amount in controversy, and the importance of the issues at stake in the litigation.

The court may make those determinations pursuant to a motion for a protective order by a party or other affected person. This motion shall be accompanied by a declaration stating facts showing a good faith attempt at an informal resolution of each issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(c) Unless there is a rule of the Judicial Council, or a local court rule or local uniform written policy to the contrary, the methods of discovery may be used in any sequence, and the fact that a party is conducting discovery, whether by deposition or another method, shall not operate to delay the discovery of any other party. However,

on motion and for good cause shown, the court may establish the sequence and timing of discovery for the convenience of parties and witnesses and in the interests of justice.

(d) In any action alleging the misappropriation of a trade secret under the Uniform Trade Secrets Act (Title 5 (commencing with Section 3426) of Part 1 of Division 4 of the Civil Code), before commencing discovery relating to the trade secret, the party alleging the misappropriation shall identify the trade secret with reasonable particularity subject to any orders that may be appropriate under Section 3426.5 of the Civil Code.

(e) The provisions of subdivision (a) of Section 1013 relating to extensions of time where service is made by mail shall be applicable to any discovery method or motion in this article.

SEC. 5. Section 2020 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2020. (a) The method for obtaining discovery within the state from one who is not a party to the action is an oral deposition under Section 2025, a written deposition under Section 2028, or a deposition for production of business records and things under subdivisions (d) and (e). Except as provided in paragraph (1) of subdivision (h) of Section 2025, the process by which a nonparty is required to provide discovery is a deposition subpoena. The deposition subpoena may command any of the following:

(1) Only the attendance and the testimony of the deponent, under subdivision (c).

(2) Only the production of business records for copying, under subdivision (d).

(3) Both the attendance and the testimony of the deponent, as well as the production of business records, other documents, and tangible things, under subdivision (e).

Except as modified in this section, the provisions of Chapter 2 (commencing with Section 1985), and of Article 4 (commencing with Section 1560) of Chapter 2 of Division 11 of the Evidence Code, apply to a deposition subpoena.

(b) The clerk of the court in which the action is pending shall issue a deposition subpoena signed and sealed, but otherwise in blank, to a party requesting it, who shall fill it in before service. In lieu of the court-issued deposition subpoena, an attorney of record for any party may sign and issue a deposition subpoena; the deposition subpoena in that case need not be sealed.

(c) A deposition subpoena that commands only the attendance and the testimony of the deponent shall specify the time when and the place where the deponent is commanded to attend for the deposition. It shall set forth a summary of (1) the nature of a deposition, (2) the rights and duties of the deponent, and (3) the penalties for disobedience of a deposition subpoena described in subdivision (h). If the deposition will be recorded by video tape under paragraph (2) of subdivision (*l*) of Section 2025, the deposition subpoena shall state that it will be recorded in that

manner. If the deponent is an organization, the deposition subpoena shall describe with reasonable particularity the matters on which examination is requested, and shall advise that organization of its duty to make the designation of employees or agents who will attend described in subdivision (d) of Section 2025.

(d) (1) A deposition subpoena that commands only the production of business records for copying shall designate the business records to be produced either by specifically describing each individual item or by reasonably particularizing each category of item. This deposition subpoena need not be accompanied by an affidavit or declaration showing good cause for the production of the business records designated in it. It shall be directed to the custodian of those records or another person qualified to certify the records. It shall command compliance in accordance with paragraph (4) on a date that is no earlier than 20 days after the issuance, or 15 days after the service, of the deposition subpoena, whichever date is later.

(2) If, under Section 1985.3, the one to whom the deposition subpoena is directed is a witness, and the business records described in the deposition subpoena are personal records pertaining to a consumer, the service of the deposition subpoena shall be accompanied either by a copy of the proof of service of the notice to the consumer described in subdivision (e) of Section 1985.3, or by the consumer's written authorization to release personal records described in paragraph (2) of subdivision (c) of Section 1985.3.

(3) The officer for a deposition seeking discovery only of business records for copying under this subdivision shall be a professional photocopier registered under Chapter 20 (commencing with Section 22450) of Division 8 of the Business and Professions Code, or a person exempted from the registration requirements of that chapter under Section 22451 of the Business and Professions Code. This deposition officer shall not be financially interested in the action, or a relative or employee of any attorney of the parties. Any objection to the qualifications of the deposition officer is waived unless made before the date of production or as soon thereafter as the ground for that objection becomes known or could be discovered by reasonable diligence.

(4) Unless directed to make the records available for inspection or copying by the subpoenaing party's attorney or a representative of that attorney at the witness' business address under subdivision (e) of Section 1560 of the Evidence Code, the custodian of the records or other qualified person shall, in person, by messenger, or by mail, deliver only to the deposition officer specified in the deposition subpoena (1) a true, legible, and durable copy of the records, and (2) an affidavit in compliance with Section 1561 of the Evidence Code. If this delivery is made to the office of the deposition officer, the records shall be enclosed, sealed, and directed as described in subdivision (c) of Section 1560 of the Evidence Code. If this delivery is made at the office of the business whose records are the subject of the deposition subpoena, the custodian of those records or other

qualified person may (1) permit the deposition officer specified in the deposition subpoena to make a copy of the originals of the designated business records, or (2) deliver to that deposition officer a true, legible, and durable copy of the records on receipt of payment in cash or by check, by or on behalf of the party serving the deposition subpoena, of the reasonable costs of preparing that copy as determined under subdivision (b) of Section 1563 of the Evidence Code. This copy need not be delivered in a sealed envelope.

(5) Promptly after the receipt or the making of a copy of business records under this subdivision, the deposition officer shall provide that copy to the party at whose instance the deposition subpoena was served, and a copy of those records to any other party to the action who then or subsequently notifies the deposition officer that the party desires to purchase a copy of those records.

(6) The provisions of Section 1562 of the Evidence Code concerning the admissibility of the affidavit of the custodian or other qualified person apply to a deposition subpoena served under this subdivision.

(e) A deposition subpoena that commands both the attendance and the testimony of the deponent, as well as the production of business records, documents, and tangible things, shall (1) comply with the requirements of subdivision (c), (2) designate the business records, documents, and tangible things to be produced either by specifically describing each individual item or by reasonably particularizing each category of item, and (3) specify any testing or sampling that is being sought. This deposition subpoena need not be accompanied by an affidavit or declaration showing good cause for the production of the documents and things designated.

Where, as described in Section 1985.3, the person to whom the deposition subpoena is directed is a witness, and the business records described in the deposition subpoena are personal records pertaining to a consumer, the service of the deposition subpoena shall be accompanied either by a copy of the proof of service of the notice to the consumer described in subdivision (e) of Section 1985.3, or by the consumer's written authorization to release personal records described in paragraph (2) of subdivision (c) of Section 1985.3.

(f) Subject to paragraph (1) of subdivision (d), service of a deposition subpoena shall be effected a sufficient time in advance of the deposition to provide the deponent a reasonable opportunity to locate and produce any designated business records, documents, and tangible things, and, where personal attendance is commanded, a reasonable time to travel to the place of deposition. Any person may serve the subpoena by personal delivery of a copy of it (1) if the deponent is a natural person, to that person, and (2) if the deponent is an organization, to any officer, director, custodian of records, or to any agent or employee authorized by the organization to accept service of a subpoena.

If a deposition subpoena requires the personal attendance of the

deponent, under subdivision (c) or (e), the party noticing the deposition shall pay to the deponent in cash or by check the same witness fee and mileage required by Chapter 1 (commencing with Section 68070) of Title 8 of the Government Code for attendance and testimony before the court in which the action is pending. This payment, whether or not demanded by the deponent, shall be made, at the option of the party noticing the deposition, either at the time of service of the deposition subpoena, or at the time the deponent attends for the taking of testimony.

Service of a deposition subpoena that does not require the personal attendance of a custodian of records or other qualified person, under subdivision (d), shall be accompanied, whether or not demanded by the deponent, by a payment in cash or by check of the witness fee required by paragraph (6) of subdivision (b) of Section 1563 of the Evidence Code.

(g) Personal service of any deposition subpoena is effective to require of any deponent who is a resident of California at the time of service (1) personal attendance and testimony, if the subpoena so specifies, (2) any specified production, inspection, testing, and sampling, and (3) the deponent's attendance at a court session to consider any issue arising out of the deponent's refusal to be sworn, or to answer any question, or to produce specified items, or to permit inspection or specified testing and sampling of the items produced.

(h) A deponent who disobeys a deposition subpoena in any manner described in subdivision (g) may be punished for contempt under Section 2023 without the necessity of a prior order of court directing compliance by the witness, and is subject to the forfeiture and the payment of damages set forth in Section 1992.

SEC. 6. Section 2023 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2023. (a) Misuses of the discovery process include, but are not limited to, the following:

(1) Persisting, over objection and without substantial justification, in an attempt to obtain information or materials that are outside the scope of permissible discovery.

(2) Using a discovery method in a manner that does not comply with its specified procedures.

(3) Employing a discovery method in a manner or to an extent that causes unwarranted annoyance, embarrassment, or oppression, or undue burden and expense.

(4) Failing to respond or to submit to an authorized method of discovery.

(5) Making, without substantial justification, an unmeritorous objection to discovery.

(6) Making an evasive response to discovery.

(7) Disobeying a court order to provide discovery.

(8) Making or opposing, unsuccessfully and without substantial justification, a motion to compel or to limit discovery.

(9) Failing to confer in person, by telephone, or by letter with an

opposing party or attorney in a reasonable and good faith attempt to resolve informally any dispute concerning discovery, if the section governing a particular discovery motion requires the filing of a declaration stating facts showing that such an attempt has been made. Notwithstanding the outcome of the particular discovery motion, the court shall impose a monetary sanction ordering that any party or attorney who fails to confer as required pay the reasonable expenses, including attorney's fees, incurred by anyone as a result of that conduct.

(b) To the extent authorized by the section governing any particular discovery method or any other provision of this article, the court, after notice to any affected party, person, or attorney, and after opportunity for hearing, may impose the following sanctions against anyone engaging in conduct that is a misuse of the discovery process.

(1) The court may impose a monetary sanction ordering that one engaging in the misuse of the discovery process, or any attorney advising that conduct, or both pay the reasonable expenses, including attorney's fees, incurred by anyone as a result of that conduct. The court may also impose this sanction on one unsuccessfully asserting that another has engaged in the misuse of the discovery process, or on any attorney who advised that assertion, or on both. If a monetary sanction is authorized by any provision of this article, the court shall impose that sanction unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(2) The court may impose an issue sanction ordering that designated facts shall be taken as established in the action in accordance with the claim of the party adversely affected by the misuse of the discovery process. The court may also impose an issue sanction by an order prohibiting any party engaging in the misuse of the discovery process from supporting or opposing designated claims or defenses.

(3) The court may impose an evidence sanction by an order prohibiting any party engaging in the misuse of the discovery process from introducing designated matters in evidence.

(4) The court may impose a terminating sanction by one of the following orders:

(A) An order striking out the pleadings or parts of the pleadings of any party engaging in the misuse of the discovery process.

(B) An order staying further proceedings by that party until an order for discovery is obeyed.

(C) An order dismissing the action, or any part of the action, of that party.

(D) An order rendering a judgment by default against that party.

(5) The court may impose a contempt sanction by an order treating the misuse of the discovery process as a contempt of court.

(c) A request for a sanction shall, in the notice of motion, identify every person, party, and attorney against whom the sanction is

sought, and specify the type of sanction sought. The notice of motion shall be supported by a memorandum of points and authorities, and accompanied by a declaration setting forth facts supporting the amount of any monetary sanction sought.

SEC. 7. Section 2024 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2024. (a) Except as otherwise provided in this section, any party shall be entitled as a matter of right to complete discovery proceedings on or before the 30th day, and to have motions concerning discovery heard on or before the 15th day, before the date initially set for the trial of the action. As used in this section, discovery is considered completed on the day a response is due or on the day a deposition begins. Except as provided in subdivision (e), a continuance or postponement of the trial date does not operate to reopen discovery proceedings.

(b) The time limit on completing discovery in an action to be arbitrated under Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 is subject to Judicial Council Rule. After an award in a case ordered to judicial arbitration, completion of discovery is limited by Section 1141.24.

(c) This section does not apply to (1) summary proceedings for obtaining possession of real property governed by Chapter 4 (commencing with Section 1159) of Title 3 of Part 3, or (2) eminent domain proceedings governed by Title 7 (commencing with Section 1230.010) of Part 3.

(d) Any party shall be entitled as a matter of right to complete discovery proceedings pertaining to a witness identified under Section 2034 on or before the 15th day, and to have motions concerning that discovery heard on or before the 10th day, before the date initially set for the trial of the action.

(e) On motion of any party, the court may grant leave to complete discovery proceedings, or to have a motion concerning discovery heard, closer to the initial trial date, or to reopen discovery after a new trial date has been set. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

In exercising its discretion to grant or deny this motion, the court shall take into consideration any matter relevant to the leave requested, including, but not limited to, the following:

(1) The necessity and the reasons for the discovery.

(2) The diligence or lack of diligence of the party seeking the discovery or the hearing of a discovery motion, and the reasons that the discovery was not completed or that the discovery motion was not heard earlier.

(3) Any likelihood that permitting the discovery or hearing the discovery motion will prevent the case from going to trial on the date set, or otherwise interfere with the trial calendar, or result in prejudice to any other party.

(4) The length of time that has elapsed between any date previously set, and the date presently set, for the trial of the action.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to extend or to reopen discovery, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(f) Parties to the action may, with the consent of any party affected by it, enter into an agreement to extend the time for the completion of discovery proceedings or for the hearing of motions concerning discovery, or to reopen discovery after a new date for trial of the action has been set. This agreement may be informal, but it shall be confirmed in a writing that specifies the extended date. In no event shall this agreement require a court to grant a continuance or postponement of the trial of the action.

SEC. 8. Section 2025 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2025. (a) Any party may obtain discovery within the scope delimited by Section 2017, and subject to the restrictions set forth in Section 2019, by taking in California the oral deposition of any person, including any party to the action. The person deposed may be a natural person, an organization such as a public or private corporation, a partnership, an association, or a governmental agency.

(b) Subject to the provisions of subdivisions (f) and (t), an oral deposition may be taken as follows:

(1) The defendant may serve a deposition notice without leave of court at any time after that defendant has been served or has appeared in the action, whichever occurs first.

(2) The plaintiff may serve a deposition notice without leave of court on any date that is 20 days after the service of the summons on, or appearance by, any defendant. However, on motion with or without notice, the court, for good cause shown, may grant to a plaintiff leave to serve a deposition notice on an earlier date.

(c) A party desiring to take the oral deposition of any person shall give notice in writing in the manner set forth in subdivision (d). However, where under subdivision (d) of Section 2020 only the production by a nonparty of business records for copying is desired, a copy of the deposition subpoena shall serve as the notice of deposition. The notice of deposition shall be given to every other party who has appeared in the action. The deposition notice, or the accompanying proof of service, shall list all the parties or attorneys for parties on whom it is served.

Where, as defined in subdivision (a) of Section 1985.3, the party giving notice of the deposition is a subpoenaing party, and the deponent is a witness commanded by a deposition subpoena to produce personal records of a consumer, the subpoenaing party shall serve on that consumer (1) a notice of the deposition, (2) the notice of privacy rights specified in subdivision (e) of Section 1985.3, and (3) a copy of the deposition subpoena.

(d) The deposition notice shall state all of the following:

(1) The address where the deposition will be taken.

(2) The date of the deposition, selected under subdivision (f), and the time it will commence.

(3) The name of each deponent, and the address and telephone number, if known, of any deponent who is not a party to the action. If the name of the deponent is not known, the deposition notice shall set forth instead a general description sufficient to identify the person or particular class to which the person belongs.

(4) The specification with reasonable particularity of any materials or category of materials to be produced by the deponent.

(5) Any intention to record the testimony by audio tape or video tape, in addition to recording the testimony by the stenographic method as required by paragraph (1) of subdivision (*l*).

(6) Any intention to reserve the right to use at trial a video tape deposition of a treating or consulting physician or of any expert witness under paragraph (4) of subdivision (u). In this event, the operator of the video tape camera shall be a person who is authorized to administer an oath, and shall not be financially interested in the action or be a relative or employee of any attorney of any of the parties.

If the deponent named is not a natural person, the deposition notice shall describe with reasonable particularity the matters on which examination is requested. In that event, the deponent shall designate and produce at the deposition those of its officers, directors, managing agents, employees, or agents who are most qualified to testify on its behalf as to those matters to the extent of any information known or reasonably available to the deponent. A deposition subpoena shall advise a nonparty deponent of its duty to make this designation, and shall describe with reasonable particularity the matters on which examination is requested.

If the attendance of the deponent is to be compelled by service of a deposition subpoena under Section 2020, an identical copy of that subpoena shall be served with the deposition notice.

(e) (1) The deposition of a natural person, whether or not a party to the action, shall be taken at a place that is, at the option of the party giving notice of the deposition, either within 75 miles of the deponent's residence, or within the county where the action is pending and within 150 miles of the deponent's residence, unless the court orders otherwise under paragraph (3).

(2) The deposition of an organization that is a party to the action shall be taken at a place that is, at the option of the party giving notice of the deposition, either within 75 miles of the organization's principal executive or business office in California, or within the county where the action is pending and within 150 miles of that office. The deposition of any other organization shall be taken within 75 miles of the organization's principal executive or business office in California, unless the organization consents to a more distant place. If the organization has not designated a principal executive or

business office, the deposition shall be taken at a place that is, at the option of the party giving notice of the deposition, either within the county where the action is pending, or within 75 miles of any executive or business office of the organization in California.

(3) A party desiring to take the deposition of a natural person who is a party to the action or an officer, director, managing agent, or employee of a party may make a motion for an order that the deponent attend for deposition at a place that is more distant than that permitted under paragraph (1). This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of any issue presented by the motion.

In exercising its discretion to grant or deny this motion, the court shall take into consideration any factor tending to show whether the interests of justice will be served by requiring the deponent's attendance at that more distant place, including, but not limited to, the following:

(A) Whether the moving party selected the forum.

(B) Whether the deponent will be present to testify at the trial of the action.

(C) The convenience of the deponent.

(D) The feasibility of conducting the deposition by written questions under Section 2028, or of using a discovery method other than a deposition.

(E) The number of depositions sought to be taken at a place more distant than that permitted under paragraph (1).

(F) The expense to the parties of requiring the deposition to be taken within the distance permitted under paragraph (1).

(G) The whereabouts of the deponent at the time for which the deposition is scheduled.

The order may be conditioned on the advancement by the moving party of the reasonable expenses and costs to the deponent for travel to the place of deposition.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsucessfully makes or opposes a motion to increase travel limits for party-deponent, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(f) An oral deposition shall be scheduled for a date at least 10 days after service of the deposition notice. If, as defined in subdivision (a) of Section 1985.3, the party giving notice of the deposition is a subpoenaing party, and the deponent is a witness commanded by a deposition subpoena to produce personal records of a consumer, the deposition shall be scheduled for a date at least 20 days after issuance of that subpoena.

On motion of any party or deponent, for good cause shown, the court may shorten or extend the time for scheduling a deposition, or may stay its taking until the determination of a motion for a

protective order under subdivision (i).

(g) Any party served with a deposition notice that does not comply with subdivisions (b) to (f), inclusive, waives any error or irregularity unless that party promptly, and in no event less than three calendar days before the date for which the deposition is scheduled, serves a written objection specifying that error or irregularity on the party seeking to take the deposition and any other attorney or party on whom the deposition notice was served. If an objection is made three calendar days before the deposition date, the objecting party shall make personal service of that objection pursuant to Section 1011 on the party who gave notice of the deposition. Any deposition taken after the service of a written objection shall not be used against the objecting party under subdivision (u) if the party did not attend the deposition and if the court determines that the objection was a valid one.

In addition to serving this written objection, a party may also move for an order staying the taking of the deposition and quashing the deposition notice. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of any issue presented by the motion. The taking of the deposition is stayed pending the determination of this motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to quash a deposition notice, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(h) (1) The service of a deposition notice under subdivision (c) is effective to require any deponent who is a party to the action or an officer, director, managing agent, or employee of a party to attend and to testify, as well as to produce any document or tangible thing for inspection and copying.

(2) The attendance and testimony of any other deponent, as well as the production by the deponent of any document or tangible thing for inspection and copying, requires the service on the deponent of a deposition subpoena under Section 2020.

(i) Before, during, or after a deposition, any party, any deponent, or any other affected natural person or organization may promptly move for a protective order. The motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court, for good cause shown, may make any order that justice requires to protect any party, deponent, or other natural person or organization from unwarranted annoyance, embarrassment, or oppression, or undue burden and expense. This protective order may include, but is not limited to, one or more of the following directions:

(1) That the deposition not be taken at all.

(2) That the deposition be taken at a different time.

(3) That a video tape deposition of a treating or consulting physician or of any expert witness, intended for possible use at trial

under paragraph (4) of subdivision (u), be postponed until the moving party has had an adequate opportunity to prepare, by discovery deposition of the deponent, or other means, for cross-examination.

(4) That the deposition be taken at a place other than that specified in the deposition notice, if it is within a distance permitted by subdivision (e).

(5) That the deposition be taken only on certain specified terms and conditions.

(6) That the deponent's testimony be taken by written, instead of oral, examination.

(7) That the method of discovery be interrogatories to a party instead of an oral deposition.

(8) That the testimony be recorded in a manner different from that specified in the deposition notice.

(9) That certain matters not be inquired into.

(10) That the scope of the examination be limited to certain matters.

(11) That all or certain of the writings or tangible things designated in the deposition notice not be produced, inspected, or copied.

(12) That designated persons, other than the parties to the action and their officers and counsel, be excluded from attending the deposition.

(13) That a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only to specified persons or only in a specified way.

(14) That the parties simultaneously file specified documents enclosed in sealed envelopes to be opened as directed by the court.

(15) That the deposition be sealed and thereafter opened only on order of the court.

If the motion for a protective order is denied in whole or in part, the court may order that the deponent provide or permit the discovery against which protection was sought on those terms and conditions that are just.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(j) (1) If the party giving notice of a deposition fails to attend or proceed with it, the court shall impose a monetary sanction under Section 2023 against that party, or the attorney for that party, or both, and in favor of any party attending in person or by attorney, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(2) If a deponent does not appear for a deposition because the party giving notice of the deposition failed to serve a required

deposition subpoena, the court shall impose a monetary sanction under Section 2023 against that party, or the attorney for that party, or both, in favor of any other party who, in person or by attorney, attended at the time and place specified in the deposition notice in the expectation that the deponent's testimony would be taken, unless the court finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a deponent on whom a deposition subpoena has been served fails to attend a deposition or refuses to be sworn as a witness, the court may impose on the deponent the sanctions described in subdivision (h) of Section 2020.

(3) If, after service of a deposition notice, a party to the action or an officer, director, managing agent, or employee of a party, or a person designated by an organization that is a party under subdivision (d), without having served a valid objection under subdivision (g), fails to appear for examination, or to proceed with it, or to produce for inspection any document or tangible thing described in the deposition notice, the party giving the notice may move for an order compelling the deponent's attendance and testimony, and the production for inspection of any document or tangible thing described in the deposition notice. This motion (A) shall set forth specific facts showing good cause justifying the production for inspection of any document or tangible thing described in the deposition notice, and (B) shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by it. If this motion is granted, the court shall also impose a monetary sanction under Section 2023 against the deponent or the party with whom the deponent is affiliated, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust. On motion of any other party who, in person or by attorney, attended at the time and place specified in the deposition notice in the expectation that the deponent's testimony would be taken, the court shall also impose a monetary sanction under Section 2023, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If that party or party-affiliated deponent then fails to obey an order compelling attendance, testimony, and production, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023 against that party deponent or against the party with whom the deponent is affiliated. In lieu of or in addition to this sanction, the court may impose a monetary sanction under Section 2023 against that deponent or against the party with whom that party deponent is affiliated, and in favor of any party who, in person or by attorney, attended in the expectation that the deponent's testimony would be taken pursuant to that order.

(k) Except as provided in paragraph (3) of subdivision (d) of Section 2020, the deposition shall be conducted under the supervision of an officer who is authorized to administer an oath. This officer shall not be financially interested in the action and shall not be a relative or employee of any attorney of any of the parties. Any objection to the qualifications of the deposition officer is waived unless made before the deposition begins or as soon thereafter as the ground for that objection becomes known or could be discovered by reasonable diligence.

(*l*) (1) The deposition officer shall put the deponent under oath. Unless the parties agree or the court orders otherwise, the testimony, as well as any stated objections, shall be taken stenographically. The party noticing the deposition may also record the testimony by audio tape or video tape if the notice of deposition stated an intention also to record the testimony by either of those methods, or if all the parties agree that the testimony may also be recorded by either of those methods. Any other party, at that party's expense, may make a simultaneous audio tape or video tape record of the deposition, provided that other party promptly, and in no event less than three calendar days before the date for which the deposition is scheduled, serves a written notice of this intention to audio tape or video tape the deposition testimony on the party or attorney who noticed the deposition, on all other parties or attorneys on whom the deposition notice was served under subdivision (c), and on any deponent whose attendance is being compelled by a deposition subpoena under Section 2020. If this notice is given three calendar days before the deposition date, it shall be made by personal service under Section 1011. Examination and cross-examination of the deponent shall proceed as permitted at trial under the provisions of the Evidence Code.

(2) If the deposition is being recorded by means of audio tape or video tape, the following procedure shall be observed:

(A) The area used for recording the deponent's oral testimony shall be suitably large, adequately lighted, and reasonably quiet.

(B) The operator of the recording equipment shall be competent to set up, operate, and monitor the equipment in the manner prescribed in this subdivision. The operator may be an employee of the attorney taking the deposition unless the operator is also the deposition officer. However, if a video tape of deposition testimony is to be used under paragraph (4) of subdivision (u), the operator of the recording equipment shall be a person who is authorized to administer an oath, and shall not be financially interested in the action or be a relative or employee of any attorney of any of the parties, unless all parties attending the deposition agree on the record to waive these qualifications and restrictions.

(C) The operator shall not distort the appearance or the demeanor of participants in the deposition by the use of camera or sound recording techniques.

(D) The deposition shall begin with an oral or written statement

on camera or on the audio tape that includes the operator's name and business address, the name and business address of the operator's employer, the date, time, and place of the deposition, the caption of the case, the name of the deponent, a specification of the party on whose behalf the deposition is being taken, and any stipulations by the parties.

(E) Counsel for the parties shall identify themselves on camera or on the audio tape.

(F) The oath shall be administered to the deponent on camera or on the audio tape.

(G) If the length of a deposition requires the use of more than one unit of tape, the end of each unit and the beginning of each succeeding unit shall be announced on camera or on the audio tape.

(H) At the conclusion of a deposition, a statement shall be made on camera or on the audio tape that the deposition is ended and shall set forth any stipulations made by counsel concerning the custody of the audio tape or video tape recording and the exhibits, or concerning other pertinent matters.

(I) A party intending to offer an audio taped or video taped recording of a deposition in evidence under subdivision (u) shall notify the court and all parties in writing of that intent and of the parts of the deposition to be offered within sufficient time for objections to be made and ruled on by the judge to whom the case is assigned for trial or hearing , and for any editing of the tape. Objections to all or part of the deposition shall be made in writing . The court may permit further designations of testimony and objections as justice may require. With respect to those portions of an audio taped or video taped deposition that are not designated by any party or that are ruled to be objectionable, the court may order that the party offering the recording of the deposition at the trial or hearing suppress those portions, or that an edited version of the deposition tape be prepared for use at the trial or hearing. The original audio tape or video tape of the deposition shall be preserved unaltered. If no stenographic record of the deposition testimony has previously been made, the party offering a video tape or an audio tape recording of that testimony under subdivision (u) shall accompany that offer with a stenographic transcript prepared from that recording.

(3) In lieu of participating in the oral examination, parties may transmit written questions in a sealed envelope to the party taking the deposition for delivery to the deposition officer, who shall unseal the envelope and propound them to the deponent after the oral examination has been completed.

(m) (1) The protection of information from discovery on the ground that it is privileged or that it is protected work product under Section 2018 is waived unless a specific objection to its disclosure is timely made during the deposition.

(2) Errors and irregularities of any kind occurring at the oral examination that might be cured if promptly presented are waived

unless a specific objection to them is timely made during the deposition. These errors and irregularities include, but are not limited to, those relating to the manner of taking the deposition, to the oath or affirmation administered, to the conduct of a party, attorney, deponent, or deposition officer, or to the form of any question or answer. Unless the objecting party demands that the taking of the deposition be suspended to permit a motion for a protective order under subdivision (n), the deposition shall proceed subject to the objection.

(3) Objections to the competency of the deponent, or to the relevancy, materiality, or admissibility at trial of the testimony or of the materials produced are unnecessary and are not waived by failure to make them before or during the deposition.

(4) If a deponent fails to answer any question or to produce any document or tangible thing under the deponent's control that is specified in the deposition notice or a deposition subpoena, the party seeking that answer or production may adjourn the deposition or complete the examination on other matters without waiving the right at a later time to move for an order compelling that answer or production under subdivision (o).

(n) On demand of any party or the deponent, the deposition officer shall suspend the taking of testimony to enable that party or deponent to move for a protective order on the ground that the examination is being conducted in bad faith or in a manner that unreasonably annoys, embarrasses, or oppresses that deponent or party. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion. The court, for good cause shown, may terminate the examination or may limit the scope and manner of taking the deposition as provided in subdivision (i). If the order terminates the examination, the deposition shall not thereafter be resumed, except on order of the court.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for this protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(o) If a deponent fails to answer any question or to produce any document or tangible thing under the deponent's control that is specified in the deposition notice or a deposition subpoena, the party seeking discovery may move the court for an order compelling that answer or production. This motion shall be made no later than 60 days after the completion of the record of the deposition, and shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion. Notice of this motion shall be given to all parties, and to the deponent either orally at the examination, or by subsequent service in writing. If the notice of the motion is given orally, the deposition officer shall direct the deponent to attend a

session of the court at the time specified in the notice. Not less than five days prior to the hearing on this motion, the moving party shall lodge with the court a certified copy of any parts of the stenographic transcript of the deposition that are relevant to the motion. If a deposition is recorded by audio tape or video tape, the moving party is required to lodge a certified copy of a transcript of any parts of the deposition that are relevant to the motion. If the court determines that the answer or production sought is subject to discovery, it shall order that the answer be given or the production be made on the resumption of the deposition.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel answer or production, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a deponent fails to obey an order entered under this subdivision, the failure may be considered a contempt of court. In addition, if the disobedient deponent is a party to the action or an officer, director, managing agent, or employee of a party, the court may make those orders that are just against the disobedient party, or against the party with whom the disobedient deponent is affiliated, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to this sanction, the court may impose a monetary sanction under Section 2023 against that party deponent or against any party with whom the deponent is affiliated.

(p) Unless the parties agree otherwise, the testimony at any deposition recorded by stenographic means shall be transcribed. The party noticing the deposition shall bear the cost of that transcription, unless the court, on motion and for good cause shown, orders that the cost be borne or shared by another party. Any other party, at that party's expense, may obtain a copy of the transcript. At the request of any other party to the action, including a party who did not attend the taking of the deposition testimony, any party who records or causes the recording of that testimony by means of audio tape or video tape shall promptly (1) permit that other party to hear the audio tape or to view the video tape, and (2) furnish a copy of the audio tape or video tape to that other party on receipt of payment of the reasonable cost of making that copy of the tape.

If the testimony at the deposition is recorded both stenographically, and by audio tape or video tape, the stenographic transcript is the official record of that testimony for the purpose of the trial and any subsequent hearing or appeal.

(q) (1) If the deposition testimony is stenographically recorded, the deposition officer shall send written notice to the deponent and to all parties attending the deposition that the original transcript of the testimony is available for reading and signing, unless the deponent and all these parties agree on the record to waive the reading and signing of the transcript of the testimony. For 30 days

following this notice the deponent, either in person or by a signed letter to the deposition officer, may change the form or the substance of the answer to any question, and may either approve the transcript of the deposition by signing it, or refuse to approve the transcript by not signing it. For good cause shown the court may shorten this time.

The deposition officer shall indicate on the original any action taken by the deponent, or the failure of the deponent to contact the officer within the allotted period. When a deponent fails to contact the officer within the allotted period, or expressly disapproves the accuracy of the transcript by refusing to sign it, the deposition shall be given the same effect as though signed. However, on a seasonable motion to suppress the deposition, accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion, the court may determine that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to suppress a deposition, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(2) If there is no stenographic transcription of the deposition, the deposition officer shall send written notice to the deponent and to all parties attending the deposition that the recording is available for review, unless the deponent and all these parties agree on the record to waive the hearing or viewing of an audio tape or video tape recording of the testimony. For 30 days following this notice the deponent, either in person or by signed letter to the deposition officer, may change the substance of the answer to any question.

The deposition officer shall set forth in a writing to accompany the recording any changes made by the deponent, as well as either the deponent's signature identifying the deposition as his or her own, or a statement of the deponent's failure to supply such signature, or to contact the officer within the allotted period. When a deponent fails to contact the officer within the allotted period, or expressly refuses by a signature to identify the deposition as his or her own, the deposition shall be given the same effect as though signed. However, on a seasonable motion to suppress the deposition, accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion, the court may determine that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to suppress a deposition, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(r) The deposition officer shall certify on the transcript of the deposition, or in the writing accompanying an audio taped or video

taped deposition as described in paragraph (2) of subdivision (q), that the deponent was duly sworn and that the transcript or recording is a true record of the testimony given and of any changes made by the deponent.

(s) (1) The certified transcript of a deposition shall not be filed with the court. Instead, the deposition officer shall securely seal that transcript in an envelope or package endorsed with the title of the action and marked: "Deposition of (here insert name of deponent)", and shall promptly transmit it to the attorney for the party who noticed the deposition. This attorney shall store it under conditions that will protect it against loss, destruction, or tampering.

The attorney to whom the transcript of a deposition is transmitted shall retain custody of it until six months after final disposition of the action. At that time, the transcript may be destroyed, unless the court, on motion of any party and for good cause shown, orders that the transcript be preserved for a longer period.

(2) An audio tape or video tape record of deposition testimony, including a certified tape made by an operator qualified under subparagraph (B) of paragraph (2) of subdivision (*l*), shall not be filed with the court. Instead, the operator shall retain custody of that record and shall store it under conditions that will protect it against loss, destruction, or tampering, and preserve as far as practicable the quality of the tape and the integrity of the testimony and images it contains.

At the request of any party to the action, including a party who did not attend the taking of the deposition testimony, or at the request of the deponent, that operator shall promptly (A) permit the one making the request to hear or to view the tape on receipt of payment of a reasonable charge for providing the facilities for hearing or viewing the tape, and (B) furnish a copy of the audio tape or the video tape recording to the one making the request on receipt of payment of the reasonable cost of making that copy of the tape.

The attorney or operator who has custody of an audio tape or video tape record of deposition testimony shall retain custody of it until six months after final disposition of the action. At that time, the audio tape or video tape may be destroyed or erased, unless the court, on motion of any party and for good cause shown, orders that the tape be preserved for a longer period.

(t) Once any party has taken the deposition of any natural person, including that of a party to the action, neither the party who gave, nor any other party who received, notice of the deposition may take a subsequent deposition of that deponent. However, for good cause shown, the court may grant leave to take a subsequent deposition, and the parties, with the consent of any deponent who is not a party, may stipulate that a subsequent deposition be taken. This subdivision does not preclude taking one subsequent deposition of a natural person who has previously been examined as a result of that person's designation to testify on behalf of an organization under subdivision (d).

(u) At the trial or any other hearing in the action, any part or all of a deposition may be used against any party who was present or represented at the taking of the deposition, or who had due notice of the deposition and did not serve a valid objection under subdivision (g), so far as admissible under the rules of evidence applied as though the deponent were then present and testifying as a witness, in accordance with the following provisions:

(1) Any party may use a deposition for the purpose of contradicting or impeaching the testimony of the deponent as a witness, or for any other purpose permitted by the Evidence Code.

(2) An adverse party may use for any purpose, a deposition of a party to the action, or of anyone who at the time of taking the deposition was an officer, director, managing agent, employee, agent, or designee under subdivision (d) of a party. It is not ground for objection to the use of a deposition of a party under this paragraph by an adverse party that the deponent is available to testify, has testified, or will testify at the trial or other hearing.

(3) Any party may use for any purpose the deposition of any person or organization, including that of any party to the action, if the court finds any of the following:

(A) The deponent resides more than 150 miles from the place of the trial or other hearing.

(B) The deponent, without the procurement or wrongdoing of the proponent of the deposition for the purpose of preventing testimony in open court, is (i) exempted or precluded on the ground of privilege from testifying concerning the matter to which the deponent's testimony is relevant, (ii) disqualified from testifying, (iii) dead or unable to attend or testify because of existing physical or mental illness or infirmity, (iv) absent from the trial or other hearing and the court is unable to compel the deponent's attendance by its process, or (v) absent from the trial or other hearing and the proponent of the deposition has exercised reasonable diligence but has been unable to procure the deponent's attendance by the court's process.

(C) Exceptional circumstances exist that make it desirable to allow the use of any deposition in the interests of justice and with due regard to the importance of presenting the testimony of witnesses orally in open court.

(4) Any party may use a video tape deposition of a treating or consulting physician or of any expert witness even though the deponent is available to testify if the deposition notice under subdivision (d) reserved the right to use the deposition at trial, and if that party has complied with subparagraph (I) of paragraph (2) of subdivision (*l*).

(5) Subject to the requirements of this section, a party may offer in evidence all or any part of a deposition, and if the party introduces only part of the deposition, any party may introduce any other parts.

(6) Substitution of parties does not affect the right to use depositions previously taken.

(7) When an action has been brought in any court of the United States or of any state, and another action involving the same subject matter is subsequently brought between the same parties or their representatives or successors in interest, all depositions lawfully taken and duly filed in the initial action may be used in the subsequent action as if originally taken in that subsequent action. A deposition previously taken may also be used as permitted by the Evidence Code.

SEC. 9. Section 2026 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2026. (a) Any party may obtain discovery by taking an oral deposition, as described in subdivision (a) of Section 2025, in another state of the United States, or in a territory or an insular possession subject to its jurisdiction. Except as modified in this section, the procedures for taking oral depositions in California set forth in Section 2025 apply to an oral deposition taken in another state of the United States, or in a territory or an insular possession subject to its jurisdiction.

(b) (1) If a deponent is a party to the action or an officer, director, managing agent, or employee of a party, the service of the deposition notice is effective to compel that deponent to attend and to testify, as well as to produce any document or tangible thing for inspection and copying. The deposition notice shall specify a place in the state, territory, or insular possession of the United States that is within 75 miles of the residence or a business office of a deponent.

(2) If the deponent is not a party to the action or an officer, director, managing agent, or employee of a party, a party serving a deposition notice under this section shall use any process and procedures required and available under the laws of the state, territory, or insular possession where the deposition is to be taken to compel the deponent to attend and to testify, as well as to produce any document or tangible thing for inspection, copying, and any related activity.

(c) A deposition taken under this section shall be conducted (1) under the supervision of a person who is authorized to administer oaths by the laws of the United States or those of the place where the examination is to be held, and who is not otherwise disqualified under subdivision (k) of Section 2025, or (2) before a person appointed by the court. This appointment is effective to authorize that person to administer oaths and to take testimony. When necessary or convenient, the court shall issue a commission on such terms and with such directions as are just and appropriate.

SEC. 10. Section 2027 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2027. (a) Any party may obtain discovery by taking an oral deposition, as described in subdivision (a) of Section 2025, in a foreign nation. Except as modified in this section, the procedures for taking oral depositions in California set forth in Section 2025 apply to an oral deposition taken in a foreign nation.

(b) (1) If a deponent is a party to the action or an officer, director, managing agent, or employee of a party, the service of the deposition notice is effective to compel the deponent to attend and to testify, as well as to produce any document or tangible thing for inspection and copying.

(2) If a deponent is not a party to the action or an officer, director, managing agent or employee of a party, a party serving a deposition notice under this section shall use any process and procedures required and available under the laws of the foreign nation where the deposition is to be taken to compel the deponent to attend and to testify, as well as to produce any document or tangible thing for inspection, copying, and any related activity.

(c) A deposition taken under this section shall be conducted (1) under the supervision of a person who is authorized to administer oaths or their equivalent by the laws of the United States or of the foreign nation, and who is not otherwise disqualified under subdivision (k) of Section 2025, or (2) a person or officer appointed by commission or under letters rogatory; or (3) any person agreed to by all the parties.

On motion of the party seeking to take an oral deposition in a foreign nation, the court in which the action is pending shall issue a commission, letters rogatory, or a letter of request, if it determines that one is necessary or convenient. The commission, letters rogatory, or letter of request may include any terms and directions that are just and appropriate. The deposition officer may be designated by name or by descriptive title in the deposition notice and in the commission. Letters rogatory or a letter of request may be addressed: "To the Appropriate Judicial Authority in [name of foreign nation]."

SEC. 11. Section 2028 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2028. (a) Any party may obtain discovery by taking a deposition by written questions instead of by oral examination. Except as modified in this section, the procedures for taking oral depositions set forth in Sections 2025, 2026, and 2027 apply to written depositions.

(b) The notice of a written deposition shall comply with subdivision (d) of Section 2025, except that (1) the name or descriptive title, as well as the address, of the deposition officer shall be stated, and (2) the date, time, and place for commencement of the deposition may be left to future determination by the deposition officer.

(c) The questions to be propounded to the deponent by direct examination shall accompany the notice of a written deposition.

Within 30 days after the deposition notice and questions are served, a party shall serve any cross questions on all other parties entitled to notice of the deposition.

Within 15 days after being served with cross questions, a party shall serve any redirect questions on all other parties entitled to notice of the deposition.

Within 15 days after being served with redirect questions, a party shall serve any recross questions on all other parties entitled to notice of the deposition.

The court may, for good cause shown, extend or shorten the time periods for the interchange of cross, redirect, and recross questions.

(d) (1) A party who objects to the form of any question shall serve a specific objection to that question on all parties entitled to notice of the deposition within 15 days after service of the question. A party who fails to timely serve an objection to the form of a question waives it. The objecting party shall promptly move the court to sustain the objection. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the objection and motion. Unless the court has sustained that objection, the deposition officer shall propound to the deponent that question subject to that objection as to its form.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to sustain an objection, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(2) A party who objects to any question on the ground that it calls for information that is privileged or is protected work product under Section 2018 shall serve a specific objection to that question on all parties entitled to notice of the deposition within 15 days after service of the question. A party who fails to timely serve that objection waives it. The party propounding any question to which an objection is made on those grounds may then move the court for an order overruling that objection. This motion shall be accompanied by a declaration stating facts constituting a reasonable and good faith attempt at an informal resolution of each issue presented by the objection and motion. The deposition officer shall not propound to the deponent any question to which a written objection on those grounds has been served unless the court has overruled that objection.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to overrule an objection, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(e) The party taking a written deposition may forward to the deponent a copy of the questions on direct examination for study prior to the deposition. No party or attorney shall permit the deponent to preview the form or the substance of any cross, redirect, or recross questions.

(f) In addition to any appropriate order listed in subdivision (i) of Section 2025, the court may order any of the following:

(1) That the deponent's testimony be taken by oral, instead of written, examination.

(2) That one or more of the parties receiving notice of the written deposition be permitted to attend in person or by attorney and to propound questions to the deponent by oral examination.

(3) That objections under subdivision (d) be sustained or overruled.

(4) That the deposition be taken before an officer other than the one named or described in the deposition notice.

(g) The party taking the deposition shall deliver to the officer designated in the deposition notice a copy of that notice and of all questions served under subdivision (c). The deposition officer shall proceed promptly to propound the questions and to take and record the testimony of the deponent in response to the questions.

SEC. 12. Section 2030 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2030. (a) Any party may obtain discovery within the scope delimited by Section 2017, and subject to the restrictions set forth in Section 2019, by propounding to any other party to the action written interrogatories to be answered under oath.

(b) A defendant may propound interrogatories to a party to the action without leave of court at any time. A plaintiff may propound interrogatories to a party without leave of court at any time that is 10 days after the service of the summons on, or appearance by, that party, whichever occurs first. However, on motion with or without notice, the court, for good cause shown, may grant leave to a plaintiff to propound interrogatories at an earlier time.

(c) (1) A party may propound to another party (1) 35 specially prepared interrogatories, and (2) any additional number of official form interrogatories, as described in Section 2033.5, that are relevant to the subject matter of the pending action. Except as provided in paragraph (8), no party shall, as a matter of right, propound to any other party more than 35 specially prepared interrogatories. If the initial set of interrogatories does not exhaust this limit, the balance may be propounded in subsequent sets. Unless a declaration as described in paragraph (3) has been made, a party need only respond to the first 35 specially prepared interrogatories served, if that party states an objection to the balance, under paragraph 3 of subdivision (f), on the ground that the limit has been exceeded.

(2) Subject to the right of the responding party to seek a protective order under subdivision (e), any party who attaches a supporting declaration as described in paragraph (3) may propound a greater number of specially prepared interrogatories to another party if this greater number is warranted because of any of the following:

(A) The complexity or the quantity of the existing and potential issues in the particular case.

(B) The financial burden on a party entailed in conducting the discovery by oral deposition.

(C) The expedience of using this method of discovery to provide to the responding party the opportunity to conduct an inquiry,

investigation, or search of files or records to supply the information sought.

If the responding party seeks a protective order on the ground that the number of specially prepared interrogatories is unwarranted, the propounding party shall have the burden of justifying the number of these interrogatories.

(3) Any party who is propounding or has propounded more than 35 specially prepared interrogatories to any other party shall attach to each set of those interrogatories a declaration containing substantially the following:

DECLARATION FOR ADDITIONAL DISCOVERY

I, _____, declare:

1. I am (a party to this action or proceeding appearing in propria persona) (presently the attorney for _____, a party to this action or proceeding).

2. I am propounding to _____ the attached set of interrogatories.

3. This set of interrogatories will cause the total number of specially prepared interrogatories propounded to the party to whom they are directed to exceed the number of specially prepared interrogatories permitted by paragraph (1) of subdivision (c) of Section 2030 of the Code of Civil Procedure.

4. I have previously propounded a total of _____ interrogatories to this party, of which _____ interrogatories were not official form interrogatories.

5. This set of interrogatories contains a total of _____ specially prepared interrogatories.

6. I am familiar with the issues and the previous discovery conducted by all of the parties in the case.

7. I have personally examined each of the questions in this set of interrogatories.

8. This number of questions is warranted under paragraph (2) of subdivision (c) of Section 2030 of the Code of Civil Procedure because _____. (Here state each factor described in paragraph (2) of subdivision (c) that is relied on, as well as the reasons why any factor relied on is applicable to the instant lawsuit.)

9. None of the questions in this set of interrogatories is being propounded for any improper purpose, such as to harass the party, or the attorney for the party, to whom it is directed, or to cause unnecessary delay or needless increase in the cost of litigation.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct, and that this declaration was executed on _____.

(Signature)

Attorney for _____

(4) A party propounding interrogatories shall number each set of interrogatories consecutively. In the first paragraph immediately below the title of the case, there shall appear the identity of the propounding party, the set number, and the identity of the responding party. Each interrogatory in a set shall be separately set forth and identified by number or letter.

(5) Each interrogatory shall be full and complete in and of itself. No preface or instruction shall be included with a set of interrogatories unless it has been approved under Section 2033.5. Any term specially defined in a set of interrogatories shall be typed with all letters capitalized wherever that term appears. No specially prepared interrogatory shall contain subparts, or a compound, conjunctive, or disjunctive question.

(6) An interrogatory may relate to whether another party is making a certain contention, or to the facts, witnesses, and writings on which a contention is based. An interrogatory is not objectionable because an answer to it involves an opinion or contention that relates to fact or the application of law to fact, or would be based on information obtained or legal theories developed in anticipation of litigation or in preparation for trial.

(7) An interrogatory may not be made a continuing one so as to impose on the party responding to it a duty to supplement an answer to it that was initially correct and complete with later acquired information.

(8) In addition to the number of interrogatories permitted by paragraphs (1) and (2), a party may propound a supplemental interrogatory to elicit any later acquired information bearing on all answers previously made by any party in response to interrogatories (1) twice prior to the initial setting of a trial date, and (2) subject to the time limits on discovery proceedings and motions provided in Section 2024, once after the initial setting of a trial date. However, on motion, for good cause shown, the court may grant leave to a party to propound an additional number of supplemental interrogatories.

(d) The party propounding interrogatories shall serve a copy of them (1) on the party to whom they are directed, and (2) on all other parties who have appeared in the action, unless the court on motion with or without notice has relieved that party from this requirement on its determination that service on all other parties would be unduly expensive or burdensome.

(e) When interrogatories have been propounded, the responding party, and any other party or affected natural person or organization may promptly move for a protective order. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented

by the motion.

The court, for good cause shown, may make any order that justice requires to protect any party or other natural person or organization from unwarranted annoyance, embarrassment, or oppression, or undue burden and expense. This protective order may include, but is not limited to, one or more of the following directions:

(1) That the set of interrogatories, or particular interrogatories in the set, need not be answered.

(2) That, contrary to the representations made in a declaration submitted under paragraph (3) of subdivision (c), the number of specially prepared interrogatories is unwarranted.

(3) That the time specified in subdivision (h) to respond to the set of interrogatories, or to particular interrogatories in the set, be extended.

(4) That the response be made only on specified terms and conditions.

(5) That the method of discovery be an oral deposition instead of interrogatories to a party.

(6) That a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a certain way.

(7) That some or all of the answers to interrogatories be sealed and thereafter opened only on order of the court.

If the motion for a protective order is denied in whole or in part, the court may order that the party provide or permit the discovery against which protection was sought on terms and conditions that are just.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances made the imposition of the sanction unjust.

(f) The party to whom interrogatories have been propounded shall respond in writing under oath separately to each interrogatory by (1) an answer containing the information sought to be discovered, (2) an exercise of the party's option to produce writings, or (3) an objection to the particular interrogatory. In the first paragraph of the response immediately below the title of the case, there shall appear the identity of the responding party, the set number, and the identity of the propounding party. Each answer, exercise of option, or objection in the response shall bear the same identifying number or letter and be in the same sequence as the corresponding interrogatory, but the text of that interrogatory need not be repeated.

(1) Each answer in the response shall be as complete and straightforward as the information reasonably available to the responding party permits. If an interrogatory cannot be answered completely, it shall be answered to the extent possible. If the responding party does not have personal knowledge sufficient to

respond fully to an interrogatory, that party shall so state, but shall make a reasonable and good faith effort to obtain the information by inquiry to other natural persons or organizations, except where the information is equally available to the propounding party.

(2) If the answer to an interrogatory would necessitate the preparation or the making of a compilation, abstract, audit, or summary of or from the documents of the party to whom the interrogatory is directed, and if the burden or expense of preparing or making it would be substantially the same for the party propounding the interrogatory as for the responding party, it is a sufficient answer to that interrogatory to refer to this subdivision and to specify the writings from which the answer may be derived or ascertained. This specification shall be in sufficient detail to permit the propounding party to locate and to identify, as readily as the responding party can, the documents from which the answer may be ascertained. The responding party shall then afford to the propounding party a reasonable opportunity to examine, audit, or inspect these documents and to make copies, compilations, abstracts, or summaries of them.

(3) If only a part of an interrogatory is objectionable, the remainder of the interrogatory shall be answered. If an objection is made to an interrogatory or to a part of an interrogatory, the specific ground for the objection shall be set forth clearly in the response. If an objection is based on a claim of privilege, the particular privilege invoked shall be clearly stated. If an objection is based on a claim that the information sought is protected work product under Section 2018, that claim shall be expressly asserted.

(g) The party to whom the interrogatories are directed shall sign the response under oath unless the response contains only objections. If that party is a public or private corporation, or a partnership, association, or governmental agency, one of its officers or agents shall sign the response under oath on behalf of that party. If the officer or agent signing the response on behalf of that party is an attorney acting in that capacity for the party, that party waives any lawyer-client privilege and any protection for work product under Section 2018 during any subsequent discovery from that attorney concerning the identity of the sources of the information contained in the response. The attorney for the responding party shall sign any responses that contain an objection.

(h) Within 30 days after service of interrogatories, the party to whom the interrogatories are propounded shall serve the original of the response to them on the propounding party, unless on motion of the propounding party the court has shortened the time for response, or unless on motion of the responding party the court has extended the time for response. The party to whom the interrogatories are propounded shall also serve a copy of the response on all other parties who have appeared in the action, unless the court on motion with or without notice has relieved that party from this requirement on its determination that service on all other parties would be unduly

expensive or burdensome.

(i) The party propounding interrogatories and the responding party may agree to extend the time for service of a response to a set of interrogatories, or to particular interrogatories in a set, to a date beyond that provided in subdivision (h). This agreement may be informal, but it shall be confirmed in a writing that specifies the extended date for service of a response. Unless this agreement expressly states otherwise, it is effective to preserve to the responding party the right to respond to any interrogatory to which the agreement applies in any manner specified in subdivision (f).

(j) The interrogatories and the response thereto shall not be filed with the court. The propounding party shall retain both the original of the interrogatories, with the original proof of service affixed to them, and the original of the sworn response until six months after final disposition of the action. At that time, both originals may be destroyed, unless the court on motion of any party and for good cause shown orders that the originals be preserved for a longer period.

(k) If a party to whom interrogatories have been directed fails to serve a timely response, that party waives any right to exercise the option to produce writings under subdivision (f), as well as any objection to the interrogatories, including one based on privilege or on the protection for work product under Section 2018. However, the court, on motion, may relieve that party from this waiver on its determination that (1) the party has subsequently served a response that is in substantial compliance with subdivision (f), and (2) the party's failure to serve a timely response was the result of mistake, inadvertence, or excusable neglect.

The party propounding the interrogatories may move for an order compelling response to the interrogatories. The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel a response to interrogatories, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust. If a party then fails to obey an order compelling answers, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

(*l*) If the propounding party, on receipt of a response to interrogatories, deems that (1) an answer to a particular interrogatory is evasive or incomplete, (2) an exercise of the option to produce documents under paragraph (2) of subdivision (f) is unwarranted or the required specification of those documents is inadequate, or (3) an objection to an interrogatory is without merit or too general, that party may move for an order compelling a further response. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

Unless notice of this motion is given within 45 days of the service of the response, or on or before any specific later date to which the propounding party and the responding party have agreed in writing, the propounding party waives any right to compel a further response to the interrogatories.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel a further response to interrogatories, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling further response to interrogatories, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

(m) Without leave of court, a party may serve an amended answer to any interrogatory that contains information subsequently discovered, inadvertently omitted, or mistakenly stated in the initial interrogatory. At the trial of the action, the propounding party or any other party may use the initial answer under subdivision (n), and the responding party may then use the amended answer.

The party who propounded an interrogatory to which an amended answer has been served may move for an order that the initial answer to that interrogatory be deemed binding on the responding party for the purpose of the pending action. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion. The court shall grant this motion if it determines that (1) the initial failure of the responding party to answer the interrogatory correctly has substantially prejudiced the party who propounded the interrogatory, (2) the responding party has failed to show substantial justification for the initial answer to that interrogatory, and (3) the prejudice to the propounding party cannot be cured either by a continuance to permit further discovery or by the use of the initial answer under subdivision (n).

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to deem binding an initial answer to an interrogatory, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(n) At the trial or any other hearing in the action, so far as admissible under the rules of evidence, the propounding party or any party other than the responding party may use any answer or part of an answer to an interrogatory only against the responding party. It is not ground for objection to the use of an answer to an interrogatory that the responding party is available to testify, has

testified, or will testify at the trial or other hearing.

SEC. 13. Section 2031 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2031. (a) Any party may obtain discovery within the scope delimited by Section 2017, and subject to the restrictions set forth in Section 2019, by inspecting documents, tangible things, and land or other property that are in the possession, custody, or control of any other party to the action.

(1) A party may demand that any other party produce and permit the party making the demand, or someone acting on that party's behalf, to inspect and to copy a document that is in the possession, custody, or control of the party on whom the demand is made.

(2) A party may demand that any other party produce and permit the party making the demand, or someone acting on that party's behalf, to inspect and to photograph, test, or sample any tangible things that are in the possession, custody, or control of the party on whom the demand is made.

(3) A party may demand that any other party allow the party making the demand, or someone acting on that party's behalf, to enter on any land or other property that is in the possession, custody, or control of the party on whom the demand is made, and to inspect and to measure, survey, photograph, test, or sample the land or other property, or any designated object or operation on it.

(b) A defendant may make a demand for inspection without leave of court at any time. A plaintiff may make a demand for inspection without leave of court at any time that is 10 days after the service of the summons on, or appearance by, the party to whom the demand is directed, whichever occurs first. However, on motion with or without notice, the court, for good cause shown, may grant leave to a plaintiff to make an inspection demand at an earlier time.

(c) A party demanding an inspection shall number each set of demands consecutively. In the first paragraph immediately below the title of the case, there shall appear the identity of the demanding party, the set number, and the identity of the responding party. Each demand in a set shall be separately set forth, identified by number or letter, and shall do all of the following:

(1) Designate the documents, tangible things, or land or other property to be inspected either by specifically describing each individual item or by reasonably particularizing each category of item.

(2) Specify a reasonable time for the inspection that is at least 30 days after service of the demand unless the court for good cause shown has granted leave to specify an earlier date.

(3) Specify a reasonable place for making the inspection, copying, and performing any related activity.

(4) Specify any related activity that is being demanded in addition to an inspection and copying, as well as the manner in which that related activity will be performed, and whether that activity will permanently alter or destroy the item involved.

(d) The party demanding an inspection shall serve a copy of the inspection demand on the party to whom it is directed and on all other parties who have appeared in the action.

(e) When an inspection of documents, tangible things or places has been demanded, the party to whom the demand has been directed, and any other party or affected person or organization, may promptly move for a protective order. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court, for good cause shown, may make any order that justice requires to protect any party or other natural person or organization from unwarranted annoyance, embarrassment, or oppression, or undue burden and expense. This protective order may include, but is not limited to, one or more of the following directions:

(1) That all or some of the items or categories of items in the inspection demand need not be produced or made available at all.

(2) That the time specified in subdivision (h) to respond to the set of inspection demands, or to a particular item or category in the set, be extended.

(3) That the place of production be other than that specified in the inspection demand.

(4) That the inspection be made only on specified terms and conditions.

(5) That a trade secret or other confidential research, development, or commercial information not be disclosed, or be disclosed only to specified persons or only in a specified way.

(6) That the items produced be sealed and thereafter opened only on order of the court.

If the motion for a protective order is denied in whole or in part, the court may order that the party to whom the demand was directed provide or permit the discovery against which protection was sought on terms and conditions that are just.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(f) The party to whom an inspection demand has been directed shall respond separately to each item or category of item by a statement that the party will comply with the particular demand for inspection and any related activities, a representation that the party lacks the ability to comply with the demand for inspection of a particular item or category of item, or an objection to the particular demand.

In the first paragraph of the response immediately below the title of the case, there shall appear the identity of the responding party, the set number, and the identity of the demanding party. Each statement of compliance, each representation, and each objection in

the response shall bear the same number and be in the same sequence as the corresponding item or category in the demand, but the text of that item or category need not be repeated.

(1) A statement that the party to whom an inspection demand has been directed will comply with the particular demand shall state that the production, inspection, and related activity demanded will be allowed either in whole or in part, and that all documents or things in the demanded category that are in the possession, custody, or control of that party and to which no objection is being made will be included in the production.

Any documents demanded shall either be produced as they are kept in the usual course of business, or be organized and labeled to correspond with the categories in the demand. If necessary, the responding party at the reasonable expense of the demanding party shall, through detection devices, translate any data compilations included in the demand into reasonably usable form.

(2) A representation of inability to comply with the particular demand for inspection shall affirm that a diligent search and a reasonable inquiry has been made in an effort to comply with that demand. This statement shall also specify whether the inability to comply is because the particular item or category has never existed, has been destroyed, has been lost, misplaced, or stolen, or has never been, or is no longer, in the possession, custody, or control of the responding party. The statement shall set forth the name and address of any natural person or organization known or believed by that party to have possession, custody, or control of that item or category of item.

(3) If only part of an item or category of item in an inspection demand is objectionable, the response shall contain a statement of compliance, or a representation of inability to comply with respect to the remainder of that item or category. If the responding party objects to the demand for inspection of an item or category of item, the response shall (A) identify with particularity any document, tangible thing, or land falling within any category of item in the demand to which an objection is being made, and (B) set forth clearly the extent of, and the specific ground for, the objection. If an objection is based on a claim of privilege, the particular privilege invoked shall be stated. If an objection is based on a claim that the information sought is protected work product under Section 2018, that claim shall be expressly asserted.

(g) The party to whom the demand for inspection is directed shall sign the response under oath unless the response contains only objections. If that party is a public or private corporation or a partnership or association or governmental agency, one of its officers or agents shall sign the response under oath on behalf of that party. If the officer or agent signing the response on behalf of that party is an attorney acting in that capacity for a party, that party waives any lawyer-client privilege and any protection for work product under Section 2018 during any subsequent discovery from that attorney

concerning the identity of the sources of the information contained in the response. The attorney for the responding party shall sign any responses that contain an objection.

(h) Within 20 days after service of an inspection demand, the party to whom the demand is directed shall serve the original of the response to it on the party making the demand, and a copy of the response on all other parties who have appeared in the action, unless on motion of the party making the demand the court has shortened the time for response, or unless on motion of the party to whom the demand has been directed, the court has extended the time for response.

(i) The party demanding an inspection and the responding party may agree to extend the time for service of a response to a set of inspection demands, or to particular items or categories of items in a set, to a date beyond that provided in subdivision (h). This agreement may be informal, but it shall be confirmed in a writing that specifies the extended date for service of a response. Unless this agreement expressly states otherwise, it is effective to preserve to the responding party the right to respond to any item or category of item in the demand to which the agreement applies in any manner specified in subdivision (f).

(j) The inspection demand and the response to it shall not be filed with the court. The party demanding an inspection shall retain both the original of the inspection demand, with the original proof of service affixed to it, and the original of the sworn response until six months after final disposition of the action. At that time, both originals may be destroyed, unless the court, on motion of any party and for good cause shown, orders that the originals be preserved for a longer period.

(k) If a party to whom an inspection demand has been directed fails to serve a timely response to it, that party waives any objection to the demand, including one based on privilege or on the protection for work product under Section 2018. However, the court, on motion, may relieve that party from this waiver on its determination that (1) the party has subsequently served a response that is in substantial compliance with subdivision (f), and (2) the party's failure to serve a timely response was the result of mistake, inadvertence, or excusable neglect.

The party making the demand may move for an order compelling response to the inspection demand. The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel a response to an inspection demand, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust. If a party then fails to obey the order compelling a response, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may

impose a monetary sanction under Section 2023.

(*l*) If the party demanding an inspection, on receipt of a response to an inspection demand, deems that (1) a statement of compliance with the demand is incomplete, (2) a representation of inability to comply is inadequate, incomplete, or evasive, or (3) an objection in the response is without merit or too general, that party may move for an order compelling further response to the demand. This motion (1) shall set forth specific facts showing good cause justifying the discovery sought by the inspection demand, and (2) shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of any issue presented by it.

Unless notice of this motion is given within 45 days of the service of the response, or on or before any specific later date to which the demanding party and the responding party have agreed in writing, the demanding party waives any right to compel a further response to the inspection demand.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel further response to an inspection demand, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party fails to obey an order compelling further response, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

(m) If a party filing a response to a demand for inspection under subdivision (f) thereafter fails to permit the inspection in accordance with that party's statement of compliance, the party demanding the inspection may move for an order compelling compliance.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel compliance with an inspection demand, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling inspection, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

SEC. 14. Section 2032 of the Code of Civil Procedure, as added by Chapter 1336 of the Statutes of 1986, is amended to read:

2032. (a) Any party may obtain discovery, subject to the restrictions set forth in Section 2019, by means of a physical or mental examination of (1) a party to the action, (2) an agent of any party, or (3) a natural person in the custody or under the legal control of

a party, in any action in which the mental or physical condition (including the blood group) of that party or other person is in controversy in the action.

(b) A physical examination conducted under this section shall be performed only by a licensed physician or other appropriate licensed health care practitioner. A mental examination conducted under this section shall be performed only by a licensed physician, or by a licensed clinical psychologist who holds a doctoral degree in psychology and has had at least five years of postgraduate experience in the diagnosis of emotional and mental disorders. Nothing in this section affects tests under the Uniform Act on Blood Tests to Determine Paternity (Chapter 2 (commencing with Section 890) of Division 7 of the Evidence Code).

(c) (1) As used in this subdivision, plaintiff includes a cross-complainant, and defendant includes a cross-defendant.

(2) In any case in which a plaintiff is seeking recovery for personal injuries, any defendant may demand one physical examination of the plaintiff, provided the examination does not include any diagnostic test or procedure that is painful, protracted, or intrusive, and is conducted at a location within 75 miles of the residence of the examinee. A defendant may make this demand without leave of court after that defendant has been served or has appeared in the action, whichever occurs first. This demand shall specify the time, place, manner, conditions, scope, and nature of the examination, as well as the identity and the specialty, if any, of the physician who will perform the examination.

(3) A physical examination demanded under this subdivision shall be scheduled for a date that is at least 30 days after service of the demand for it unless on motion of the party demanding the examination the court has shortened this time.

(4) The defendant shall serve a copy of the demand for this physical examination on the plaintiff and on all other parties who have appeared in the action.

(5) The plaintiff to whom this demand for a physical examination has been directed shall respond to the demand by a written statement that the examinee will comply with the demand as stated, will comply with the demand as specifically modified by the plaintiff, or will refuse, for reasons specified in the response, to submit to the demanded physical examination. Within 20 days after service of the demand the plaintiff to whom the demand is directed shall serve the original of the response to it on the defendant making the demand, and a copy of the response on all other parties who have appeared in the action, unless on motion of the defendant making the demand the court has shortened the time for response, or unless on motion of the plaintiff to whom the demand has been directed, the court has extended the time for response.

(6) If a plaintiff to whom this demand for a physical examination has been directed fails to serve a timely response to it, that plaintiff waives any objection to the demand. However, the court, on motion,

may relieve that plaintiff from this waiver on its determination that (A) the plaintiff has subsequently served a response that is in substantial compliance with paragraph (5), and (B) the plaintiff's failure to serve a timely response was the result of mistake, inadvertence, or excusable neglect.

The defendant may move for an order compelling response and compliance with a demand for a physical examination. The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel response and compliance with a demand for a physical examination, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a plaintiff then fails to obey the order compelling response and compliance, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction the court may impose a monetary sanction under Section 2023.

(7) If a defendant who has demanded a physical examination under this subdivision, on receipt of the plaintiff's response to that demand, deems that any modification of the demand, or any refusal to submit to the physical examination is unwarranted, that defendant may move for an order compelling compliance with the demand. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel compliance with a demand for a physical examination, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(8) The demand for a physical examination and the response to it shall not be filed with the court. The defendant shall retain both the original of the demand, with the original proof of service affixed to it, and the original response until six months after final disposition of the action. At that time, the original may be destroyed, unless the court, on motion of any party and for good cause shown, orders that the originals be preserved for a longer period.

(d) If any party desires to obtain discovery by a physical examination other than that described in subdivision (c), or by a mental examination, the party shall obtain leave of court. The motion for the examination shall specify the time, place, manner, conditions, scope, and nature of the examination, as well as the identity and the specialty, if any, of the person or persons who will perform the examination. The motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt to arrange for the examination by an agreement under subdivision (e). Notice

of the motion shall be served on the person to be examined and on all parties who have appeared in the action.

The court shall grant a motion for a physical or mental examination only for good cause shown. If a party stipulates that (1) no claim is being made for mental and emotional distress over and above that usually associated with the physical injuries claimed, and (2) no expert testimony regarding this usual mental and emotional distress will be presented at trial in support of the claim for damages, a mental examination of a person for whose personal injuries a recovery is being sought shall not be ordered except on a showing of exceptional circumstances. The order granting a physical or mental examination shall specify the person or persons who may perform the examination, and the time, place, manner, diagnostic tests and procedures, conditions, scope, and nature of the examination. If the place of the examination is more than 75 miles from the residence of the person to be examined, the order to submit to it shall be (1) made only on the court's determination that there is good cause for the travel involved, and (2) conditioned on the advancement by the moving party of the reasonable expenses and costs to the examinee for travel to the place of examination.

(e) In lieu of the procedures and restrictions specified in subdivisions (c) and (d), any physical or mental examination may be arranged by, and carried out under, a written agreement of the parties.

(f) If a party required by subdivision (c), (d), or (e) to submit to a physical or mental examination fails to do so, the court, on motion of the party entitled to the examination, may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may, on motion of the party, impose a monetary sanction under Section 2023.

If a party required by subdivision (c), (d), or (e) to produce another for a physical or mental examination fails to do so, the court, on motion of the party entitled to the examination, may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023, unless the party failing to comply demonstrates an inability to produce that person for examination. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

(g) (1) The attorney for the examinee or for a party producing the examinee, or that attorney's representative, shall be permitted to attend and observe any physical examination conducted for discovery purposes, and to record stenographically or by audio tape any words spoken to or by the examinee during any phase of the examination. This observer may monitor the examination, but shall not participate in or disrupt it.

If in the judgment of the observer the examiner becomes abusive to the examinee or undertakes to engage in unauthorized diagnostic

tests and procedures, the observer may suspend it to enable the party being examined or producing the examinee to make a motion for a protective order. If the observer begins to participate in or disrupt the examination, the person conducting the physical examination may suspend the examination to enable the party at whose instance it is being conducted to move for a protective order.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If the examinee submits or authorizes access to X-rays of any area of his or her body for inspection by the examining physician, no additional X-rays of that area may be taken by the examining physician except with consent of the examinee or on order of the court for good cause shown.

(2) The examiner and examinee shall have the right to record a mental examination on audio tape. However, nothing in this article shall be construed to alter, amend, or affect existing case law with respect to the presence of the attorney for the examinee or other persons during the examination by agreement or court order.

(h) If a party submits to, or produces another for, a physical or mental examination in compliance with a demand under subdivision (c), an order of court under subdivision (d), or an agreement under subdivision (e), that party has the option of making a written demand that the party at whose instance the examination was made deliver to the demanding party (1) a copy of a detailed written report setting out the history, examinations, findings, including the results of all tests made, diagnoses, prognoses, and conclusions of the examiner, and (2) a copy of reports of all earlier examinations of the same condition of the examinee made by that or any other examiner. If this option is exercised, a copy of these reports shall be delivered within 30 days after service of the demand, or within 15 days of trial, whichever is earlier. The protection for work product under Section 2018 is waived, both for the examiner's writings and reports and to the taking of the examiner's testimony.

If the party at whose instance the examination was made fails to make a timely delivery of the reports demanded, the demanding party may move for an order compelling their delivery. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of any issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel delivery of medical reports, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling delivery of

demanded medical reports, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to those sanctions, the court may impose a monetary sanction under Section 2023. The court shall exclude at trial the testimony of any examiner whose report has not been provided by a party.

(i) By demanding and obtaining a report of a physical or mental examination under the provisions of subdivision (h), or by taking the deposition of the examiner, other than under subdivision (i) of Section 2034, the party who submitted to, or produced another for, a physical or mental examination waives in the pending action, and in any other action involving the same controversy, any privilege, as well as any protection for work product under Section 2018, that the party or other examinee may have regarding reports and writings as well as the testimony of every other physician, psychologist, or licensed health care practitioner who has examined or may thereafter examine the party or other examinee in respect of the same physical or mental condition.

(j) A party receiving a demand for a report under subdivision (h) is entitled at the time of compliance to receive in exchange a copy of any existing written report of any examination of the same condition by any other physician, psychologist, or licensed health care practitioner. In addition, that party is entitled to receive promptly any later report of any previous or subsequent examination of the same condition, by any physician, psychologist, or licensed health care practitioner.

If a party who has demanded and received delivery of medical reports under subdivision (h) fails to deliver existing or later reports of previous or subsequent examinations, a party who has complied with subdivision (h) may move for an order compelling delivery of medical reports. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel delivery of medical reports, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling delivery of medical reports, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to the sanction, the court may impose a monetary sanction under Section 2023 against that party. The court shall exclude at trial the testimony of any health care practitioner whose report has not been provided by a party ordered to do so by the court.

(k) Nothing in this section shall require the disclosure of the

identity of an expert consulted by an attorney in order to make the certification required in an action for professional negligence under Sections 411.30 and 411.35.

SEC. 15. Section 2033 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2033. (a) Any party may obtain discovery within the scope delimited by Section 2017, and subject to the restrictions set forth in Section 2019, by a written request that any other party to the action admit the genuineness of specified documents, or the truth of specified matters of fact, opinion relating to fact, or application of law to fact. A request for admission may relate to a matter that is in controversy between the parties.

(b) A defendant may make requests for admission by a party without leave of court at any time. A plaintiff may make requests for admission by a party without leave of court at any time that is 10 days after the service of the summons on, or appearance by, that party, whichever occurs first. However, on motion with or without notice, the court, for good cause shown, may grant leave to a plaintiff to make requests for admission at an earlier time.

(c) (1) No party shall request, as a matter of right, that any other party admit more than 35 matters that do not relate to the genuineness of documents. If the initial set of admission requests does not exhaust this limit, the balance may be requested in subsequent sets. Unless a declaration as described in paragraph (3) has been made, a party need only respond to the first 35 admission requests served that do not relate to the genuineness of documents, if that party states an objection to the balance under paragraph (2) of subdivision (f) on the ground that the limit has been exceeded.

The number of requests for admission of the genuineness of documents is not limited except as justice requires to protect the responding party from unwarranted annoyance, embarrassment, oppression, or undue burden and expense.

(2) Subject to the right of the responding party to seek a protective order under subdivision (e), any party who attaches a supporting declaration as described in paragraph (3) may request a greater number of admissions by another party if the greater number is warranted by the complexity or the quantity of the existing and potential issues in the particular case.

If the responding party seeks a protective order on the ground that the number of requests for admission is unwarranted, the propounding party shall have the burden of justifying the number of requests for admission.

(3) Any party who is requesting or who has already requested more than 35 admissions not relating to the genuineness of documents by any other party shall attach to each set of requests for admissions a declaration containing substantially the following words:

DECLARATION FOR ADDITIONAL DISCOVERY

I, _____, declare:

1. I am (a party to this action or proceeding appearing in propria persona) (presently the attorney for _____, a party to this action or proceeding).

2. I am propounding to _____ the attached set of requests for admission.

3. This set of requests for admission will cause the total number of requests propounded to the party to whom they are directed to exceed the number of requests permitted by paragraph (1) of subdivision (c) of Section 2033 of the Code of Civil Procedure.

4. I have previously propounded a total of _____ requests for admission to this party.

5. This set of requests for admission contains a total of _____ requests.

6. I am familiar with the issues and the previous discovery conducted by all of the parties in this case.

7. I have personally examined each of the requests in this set of requests for admission.

8. This number of requests for admission is warranted under paragraph (2) of subdivision (c) of Section 2033 of the Code of Civil Procedure because _____. (Here state the reasons why the complexity or the quantity of issues in the instant lawsuit warrant this number of requests for admission.)

9. None of the requests in this set of requests is being propounded for any improper purpose, such as to harass the party, or the attorney for the party, to whom it is directed, or to cause unnecessary delay or needless increase in the cost of litigation.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct, and that this declaration was executed on _____.

_____

(Signature)

Attorney for _____

(4) A party requesting admissions shall number each set of requests consecutively. In the first paragraph immediately below the title of the case, there shall appear the identity of the party requesting the admissions, the set number, and the identity of the requesting party, the set number, and the identity of the responding party. Each request for admission in a set shall be separately set forth and identified by letter or number.

(5) Each request for admission shall be full and complete in and of itself. No preface or instruction shall be included with a set of admission requests unless it has been approved under Section 2033.5. Any term specially defined in a request for admission shall be typed with all letters capitalized whenever the term appears. No request

for admission shall contain subparts, or a compound, conjunctive, or disjunctive request unless it has been approved under Section 2033.5.

(6) A party requesting an admission of the genuineness of any documents shall attach copies of those documents to the requests, and shall make the original of those documents available for inspection on demand by the party to whom the requests for admission are directed.

(7) No party shall combine in a single document requests for admission with any other method of discovery.

(d) The party requesting admissions shall serve a copy of them on the party to whom they are directed and on all other parties who have appeared in the action.

(e) When requests for admission have been made, the responding party may promptly move for a protective order. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court, for good cause shown, may make any order that justice requires to protect any party from unwarranted annoyance, embarrassment, oppression, or undue burden and expense. This protective order may include, but is not limited to, one or more of the following directions:

(1) That the set of admission requests, or particular requests in the set, need not be answered at all.

(2) That, contrary to the representations made in a declaration submitted under paragraph (3) of subdivision (c), the number of admission requests is unwarranted.

(3) That the time specified in subdivision (h) to respond to the set of admission requests, or to particular requests in the set, be extended.

(4) That a trade secret or other confidential research, development, or commercial information not be admitted or be admitted only in a certain way.

(5) That some or all of the answers to requests for admission be sealed and thereafter opened only on order of the court.

If the motion for a protective order is denied in whole or in part, the court may order that the responding party provide or permit the discovery against which protection was sought on terms and conditions that are just.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(f) The party to whom requests for admission have been directed shall respond in writing under oath separately to each request. Each response shall answer the substance of the requested admission, or set forth an objection to the particular request. In the first paragraph of the response immediately below the title of the case, there shall

appear the identity of the responding party, the set number, and the identity of the requesting party. Each answer or objection in the response shall bear the same identifying number or letter and be in the same sequence as the corresponding request, but the text of the particular request need not be repeated.

(1) Each answer in the response shall be as complete and straightforward as the information reasonably available to the responding party permits. Each answer shall (A) admit so much of the matter involved in the request as is true, either as expressed in the request itself or as reasonably and clearly qualified by the responding party, (B) deny so much of the matter involved in the request as is untrue, and (C) specify so much of the matter involved in the request as to the truth of which the responding party lacks sufficient information or knowledge. If a responding party gives lack of information or knowledge as a reason for a failure to admit all or part of a request for admission, that party shall state in the answer that a reasonable inquiry concerning the matter in the particular request has been made, and that the information known or readily obtainable is insufficient to enable that party to admit the matter.

(2) If only a part of a request for admission is objectionable, the remainder of the request shall be answered. If an objection is made to a request or to a part of a request, the specific ground for the objection shall be set forth clearly in the response. If an objection is based on a claim of privilege, the particular privilege invoked shall be clearly stated. If an objection is based on a claim that the matter as to which an admission is requested is protected work product under Section 2018, that claim shall be expressly asserted.

(g) The party to whom the requests for admission are directed shall sign the response under oath, unless the response contains only objections. If that party is a public or private corporation, or a partnership or association or governmental agency, one of its officers or agents shall sign the response under oath on behalf of that party. If the officer or agent signing the response on behalf of that party is an attorney acting in that capacity for the party, that party waives any lawyer-client privilege and any protection for work product under Section 2018 during any subsequent discovery from that attorney concerning the identity of the sources of the information contained in the response. The attorney for the responding party shall sign any response that contains an objection.

(h) Within 30 days after service of requests for admission, the party to whom the requests are directed shall serve the original of the response to them on the requesting party, and a copy of the response on all other parties who have appeared, unless on motion of the requesting party the court has shortened the time for response, or unless on motion of the responding party the court has extended the time for response.

(i) The party requesting admissions and the responding party may agree to extend the time for service of a response to a set of admission requests, or to particular requests in a set, to a date beyond

that provided in subdivision (h). This agreement may be informal, but it shall be confirmed in a writing that specifies the extended date for service of a response. Unless this agreement expressly states otherwise, it is effective to preserve to the responding party the right to respond to any request for admission to which the agreement applies in any manner specified in subdivision (f). Notice of this agreement shall be given by the responding party to all other parties who were served with a copy of the request.

(j) The requests for admission and the response to them shall not be filed with the court. The party requesting admissions shall retain both the original of the requests for admission, with the original proof of service affixed to them, and the original of the sworn response until six months after final disposition of the action. At that time, both originals may be destroyed, unless the court, on motion of any party and for good cause shown, orders that the originals be preserved for a longer period.

(k) If a party to whom requests for admission have been directed fails to serve a timely response, that party thereby waives any objection to the requests, including one based on privilege or on the protection for work product under Section 2018. However, the court, on motion, may relieve that party from this waiver on its determination that (1) the party has subsequently served a response that is in substantial compliance with subdivision (f), and (2) the party's failure to serve a timely response was the result of mistake, inadvertence, or excusable neglect.

The requesting party may move for an order that the genuineness of any documents and the truth of any matters specified in the requests be deemed admitted, as well as for a monetary sanction under Section 2023. The court shall make this order, unless it finds that the party to whom the requests for admission have been directed has served, before the hearing on the motion, a proposed response to the requests for admission that is in substantial compliance with paragraph (1) of subdivision (f). It is mandatory that the court impose a monetary sanction under Section 2023 on the party or attorney, or both, whose failure to serve a timely response to requests for admission necessitated this motion.

(*l*) If the party requesting admissions, on receipt of a response to the requests, deems that (1) an answer to a particular request is evasive or incomplete, or (2) an objection to a particular request is without merit or too general, that party may move for an order compelling a further response. The motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

Unless notice of this motion is given within 45 days of the service of the response, or any specific later date to which the requesting party and the responding party have agreed in writing, the requesting party waives any right to compel further response to the requests for admission.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel further response, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling further response to requests for admission, the court may order that the matters involved in the requests be deemed admitted. In lieu of or in addition to this order, the court may impose a monetary sanction under Section 2023.

(m) A party may withdraw or amend an admission made in response to a request for admission only on leave of court granted after notice to all parties. The court may permit withdrawal or amendment of an admission only if it determines that the admission was the result of mistake, inadvertence, or excusable neglect, and that the party who obtained the admission will not be substantially prejudiced in maintaining that party's action or defense on the merits. The court may impose conditions on the granting of the motion that are just, including, but not limited to, an order that (1) the party who obtained the admission be permitted to pursue additional discovery related to the matter involved in the withdrawn or amended admission, and (2) the costs of any additional discovery be borne in whole or in part by the party withdrawing or amending the admission.

(n) Any matter admitted in response to a request for admission is conclusively established against the party making the admission in the pending action, unless the court has permitted withdrawal or amendment of that admission under subdivision (m). However, any admission made by a party under this section is (1) binding only on that party, and (2) made for the purpose of the pending action only. It is not an admission by that party for any other purpose, and it shall not be used in any manner against that party in any other proceeding.

(o) If a party fails to admit the genuineness of any document or the truth of any matter when requested to do so under this section, and if the party requesting that admission thereafter proves the genuineness of that document or the truth of that matter, the party requesting the admission may move the court for an order requiring the party to whom the request was directed to pay the reasonable expenses incurred in making that proof, including reasonable attorney's fees. The court shall make this order unless it finds that (1) an objection to the request was sustained or a response to it was waived under subdivision (*l*), (2) the admission sought was of no substantial importance, (3) the party failing to make the admission had reasonable ground to believe that that party would prevail on the matter, or (4) there was other good reason for the failure to admit.

SEC. 16. Section 2033.5 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2033.5. The Judicial Council shall develop and approve official form interrogatories and requests for admission of the genuineness of any relevant documents or of the truth of any relevant matters of fact in any civil action in a state court based on personal injury, property damage, wrongful death, unlawful detainer, breach of contract, or fraud. Use of the approved form interrogatories and requests for admission shall be optional.

In developing the form interrogatories and requests for admission required by this section, the Judicial Council shall consult with a representative advisory committee which shall include, but not be limited to, representatives of the plaintiff's bar, the defense bar, the public interest bar, court administrators, and the public. The form interrogatories and requests for admission shall be drafted in nontechnical language and shall be made available through the office of the clerk of the appropriate trial court.

The Judicial Council also shall promulgate any necessary rules to govern the use of the form interrogatories and requests for admission.

SEC. 17. Section 2034 of the Code of Civil Procedure, as added by Chapter 1336 of the Statutes of 1986, is amended to read:

2034. (a) After the setting of a trial date for the action, any party may obtain discovery by demanding that all parties simultaneously exchange information concerning each other's expert trial witnesses to the following extent:

(1) Any party may demand a mutual and simultaneous exchange by all parties of a list containing the name and address of any natural person, including one who is a party, whose oral or deposition testimony in the form of an expert opinion any party expects to offer in evidence at the trial.

(2) If any expert designated by a party under paragraph (1) is a party or an employee of a party, or has been retained by a party for the purpose of forming and expressing an opinion in anticipation of the litigation or in preparation for the trial of the action, the designation of that witness shall include or be accompanied by an expert witness declaration under paragraph (2) of subdivision (f).

(3) Any party may also include a demand for the mutual and simultaneous production for inspection and copying of all discoverable reports and writings, if any, made by any expert described in paragraph (2) in the course of preparing that expert's opinion.

This section does not apply to exchanges of lists of experts and valuation data in eminent domain proceedings under Chapter 7 (commencing with Section 1258.010) of Title 7 of Part 3.

(b) Any party may make a demand for an exchange of information concerning expert trial witnesses without leave of court. A party shall make this demand no later than the 10th day after a trial date has been set, or 70 days before that trial date, whichever is closer to the trial date.

(c) A demand for an exchange of information concerning expert

trial witnesses shall be in writing and shall identify, below the title of the case, the party making the demand. The demand shall state that it is being made under this section.

The demand shall specify the date for the exchange of lists of expert trial witnesses, expert witness declarations, and any demanded production of writings. The specified date of exchange shall be 50 days before the trial date, or 20 days after service of the demand, whichever is closer to the trial date, unless the court, on motion and a showing of good cause, orders an earlier or later date of exchange.

(d) The party demanding an exchange of information concerning expert trial witnesses shall serve the demand on all parties who have appeared in the action.

(e) A party who has been served with a demand to exchange information concerning expert trial witnesses may promptly move for a protective order. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court, for good cause shown, may make any order that justice requires to protect any party from unwarranted annoyance, embarrassment, oppression, or undue burden and expense. The protective order may include, but is not limited to, one or more of the following directions:

(1) That the demand be quashed because it was not timely served.

(2) That the date of exchange be earlier or later than that specified in the demand.

(3) That the exchange be made only on specified terms and conditions.

(4) That the production and exchange of any reports and writings of experts be made at a different place or at a different time than that specified in the demand.

(5) That some or all of the parties be divided into sides on the basis of their identity of interest in the issues in the action, and that the designation of any experts as described in paragraph (2) of subdivision (a) be made by any side so created.

(6) That a party or a side reduce the list of employed or retained experts designated by that party or side under paragraph (2) of subdivision (a).

If the motion for a protective order is denied in whole or in part, the court may order that the parties against whom the motion is brought, provide or permit the discovery against which the protection was sought on those terms and conditions that are just.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(f) All parties who have appeared in the action shall exchange information concerning expert witnesses in writing on or before the

date of exchange specified in the demand. The exchange of information may occur at a meeting of the attorneys for the parties involved or by a mailing on or before the date of exchange.

(1) The exchange of expert witness information shall include either of the following:

(A) A list setting forth the name and address of any person whose expert opinion that party expects to offer in evidence at the trial.

(B) A statement that the party does not presently intend to offer the testimony of any expert witness.

(2) If any witness on the list is an expert as described in paragraph (2) of subdivision (a), the exchange shall also include or be accompanied by an expert witness declaration signed only by the attorney for the party designating the expert, or by that party if that party has no attorney. This declaration shall be under penalty of perjury and shall contain:

(A) A brief narrative statement of the qualifications of each expert.

(B) A brief narrative statement of the general substance of the testimony that the expert is expected to give.

(C) A representation that the expert has agreed to testify at the trial.

(D) A representation that the expert will be sufficiently familiar with the pending action to submit to a meaningful oral deposition concerning the specific testimony, including any opinion and its basis, that the expert is expected to give at trial.

(E) A statement of the expert's hourly and daily fee for providing deposition testimony.

(g) If a demand for an exchange of information concerning expert trial witnesses includes a demand for production of reports and writings as described in paragraph (3) of subdivision (a), all parties shall produce and exchange, at the place and on the date specified in the demand, all discoverable reports and writings, if any, made by any designated expert described in paragraph (2) of subdivision (a).

(h) Within 20 days after the exchange described in subdivision (f), any party who engaged in the exchange may submit a supplemental expert witness list containing the name and address of any experts who will express an opinion on a subject to be covered by an expert designated by an adverse party to the exchange, if the party supplementing an expert witness list has not previously retained an expert to testify on that subject. This supplemental list shall be accompanied by an expert witness declaration under paragraph (2) of subdivision (f) concerning those additional experts, and by all discoverable reports and writings, if any, made by those additional experts. The party shall also make those experts available immediately for a deposition under subdivision (i), which deposition may be taken even though the time limit for discovery under Section 2024 has expired.

(i) On receipt of an expert witness list from a party, any other party may take the deposition of any person on the list. The

procedures for taking oral and written depositions set forth in Sections 2025, 2026, 2027, and 2028 apply to a deposition of a listed trial expert witness except as follows:

(1) The deposition of any expert described in paragraph (2) of subdivision (a) shall be taken at a place that is within 75 miles of the courthouse where the action is pending. However, on motion for a protective order by the party designating an expert witness, and on a showing of exceptional hardship, the court may order that the deposition be taken at a more distant place from the courthouse.

(2) A party desiring (A) to depose any expert described in paragraph (2) of subdivision (a) except one who is a party or an employee of a party, or (B) to depose any treating physician or other treating health care practitioner who is to be asked to express an opinion during the deposition, shall pay the reasonable and customary hourly or daily fee for the actual time consumed in the examination of that expert by any party attending the deposition. In a worker's compensation case arising under Division 4 (commencing with Section 3201) or Division 4.5 (commencing with Section 6100) of the Labor Code, a party desiring to depose any expert on another party's expert witness list shall pay this fee.

The party taking the deposition shall either accompany the service of the deposition notice with a tender of the expert's fee based on the anticipated length of the deposition or tender that fee at the commencement of the deposition. The expert's fee shall be delivered to the attorney for the party designating the expert. If the deposition of the expert takes longer than anticipated, the party giving notice of the deposition shall pay the balance of the expert's fee within five days of receipt of an itemized statement from the expert. The party designating the expert is responsible for any fee charged by the expert for preparing for the deposition and for traveling to the place of the deposition, as well as for any travel expenses of the expert.

(3) The service of a proper deposition notice accompanied by the tender of the expert witness fee described in paragraph (2) is effective to require the party employing or retaining the expert to produce the expert for the deposition. If the party noticing the deposition fails to tender the expert's fee under paragraph (2), the expert shall not be deposed at that time unless the parties stipulate otherwise.

(4) If a party desiring to take the deposition of an expert witness under this subdivision deems that the hourly or daily fee of that expert for providing deposition testimony is unreasonable, that party may move for an order setting the compensation of that expert. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion. Notice of this motion shall also be given to the expert.

The court shall set the fee of the expert for providing deposition testimony if it determines that the fee demanded by that expert is unreasonable.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to set expert witness fee, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(j) Except as provided in subdivisions (k), (*l*), and (m), on objection of any party who has made a complete and timely compliance with subdivision (f), the trial court shall exclude from evidence the expert opinion of any witness that is offered by any party who has unreasonably failed to do any of the following:

(1) List that witness as an expert under subdivision (f).

(2) Submit an expert witness declaration.

(3) Produce reports and writings of expert witnesses under subdivision (f).

(4) Make that expert available for a deposition under subdivision (i).

(k) On motion of any party who has engaged in a timely exchange of expert witness information, the court may grant leave to (1) augment that party's expert witness list and declaration by adding the name and address of any expert witness whom that party has subsequently retained, or (2) amend that party's expert witness declaration with respect to the general substance of the testimony that an expert previously designated is expected to give. This motion shall be made a sufficient time in advance of the time limit for the completion of discovery under Section 2024 to permit the deposition of any expert to whom the motion relates to be taken within that time limit. However, under exceptional circumstances, the court may permit the motion to be made at a later time. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion. The demand, and all expert witness lists and declarations exchanged in response to it, shall be lodged with the court when their contents become relevant to an issue in any pending matter in the action. The court shall grant leave to augment or amend an expert witness list or declaration only after taking into account the extent to which the opposing party has relied on the list of expert witnesses, and after determining that any party opposing the motion will not be prejudiced in maintaining that party's action or defense on the merits, and that the moving party either (1) would not in the exercise of reasonable diligence have determined to call that expert witness or have decided to offer the different or additional testimony of that expert witness, or (2) failed to determine to call that expert witness, or to offer the different or additional testimony of that expert witness as a result of mistake, inadvertence, surprise, or excusable neglect, provided that the moving party (1) has sought leave to augment or amend promptly after deciding to call the expert witness or to offer the different or additional testimony, and (2) has promptly thereafter served a copy of the proposed expert witness information concerning the expert or

the testimony described in subdivision (f) on all other parties who have appeared in the action. Leave shall be conditioned on the moving party making the expert available immediately for a deposition under subdivision (i), and on such other terms as may be just, including, but not limited to, leave to any party opposing the motion to designate additional expert witnesses or to elicit additional opinions from those previously designated, a continuance of the trial for a reasonable period of time, and the awarding to any party opposing the motion of costs and litigation expenses.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to augment or amend expert witness information, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances made the imposition of the sanction unjust.

(*l*) On motion of any party who has failed to submit expert witness information on the date specified in a demand for that exchange, the court may grant leave to submit that information on a later date. This motion shall be made a sufficient time in advance of the time limit for the completion of discovery under Section 2024 to permit the deposition of any expert to whom the motion relates to be taken within that time limit. However, under exceptional circumstances, the court may permit the motion to be made at a later time. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court shall grant leave to submit tardy expert witness information only after taking into account the extent to which the opposing party has relied on the absence of a list of expert witnesses, and determining that any party opposing the motion will not be prejudiced in maintaining that party's action or defense on the merits, and that the moving party (1) failed to submit that information as the result of mistake, inadvertence, surprise, or excusable neglect, (2) sought that leave promptly after learning of the mistake, inadvertence, surprise, or excusable neglect, and (3) has promptly thereafter served a copy of the proposed expert witness information described in subdivision (f) on all other parties who have appeared in the action. This order shall be conditioned on the moving party making that expert available immediately for a deposition under subdivision (i), and on such other terms as may be just, including, but not limited to, leave to any party opposing the motion to designate additional expert witnesses or to elicit additional opinions from those previously designated, a continuance of the trial for a reasonable period of time, and the awarding to any party opposing the motion costs and litigation expenses.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to submit tardy expert witness information, unless it finds that the one subject to the sanction acted with substantial

justification or that other circumstances make the imposition of the sanction unjust.

(m) A party may call as a witness at trial an expert not previously designated by that party if: (1) that expert has been designated by another party and has thereafter been deposed under subdivision (i), or (2) that expert is called as a witness to testify to the falsity or nonexistence of any fact used as the foundation for any opinion by an expert witness called by any other party at the trial. However, the court shall not permit that undesignated expert witness to contradict the opinions themselves.

(n) The demand for an exchange of information concerning expert trial witnesses, and any expert witness lists and declarations exchanged shall not be filed with the court. The party demanding the exchange shall retain both the original of the demand, with the original proof of service affixed, and the original of all expert witness lists and declarations exchanged in response to the demand until six months after final disposition of the action. At that time, all originals may be destroyed unless the court, on motion of any party and for good cause shown, orders that the originals be preserved for a longer period.

SEC. 18. Section 2035 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2035. (a) One who expects to be a party to any action that may be cognizable in any court of the State of California, whether as a plaintiff, or as a defendant, or in any other capacity, may obtain discovery within the scope delimited by Section 2017, and subject to the restrictions set forth in Section 2019, for the purpose of perpetuating that party's own testimony or that of another natural person or organization, or of preserving evidence for use in the event an action is subsequently filed. One shall not employ the procedures of this section for the purpose either of ascertaining the possible existence of a cause of action or a defense to it, or of identifying those who might be made parties to an action not yet filed.

(b) The methods available for discovery conducted for the purposes set forth in subdivision (a) are (1) oral and written depositions, (2) inspections of documents, things, and places, and (3) physical and mental examinations.

(c) One who desires to perpetuate testimony or preserve evidence for the purposes set forth in subdivision (a) shall file a verified petition in the superior court of the county of the residence of at least one expected adverse party, or, if no expected adverse party is a resident of the State of California, in the superior court of a county where the action or proceeding may be filed.

(d) The petition shall be titled in the name of the one who desires the perpetuation of testimony or the preservation of evidence. The petition shall set forth all of the following:

(1) The expectation that the petitioner will be a party to an action cognizable in a court of the State of California.

(2) The present inability of the petitioner either to bring that

action or to cause it to be brought.

(3) The subject matter of the expected action and the petitioner's involvement.

(4) The particular discovery methods described in subdivision (b) that the petitioner desires to employ.

(5) The facts that the petitioner desires to establish by the proposed discovery.

(6) The reasons for desiring to perpetuate or preserve these facts before an action has been filed.

(7) The name or a description of those whom the petitioner expects to be adverse parties so far as known.

(8) The name and address of those from whom the discovery is to be sought.

(9) The substance of the information expected to be elicited from each of those from whom discovery is being sought.

The petition shall request the court to enter an order authorizing the petitioner to engage in discovery by the described methods for the purpose of perpetuating the described testimony or preserving the described evidence.

(e) The petitioner shall cause service of a notice of the petition to be made on each natural person or organization named in the petition as an expected adverse party. This service shall be made in the same manner provided for the service of a summons. The service of the notice shall be accompanied by a copy of the petition. The notice shall state that the petitioner will apply to the court at a time and place specified in the notice for the order requested in the petition. This service shall be effected at least 20 days prior to the date specified in the notice for the hearing on the petition.

If after the exercise of due diligence, the petitioner is unable to cause service to be made on any expected adverse party named in the petition, the court in which the petition is filed shall make an order for service by publication. If any expected adverse party served by publication does not appear at the hearing, the court shall appoint an attorney to represent that party for all purposes, including the cross-examination of any person whose testimony is taken by deposition. The court shall order that the petitioner pay the reasonable fees and expenses of any attorney so appointed.

(f) If the court determines that all or part of the discovery requested may prevent a failure or delay of justice, it shall make an order authorizing that discovery. The order shall identify any witness whose deposition may be taken, and any documents, things, or places that may be inspected, and any person whose physical or mental condition may be examined. Any authorized depositions, inspections, and physical or mental examinations shall then be conducted in accordance with the provisions of this article relating to those methods of discovery in actions that have been filed.

(g) If a deposition to perpetuate testimony has been taken either under the provisions of this section, or under comparable provisions of the laws of another state, or the federal courts, or a foreign nation,

that deposition may be used, in any action involving the same subject matter that is brought in a court of the State of California, in accordance with subdivision (u) of Section 2025 against any party, or the successor in interest of any party, named in the petition as an expected adverse party.

SEC. 19. Section 2036 of the Code of Civil Procedure, as added by Chapter 1334 of the Statutes of 1986, is amended to read:

2036. (a) If an appeal has been taken from a judgment entered by any court of the State of California, or if the time for taking an appeal has not expired, a party may obtain discovery within the scope delimited by Section 2017, and subject to the restrictions set forth in Section 2019, for the purpose of perpetuating testimony or preserving information for use in the event of further proceedings in that court.

(b) The methods available for discovery for the purpose set forth in subdivision (a) are (1) oral and written depositions, (2) inspections of documents, things, and places, and (3) physical and mental examinations.

(c) A party who desires to obtain discovery pending appeal shall obtain leave of the court that entered the judgment. This motion shall be made on the same notice to and service of parties as is required for discovery sought in an action pending in that court.

(d) The motion for leave to conduct discovery pending appeal shall set forth (1) the names and addresses of the natural persons or organizations from whom the discovery is being sought, (2) the particular discovery methods described in subdivision (b) for which authorization is being sought, and (3) the reasons for perpetuating testimony or preserving evidence.

(e) If the court determines that all or part of the discovery requested may prevent a failure or delay of justice in the event of further proceedings in the action in that court, it shall make an order authorizing that discovery. The order shall identify any witness whose deposition may be taken, and any documents, things, or places that may be inspected, and any person whose physical or mental condition may be examined. Any authorized depositions, inspections, and physical and mental examinations shall then be conducted in accordance with the provisions of this article relating to these methods of discovery in a pending action.

(f) If a deposition to perpetuate testimony has been taken under the provisions of this section, it may be used in any later proceeding in accordance with subdivision (u) of Section 2025.

SEC. 20. The Civil Discovery Act of 1986 shall become operative on July 1, 1987. This act shall govern all discovery proceedings in actions filed on or after that date. It shall also govern discovery proceedings in actions then pending, except that (a) any particular use of a discovery method that was initiated before July 1, 1987, shall continue to be governed by the provisions of law regulating that method at the time it was initiated, and (b) in computing the numerical limits on the use of particular discovery methods that are

contained in this act, depositions taken, and interrogatories and requests for admission propounded, before July 1, 1987, shall be excluded.

SEC. 21. This act shall become operative on July 1, 1987.

SEC. 22. 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 necessary revisions to Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure (the Civil Discovery Act of 1986) may take effect prior to that act's operative date, and to make related changes, it is necessary for this act to take effect immediately.

CHAPTER 87

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

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. The Legislature finds and declares that the funds appropriated and authorized to be allocated by the State Allocation Board pursuant to Section 16 of Chapter 1440 of the Statutes of 1985 and pursuant to Section 16 of Chapter 1339 of the Statutes of 1986 can only be allocated to those schools that presently are operating on a year-round or continuous basis. The Legislature further finds and declares that many school districts in this state are located in areas where extreme temperatures in June, July, and August and the lack of air-conditioning in the schools in those districts render effective instruction impossible during those months and that the existing authorization favors school districts located in temperate climates.

SEC. 2. The appropriations contained in Section 16 of Chapter 1440 of the Statutes of 1985 and Section 16 of Chapter 1339 of the Statutes of 1986 may be allocated to school districts selected by the State Allocation Board for the purchase of air-conditioning equipment and insulation materials, and for the expense of installing the equipment and materials for schools that the school district will be 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 of the Education Code as well as to schools that are presently operating on a year-round or continuous basis pursuant to that authority. Prior to receiving any allocation pursuant to this section, the governing board of each school district that will

be operating schools on a year-round or continuous basis shall adopt a resolution providing that after the air-conditioning equipment and insulation materials have been installed in its schools, these schools shall operate on a year-round or continuous basis.

If a year-round or continuous school program is not established at each school that received the installation of air-conditioning equipment and insulation materials within a period of 12 months from the date the air-conditioning system becomes operational, or if the air-conditioned and insulated year-round school does not operate on a year-round or continuous basis for three consecutive years thereafter, the funds allocated by the State Allocation Board shall be repaid to the state over a five-year period, or less, together with interest at a rate based on the most current investment rate of the Pooled Money Investment Account as of the date of the disbursement of funds to the district. The Superintendent of Public Instruction shall withhold from the apportionments to be made to the district from the State School Fund in each year an amount equal to the amount that becomes due in the year.

SEC. 3. Any money repaid to the state pursuant to this act because of the failure of a school district to operate year-round schools or because it ceased operation of a year-round school within a period of three years, is hereby appropriated for the purchase of air-conditioning equipment and insulation materials and for the expense of installing the equipment and materials in the same manner as those appropriations contained in Section 16 of Chapter 1440 of the Statutes of 1985 and Section 16 of Chapter 1339 of the Statutes of 1986.

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 the funds heretofore appropriated for the purpose of providing air-conditioning and insulation for schools being operated on a year-round or continuous basis may be made available as soon as possible to those districts whose climate precludes the operation of schools on a year-round or continuous basis without air-conditioning and insulation first being installed, it is necessary that this act take effect immediately.

CHAPTER 88

An act to add Section 614.5 to the Code of Civil Procedure, and to add Section 1138.5 to the Penal Code, relating to trials, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 614.5 is added to the Code of Civil Procedure, to read:

614.5. Except for good cause shown, the judge in his or her discretion need not be present in the court while testimony previously received in evidence is read to the jury.

SEC. 2. Section 1138.5 is added to the Penal Code, to read:

1138.5. Except for good cause shown, the judge in his of her discretion need not be present in the court while testimony previously received in evidence is read to the jury.

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 expedite court procedures and to save the costs consequent upon trial delays, it is necessary that this act shall take effect at the earliest possible date.

CHAPTER 89

An act to amend Sections 45308 and 88127 of the Education Code, relating to classified employees.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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. Nothing in this section shall preclude the governing board of a school district from entering into an agreement with the exclusive representative of the classified employees which defines "length of service" to mean hire date. 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.

SEC. 2. Section 88127 of the Education Code is amended to read:

88127. 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, 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 88027. Nothing in this section shall preclude the governing board of a community college district from entering into an agreement with the exclusive representative of the classified employees which defines "length of service" to mean hire date.

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 industrial accident leave.

"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 90

An act to add Section 39308.5 to the Education Code, relating to school facilities.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 39308.5 is added to the Education Code, to read:

39308.5. (a) If, at an election held pursuant to Section 15708 of the Education Code of 1959 on November 5, 1974, a majority of the electors voting on the proposition voted "Yes," the governing board may call an election pursuant to this section.

Before entering into one or more leases or agreements pursuant to this section and this article, the governing board of the district shall call, hold, and conduct an election in the manner provided in Section 42202 of the Education Code, as it existed on December 31, 1979, except that the ballot used in the election shall contain substantially the words: "Shall the governing board of the _____ District purchase (a site, sites) prepare plans and specifications [the reference to the site or sites and plans and specifications shall not be included if, prior to calling the election, the governing board of the district has acquired a site or sites or proposes to lease a site or sites or has prepared plans and specifications] and lease (a site, sites) and (a building, buildings) to be constructed for use by the school district (designating the location of the site or sites on which the building or buildings will be constructed and generally describing the buildings or buildings) and for those purposes, shall the tax rate increase authorized on November 5, 1974, be used solely and exclusively for those purposes in addition to those approved by the majority of electors at the election held pursuant to Section 15708 of the Education Code of 1959 on November 5, 1974?"

If, at the election held pursuant to this section, a majority of the electors voting on the proposition voted "Yes," the governing board may proceed pursuant to this article.

(b) It is the intent of the Legislature, in enacting this section, to permit the levy of a tax to the extent authorized at the election held pursuant to Section 15708 of the Education Code of 1959 on November 5, 1974, as modified to permit the purposes authorized at the election held pursuant to subdivision (a).

CHAPTER 91

An act to amend Sections 20181, 21025.6, and 21331 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 20181 of the Government Code is amended to read:

20181. (a) The obligations of this system to its members continue throughout their respective memberships, and the obligations of this system to and in respect to retired members continue throughout the lives of the respective retired members, and thereafter until all obligations to their respective beneficiaries under optional settlements have been discharged. The obligations of the state and contracting agencies to this system in respect to members employed by them, respectively, continue throughout the memberships of the respective members, and the obligations of the state and contracting agencies to this system in respect to retired members formerly employed by them, respectively, continue until all of the obligations of this system in respect to those retired members, respectively, have been discharged. The obligations of any member to this system continue throughout his or her membership, and thereafter until all of the obligations of this system to or in respect to him or her have been discharged.

(b) For the purposes of payments into or out of the retirement fund for adjustment of errors or omissions, whether pursuant to Sections 20165, 20180, or 20527, or otherwise, the period of limitation of actions shall be three years, and shall be applied as follows:

(1) In cases where the system makes an erroneous payment to a member or beneficiary, the system's right to collect shall expire three years from the date of payment.

(2) In cases where the system owes money to a member or beneficiary, the period of limitations shall not apply.

(3) In cases where payment is erroneous because of the death of the retired member or beneficiary or because of the remarriage of the beneficiary, the period of limitation shall commence with the discovery of the erroneous payment.

(c) Notwithstanding subdivision (b), where any erroneous payment has been made on the basis of fraud or misrepresentation by a member, beneficiary, or other party in relation to or on behalf of a member or beneficiary, the three-year period of limitation shall not be deemed to commence or to have commenced until the discovery of the error or omission.

(d) The board shall determine the applicability of the period of

limitations in any case, and its determination with respect to the running of any period of limitation shall be conclusive and binding for purposes of correcting the error or omission.

SEC. 2. Section 21025.6 of the Government Code is amended to read:

21025.6. Notwithstanding any other provision of this article, the retirement of a member who has been offered enrollment in a rehabilitation program provided by the employer, or appointing power if he or she is a state member, shall not become effective until:

(a) The employer or appointing power determines that the rehabilitation program is ineffective and cancels his or her enrollment in the program, or

(b) The member requests release from the rehabilitation program unless the member rejects the offer of enrollment in the rehabilitation program within 30 days after notice by the Public Employees' Retirement System of his or her eligibility for disability retirement.

If a member pursuant to a rehabilitation program enters a position in state service, he or she shall be retired thereafter for disability only in accordance with provisions of this part other than this section if he or she becomes incapacitated for performance of duty in that position. The disability shall be deemed to be industrial if the disability resulting in enrollment in the program was industrial, unless Section 21202.5 applies.

SEC. 3. Section 21331 of the Government Code is amended to read:

21331. An election, revocation, or change of election shall be made prior to the making of the first payment on account of any retirement allowance or, in event of a change of retirement status after retirement, prior to the making of the first payment on account of any retirement allowance following the change in retirement status. "Change in retirement status" includes, but is not limited to, change from service to disability retirement, from disability retirement to service retirement, from nonindustrial disability retirement to industrial disability retirement, or from industrial to nonindustrial disability retirement.

For purposes of this section, payment shall be deemed to have been made on the date a warrant is mailed, or the date funds are electronically transferred to a bank, savings and loan association or credit union account for deposit in the member's account.

This section shall not be construed to authorize a member to change his or her retirement status after the mailing of the first retirement warrant following the election, revocation, or change of election provided in this section.

CHAPTER 92

An act to amend Sections 898.5 and 899 of the Welfare and Institutions Code, relating to juveniles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 898.5 of the Welfare and Institutions Code is amended to read:

898.5. The Youth Authority shall conduct a study of the effectiveness of the pilot program authorized by this article in reducing recidivism, and shall report thereon to the Legislature no later than January 1, 1989.

SEC. 2. Section 899 of the Welfare and Institutions Code is amended to read:

899. This article shall become inoperative on June 30, 1990, and, as of January 1, 1991, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1991, deletes or extends the dates on which it becomes inoperative and 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:

In order for the program authorizing regional youth educational facilities to continue and that maximum time be provided for the study required by Section 898.5 of the Welfare and Institutions Code, it is necessary that this act take effect at the earliest possible date.

CHAPTER 93

An act to amend Section 50784 of the Health and Safety Code, relating to housing.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 50784 of the Health and Safety Code is amended to read:

50784. (a) The department may make loans from the fund to low-income residents of mobilehome parks converted to resident ownership or to resident organizations which have converted or plan to convert a mobilehome park to resident ownership. The purpose

of providing loans pursuant to this section is to reduce the monthly housing costs for low-income residents to an affordable level.

(b) Loans provided pursuant to this section shall be for a term of no more than 30 years and shall bear interest at a rate of 7 percent per annum.

(c) The department may establish flexible repayment terms for loans provided pursuant to this section if the terms are necessary to reduce the monthly housing costs for low-income residents to an affordable level, and do not represent an unacceptable risk to the security of the fund. Flexible repayment terms may include, but are not limited to, graduated payment schedules with negative amortization.

(d) Loans provided to low-income residents pursuant to this section shall be for the minimum amount necessary to reduce the borrower's monthly housing costs to an affordable level. However, in no case shall loan amounts exceed 50 percent of the acquisition costs of the individual interests in the mobilehome parks. In addition, the total indebtedness upon individual interests may not exceed 90 percent of the value of the collateral securing the loan.

(e) Loans provided to resident organizations pursuant to this section shall be for the minimum amount necessary to reduce the monthly housing costs of low-income residents to an affordable level. However, in no case shall the loan amounts exceed 50 percent of the conversion costs attributable to the low-income spaces. Funds provided pursuant to this section shall not be used to assist residents who are not of low income, or to reduce monthly housing costs for low-income residents to less than 30 percent of their monthly income.

CHAPTER 94

An act to amend Section 19613 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1987 Filed with Secretary of State July 2, 1987]

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

SECTION 1. Section 19613 of the Business and Professions Code is amended to read:

19613. (a) Except as provided in subdivisions (b), (c), (d), and (e), the portion deducted for purses pursuant to this chapter shall be paid to or for the benefit of the horsemen at the racing meeting.

(b) Any association other than a fair which conducts a thoroughbred racing meeting shall pay to the horsemen's organization contracting with the association with respect to the

conduct of racing meetings for administrative expense and services rendered to horsemen an amount equivalent to 1.5 percent of the portion, and for a pension plan for backstretch personnel to be administered by the horsemen's organization, an amount equivalent to an additional 1 percent of the portion. The remainder of the portion shall be distributed as purses.

(c) Any other association may pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expense and services rendered to horsemen an amount out of the portion as may be determined by the association by agreement or otherwise, but, in all events, shall include, relative to a thoroughbred horsemen's organization, 1 percent of the portion for a pension plan for backstretch personnel to be administered by the horsemen's organization. The remainder of the portion shall be distributed as purses.

(d) Notwithstanding subdivisions (b) and (c), any association conducting a fair racing meeting or conducting a mixed breed racing meeting shall pay to the horsemen's organizations contracting with the association with respect to the conduct of races for their respective breeds of horses at the meetings for administrative expense and services rendered to their respective horsemen those amounts out of the portion as determined by the horsemen's organization for the respective breeds with the approval of the board. The amount to be distributed as purses or commissions for any race meet under this subdivision shall be based on respective parimutuel pools during the previous corresponding meeting, if any.

Pursuant to this subdivision, amounts equivalent to 3 percent of the portion for the horsemen's organization shall be distributed to any thoroughbred horsemen's organizations contracting with an association for a fair racing meeting or participating in mixed breed racing meetings as follows: 1 percent for administrative expenses and services rendered to their respective horsemen, 1 percent for welfare funds, and 1 percent for a pension program for backstretch personnel, to be administered by the thoroughbred horsemen's organizations.

(e) Any association other than a fair which conducts a quarter horse racing meeting, except a mixed breed meeting, shall pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expense and services rendered to horsemen an amount equivalent to 2.5 percent of the portion. The remainder of the portion shall be distributed as purses.

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 horsemen's organizations that provide services to horsemen in this state may continue to do so in light of current economic difficulties, it is necessary that this act take effect immediately.

CHAPTER 95

An act to amend Section 54724 of the Education Code, relating to education.

[Approved by Governor July 1, 1987. Filed with Secretary of State July 2, 1987]

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

SECTION 1. Section 54724 of the Education Code is amended to read:

54724. A school site council shall be established at each school that participates in motivation and maintenance programs. 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 the parents; and, in secondary schools, pupils selected by pupils attending the school. Also, each school is encouraged to include representatives of the business community as members of the school site council.

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 the groups conform to the provisions of this section.

The Superintendent of Public Instruction shall provide several examples of selection and replacement procedures that may be considered by school site councils.

CHAPTER 96

An act to add Section 25503.20 to the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 25503.20 is added to the Business and Professions Code, to read:

25503.20. (a) Notwithstanding any other provision of this division, the holder of no more than six on-sale licenses, or any officer, director, employee, or agent of that licensee, may hold not more than 10 percent of the stock of one corporate licensed beer manufacturer holding a license pursuant to paragraph (a) of subdivision (1) of Section 23320 and that is located in a county of the first class, and may serve on the board of directors and as an officer or employee of that corporate licensed beer manufacturer located in a county of the first class.

(b) An on-sale licensee specified in subdivision (a) shall purchase no alcoholic beverages for sale in this state other than from a wholesale or winegrower licensee.

(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 beverage 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 expressed terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

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 obstacles to the preparation of plans and construction of a brewery in Los Angeles County may be eliminated and construction be commenced at the earliest possible time, it is necessary that this act go into immediate effect.

CHAPTER 97

An act to repeal Section 2924j of the Civil Code, relating to civil law, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1987. Filed with Secretary of State July 2, 1987]

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

SECTION 1. Section 2924j of the Civil Code is repealed.

SEC. 2. By the repeal of Section 2924j of the Civil Code made by this act, the Legislature intends to restore the law regarding the validity and effect of a purported nonjudicial foreclosure sale conducted after that purported sale was enjoined to the law's status prior to the enactment of Chapter 943 of the Statutes of 1986 without affecting any other statutes or decisional law.

The Legislature intends that no inferences as to the status of the law on the effective date of this act be drawn from the enactment of Chapter 943 of the Statutes of 1986 or the repeal of Section 2924j of the Civil Code by 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 eliminate confusion resulting from the interpretation of Section 2924j of the Civil Code, it is necessary that this act take effect immediately.

CHAPTER 98

An act to amend Section 7102 of the Public Contract Code, relating to public contracts.

[Approved by Governor July 2, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 7102 of the Public Contract Code is amended to read:

7102. Contract provisions in construction contracts of public agencies and subcontracts thereunder which limit the contractee's liability to an extension of time for delay for which the contractee is responsible and which delay is unreasonable under the circumstances involved, and not within the contemplation of the parties, shall not be construed to preclude the recovery of damages by the contractor or subcontractor.

No public agency may require the waiver, alteration, or limitation of the applicability of this section. Any such waiver, alteration, or limitation is void. This section shall not be construed to void any provision in a construction contract which requires notice of delays, provides for arbitration or other procedure for settlement, or provides for liquidated damages.

CHAPTER 99

An act to amend Section 48232 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1987 Filed with Secretary of State July 2, 1987]

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

SECTION 1. Section 48232 of the Education Code is amended to read:

48232. Notwithstanding any other provision of law, a child who will be 15 years old at the time a leave of absence is to begin may take a leave of absence from school for a period of up to one semester, if all of the following conditions are satisfied:

(a) The school district governing board adopts a written policy to allow student leaves of absence consistent with this section.

(b) The purpose of the leave is supervised travel, study, training, or work not available to the student under another education option.

(c) A written agreement is entered into that is signed by the child's parent or guardian, the principal or administrative officer of the school which the child would otherwise attend, a classroom teacher familiar with the child's academic progress selected by the child, and the district supervisor of child welfare and attendance, and that provides for all of the following:

(1) The purpose of the leave.

(2) The length of time the child will be on leave.

(3) A meeting between, or contact with, the child and a school official designated in the agreement at least once a month while the child is on leave.

(4) A statement incorporating the provisions contained in subdivision (b).

(d) The child shall be entitled to return to school at any time. No child who takes a leave of absence shall be penalized from completing his or her academic requirements within a time period equal to that of classmates who did not take a leave of absence, plus a period of time equal to the leave of absence. However, when a child reenrolls at any time other than the beginning of a semester, the school shall not be required to give makeup sessions during that

semester for the classes that the child has missed.

(e) A leave of absence may be extended for an additional semester upon approval by all parties to the written agreement and the local school attendance review board.

(f) No leave of absence may be taken which would continue past the end of the school year in which the leave is taken.

(g) If the student does not contact the designated school official as stipulated in the written agreement, the leave of absence shall be nullified.

Any party to the written agreement may nullify the agreement for cause at any time.

(h) No more than 1 percent of the students enrolled and in attendance at each school shall be permitted to take a leave of absence during each academic year.

(i) The Legislative Analyst shall review and report upon the leave-of-absence program authorized by this section in the Analysis of the Budget Bill for the 1984–85 fiscal year. The report shall be based upon data collected by the State Department of Education from a representative sampling of participating school districts and shall include an analysis of the racial and ethnic backgrounds of participating pupils and a review of the opinions of pupils, parents, and school district personnel regarding pupil scholastic achievement and attitudes toward schools The report shall be presented to the Legislature no later than January 1, 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 that pupils may take a leave of absence from school during the fall quarter or semester of the 1987–88 school year, it is necessary that this act take effect immediately.

CHAPTER 100

An act to add Article 3.8 (commencing with Section 50079) to Chapter 1 of Division 1 of Title 5 of the Government Code, relating to school district taxes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2 1987 Filed with Secretary of State July 2, 1987]

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

SECTION 1. Article 3.8 (commencing with Section 50079) is added to Chapter 1 of Division 1 of Title 5 of the Government Code, to read:

Article 3.8. School Districts

50079. (a) Subject to Section 4 of Article XIII A of the California Constitution, any school district may impose qualified special taxes upon the district pursuant to the procedures established in Article 3.5 (commencing with Section 50075) and any other applicable procedures provided by law.

(b) As used in this section, "qualified special taxes" means special taxes which apply uniformly to all taxpayers or all real property within the school district, except that "qualified special taxes" may include special taxes which provide for an exemption from those taxes for taxpayers 65 years of age or older.

"Qualified special taxes" do not include special taxes imposed on a particular class of property or taxpayers.

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 school districts may impose qualified special taxes at the earliest possible time in accordance with the authorization provided by this act, it is necessary that this act go into immediate effect.

CHAPTER 101

An act to amend Section 21686 of the Public Utilities Code, relating to aviation.

[Approved by Governor July 2, 1987 Filed with Secretary of State July 2, 1987]

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

SECTION 1. Section 21686 of the Public Utilities Code is amended to read:

21686. It shall be the duty of any public entity receiving payments or allocations under this article to periodically audit its books and records as deemed necessary by the department for the purpose of determining that the money received has been expended for the purposes and under the conditions authorized by this article.

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 102

An act to amend Section 20111.5 of the Public Contract Code, relating to public contracts.

[Approved by Governor July 2, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 20111.5 of the Public Contract Code is amended to read:

20111.5. (a) The governing board of the district may require that each prospective bidder for a contract, as described under Section 20111, complete and submit to the district a standardized questionnaire and financial statement in a form specified by the district, including a complete statement of the prospective bidder's financial ability and experience in performing public works. The questionnaire and financial statement shall be verified under oath by the bidder in the manner in which civil pleadings in civil actions are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection.

(b) Any school district requiring prospective bidders to complete and submit questionnaires and financial statements, as described in subdivision (a), shall adopt and apply a uniform system of rating bidders on the basis of the completed questionnaires and financial statements, in order to determine the size of the contracts upon which each bidder shall be deemed qualified to bid.

(c) Each prospective bidder on any contract described under Section 20111 shall be furnished by the school district letting the contract with a standardized proposal form that, when completed and executed, shall be submitted as his or her bid. Bids not presented on the forms so furnished shall be disregarded. A proposal form shall not be accepted from any person or other entity who is required to submit a completed questionnaire and financial statement for prequalification pursuant to subdivision (a), but has not done so at least five days prior to the date fixed for the public opening of sealed bids or has not been prequalified, pursuant to subdivision (b), for at least one day prior to that date.

CHAPTER 103

An act to amend Sections 50950, 50957, 50959, 50959.5, and 50961 of, and to repeal Section 50960 of, the Government Code, relating to volunteer firefighters.

[Approved by Governor July 2, 1987 Filed with Secretary of State July 2, 1987]

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

SECTION 1. Section 50950 of the Government Code is amended to read:

50950. It is the purpose of this chapter to provide cities, counties, cities and counties, or districts, that have fire departments with volunteer firefighting members, the opportunity to offer such members an award for life as an incentive. Nothing contained herein shall be deemed to supersede the provisions of existing state law and the charters, ordinances, and rules of local public agencies which establish and regulate the activities of these fire departments. This chapter is intended, instead, to strengthen these departments through the creation of an incentive for the volunteer to respond to emergency calls and attend official department training drills and meetings. It is the further intention of this chapter to provide a means whereby local communities may bestow fitting reward and recognition for long and faithful volunteer service.

SEC. 2. Section 50957 of the Government Code is amended to read:

50957. Only members may accumulate service credit in the award system. A volunteer becomes a member upon completion of one year of current service as certified by a qualifications review commission. Membership shall terminate on the day prior to the effective date of an award pursuant to Section 50962.

SEC. 3. Section 50959 of the Government Code is amended to read:

50959. (a) Only those volunteers who have been certified by their contracting department as having satisfactorily completed a service year shall be credited with current service for that year. A member is not required to qualify in consecutive years.

(b) Members of departments contracting on or after January 1, 1988, may initially be credited with a full service year if they have been active members of the contracting department for at least six months of the service year of the contract operative date and are certified by the department's qualifications review commission.

(c) A satisfactory service year credit shall be determined by a member's active participation in all of the following fire department activities.

(1) Training drills.

(2) Responses to emergency calls.

(3) Attendance at official department and association meetings.

(d) Contracting departments shall maintain adequate records to show that a credited member was a participating member of the department during the year of certification. The records may include, but are not limited to, the following:

(1) Department run logs.

(2) Department training records.

(3) Certificates of training.

(4) Records of exposures to hazardous products.

(5) Minutes of departmental or association meetings.

SEC. 4. Section 50959.5 of the Government Code is amended to read:

50959.5. The State Board of Fire Services may audit and review the department records necessary to ensure that credited individuals have actively participated in department activities as required by Section 50959.

SEC. 5. Section 50960 of the Government Code is repealed.

SEC. 6. Section 50961 of the Government Code is amended to read:

50961. (a) The governing body of each contracting department shall establish a qualifications review commission which shall include the fire chief, one member of the governing body appointed by the governing body, and one volunteer elected by the volunteers employed by the contracting department.

(b) The qualifications review commission shall review the list of department members each year, and prior to October 1 of each year shall certify to the board those volunteers who have qualified.

(c) In no event shall any member be credited with more than 20 years of service.

(d) With respect to each contracting department which provides benefits for prior service credit, the qualifications review commission shall promulgate and publish guidelines for computing prior service credit. The guidelines shall require the prior service credit to be verified and certified and, in the event that there are no records in existence, the members of the commission and the volunteer shall sign an affidavit certifying that the prior service met the criteria prescribed in Section 50959. The affidavit shall be signed under penalty of perjury. Thereafter, the qualifications review commission shall certify to the board certified prior service credit which has been earned by each member.

CHAPTER 104

An act to amend and repeal Section 86 of the Code of Civil Procedure, relating to courts.

[Approved by Governor July 2, 1987. Filed with Secretary of State July 2, 1987]

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

SECTION 1. Section 86 of the Code of Civil Procedure, as amended by Chapter 953 of the Statutes of 1986, 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 residential real property where rent is charged, 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 five hundred dollars ($1,500) 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 common interest development as defined in Section 1351 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. Section 86 of the Code of Civil Procedure as amended by Chapter 88 of the Statutes of 1986, 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 common interest

development as defined in Section 1351 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. 3. Section 1 of this act 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. Section 2 of this act shall become operative on the date Section 1 of this act is repealed.

CHAPTER 105

An act to add Section 1649.5 to the Insurance Code, relating to insurance.

[Approved by Governor July 2, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 1649.5 is added to the Insurance Code, to read:

1649.5. Notwithstanding Section 1642, an insurer may own or control, whether directly or indirectly, a separate entity licensed under this chapter as an insurance agent or life agent as defined in Section 1621 or 1622, respectively.

CHAPTER 106

An act to amend Section 58800 of the Education Code, relating to education.

[Approved by Governor July 2, 1987. Filed with Secretary of State July 2, 1987.]

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

SECTION 1. Section 58800 of the Education Code is amended to read:

58800. It is the intent of the Legislature in enacting this chapter to assist in the establishment of specialized high schools in the state to provide advanced instruction and training in high technology fields and in the performing arts.

The Legislature recognizes that the establishment of these

specialized high schools will benefit the state economy by providing opportunities to talented pupils to obtain enhanced learning opportunities in high technology fields and in the performing arts while enrolled in schools located in school districts in close proximity to areas in which these industries are located.

The Legislature also recognizes that the high technology specialized high schools established under this chapter will enable the faculty providing instruction in these schools to develop model curricula of general application in the fields of mathematics, science, performing arts, and computer technology to be made available to other school districts in the public school system.

SEC. 2. (a) Notwithstanding any other provision of law to the contrary, the county committee on school district organization in a county of the fourth class, as determined pursuant to Section 28025 of the Government Code, which is studying a proposal for unification within a union high school district, shall exclude any component elementary school district, with an average daily attendance of less than 170 but more than 120 during the 1986–87 fiscal year, from any proposal to unify any or all of the remainder of the high school district, upon request of the elementary school district to be excluded.

(b) Notwithstanding any other provision of law to the contrary, any elementary school district excluded in a proposal for unification within a union high school district pursuant to subdivision (a) shall not be merged into a new unified school district by operation of law but shall become an independent unified school district of kindergarten and grades 1 to 12, inclusive, within its own right.

(c) An elementary school district excluded from unification pursuant to subdivision (a) shall have the right to educate its own pupils in kindergarten and grades 1 to 8, inclusive, and to contract out with neighboring unified school districts to provide educational services for its students in grades 9 to 12, inclusive, until the excluded elementary school district shall have a sufficient number of students to offer its own comprehensive program for kindergarten and grades 1 to 12, inclusive.

(d) This section shall not be construed as precluding any elementary school district requesting exclusion from a unification proposal pursuant to subdivision (a) from electing to be included in unification plans in the future.

SEC. 3. Due to unique circumstances, relating to the distinct geographical location of the affected elementary school district, being in a rural valley separated from its neighboring urban areas by 84 square miles of uninhabited land owned by a regional park system, a large urban city's watershed, and ranch land governed by the Williamson Act, which setting has created a distinct and separate community identity of the residents totally different from the developed communities of the surrounding areas, and because the community identity is that of a rural environment protected by a strong history of nondevelopment and self reliance, which has

enabled the community to meet the associated educational needs of its students by assuring a community-based, locally controlled educational system, without having to send its students out of the community to receive basic education, 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. 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. 5. Section 2 of this act shall become operative July 1, 1988.

CHAPTER 107

An act to amend Section 42407 of, and to add Section 42403.5 to, the Health and Safety Code, relating to air pollution.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 42403.5 is added to the Health and Safety Code, to read:

42403.5. (a) Notwithstanding Section 42407, any violation of Section 41700 resulting from the engine of any diesel-powered bus while idling shall subject the owner to civil penalties assessed under this article, which may be recovered pursuant to Section 42403 by the Attorney General, by any district attorney, or by the attorney for any district in which the violation occurs in any court of competent jurisdiction.

(b) There is no liability under subdivision (a) if the person accused of the violation establishes by affirmative defense that the extent of the harm caused does not exceed the benefit accrued to bus passengers as a result of idling the engine.

SEC. 2. Section 42407 of the Health and Safety Code is amended to read:

42407. Except as provided in Section 42403.5, this article is not applicable to vehicular sources.

CHAPTER 108

An act to amend Section 17788.5 of, and to add Section 17742.6 to, the Education Code, relating to school facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 17742.6 is added to the Education Code, to read:

17742.6. Notwithstanding subdivision (b) of Section 17742.5, the exclusion provided by that subdivision includes portable classrooms obtained by an applicant school district pursuant to subdivision (b) of Section 17788.5, except as to any portable classroom or classrooms for which the district rejected the board's offer to purchase pursuant to that subdivision.

SEC. 2. Section 17788.5 of the Education Code is amended to read:

17788.5. (a) The board may empower any lessee to act as its agent in the performance of acts authorized under this chapter with regard to portable classrooms to be made available to that lessee, including, but not necessarily limited to, contracting for architectural and construction services and purchasing furniture and equipment.

(b) In addition, where any qualifying school district or county superintendent of schools is deemed by the board to be eligible under this chapter for the lease of portable classrooms, but adequate funds are not at that time available to the board for the purchase of those classrooms, the board may authorize the school district or county superintendent of schools to purchase portable classrooms, to the extent of that eligibility, pursuant to the following conditions:

(1) The portable classrooms are purchased under a procedure determined by the board, pursuant to either a bidding process implemented by the school district or county superintendent of schools or by the State Office of Procurement.

(2) To the extent that funding for purposes of this chapter is subsequently made available to the board, the board shall purchase the portable classroom or classrooms from the school district or county superintendent of schools, for lease to that entity under this chapter, for an amount, not to exceed the purchase price the board determines it would have paid for the classroom or classrooms at the time they were acquired pursuant to paragraph (1), as necessary to reimburse the school district or county superintendent of schools for the purchase price, less the amount that would have been charged to the school district or county superintendent of schools for the lease of the classroom or classrooms under Section 17789 from the date of

purchase. The sale of the portable classroom or classrooms under this paragraph shall be at the discretion of the school district or county superintendent of schools.

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 adequately meet the critical need of school districts in this state for portable classroom facilities prior to the commencement of the 1987–88 school year, it is necessary that this act take effect immediately.

CHAPTER 109

An act to amend Sections 56411, 56704, 56705, and 56706 of, and to add Sections 56702.5 and 56704.5 to, the Food and Agricultural Code, relating to farm products.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 56411 of the Food and Agricultural Code is amended to read:

56411. For the purpose of enforcing this chapter, the director may receive verified complaints from producers or licensees against any person licensed pursuant to this chapter or Chapter 6 (commencing with Section 55401) or any person who acts or attempts to act as a licensee.

Upon receipt of any verified complaint, the director may make any and all necessary investigations relative to the complaint. The director shall, within 30 days, commence to investigate any verified complaint alleging that a licensee may be insolvent or in an unsound financial condition.

SEC. 2. Section 56702.5 is added to the Food and Agricultural Code, to read:

56702.5. "Farm products creditor" means either of the following:

(a) A person who produced and sold a farm product produced in this state to a person licensed pursuant to Chapter 6 (commencing with Section 55401) or Chapter 7 (commencing with Section 56101) who failed to pay for the farm product.

(b) A person licensed pursuant to Chapter 7 (commencing with Section 56101) who sold or handled a farm product produced in this state to a person licensed pursuant to Chapter 6 (commencing with Section 55401) or Chapter 7 (commencing with Section 56101) who failed to pay for the farm product.

SEC. 3. Section 56704 of the Food and Agricultural Code is

amended to read:

56704. The money deposited in the products fund shall only be used to pay for farm products grown or produced within this state which have not been otherwise paid for. However, claims made against the fund may include charges for services which by custom of the trade are incidental to the sale and generally accepted as being included in the purchase price. Any moneys remaining in the products fund after all the claims have been settled, discharged, or paid in any year shall be credited to the funds to be used in any other year, and the director, in view of this, shall adjust the fees provided for under Section 56703 in accordance with the provisions of that section.

SEC. 4. Section 56704.5 is added to the Food and Agricultural Code, to read:

56704.5. Claims may only be made against the products fund by a farm products creditor.

SEC. 5. Section 56705 of the Food and Agricultural Code is amended to read:

56705. If a person licensed under Chapter 6 (commencing with Section 55401) or Chapter 7 (commencing with Section 56101) fails to pay a farm products creditor for any farm product which is received by the licensee, the director shall ascertain the names and addresses of all farm products creditors together with the amounts which are due and owing to them and each of them by the licensee and shall request all of those farm products creditors to file a verified statement of their respective claims with the director. The request shall be addressed to each creditor at his or her last known address. If by reason of the absence of records, or other circumstances which make it impossible or unreasonable for the director to ascertain the names and addresses of all of the farm products creditors, the director, after exerting due diligence and making reasonable inquiry to secure the information from all reasonable and available sources, may make demand upon the products fund on the basis of information then in his or her possession, and thereafter is not liable or responsible for claims or the handling of claims which may subsequently appear or be discovered.

SEC. 6. Section 56706 of the Food and Agricultural Code is amended to read:

56706. If the farm products creditor fails, refuses, or neglects to file in the office of the director his or her verified claim as requested by the director under this chapter, within 60 days from the date of the request, the director is relieved of further duty or liability pursuant to this chapter on behalf of the farm products creditor.

CHAPTER 110

An act to amend Section 21682 of the Public Utilities Code, relating to aviation.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 21682 of the Public Utilities Code is amended to read:

21682. (a) The department shall establish individual revolving fund subaccounts for eligible airports in the Aeronautics Account in the State Transportation Fund. Money payable under this section shall be credited to individual airport subaccounts annually, and may be accumulated for a maximum period of five years. The department may advance to the subaccount of an airport an amount that will raise the total in the subaccount to not more than twenty-five thousand dollars ($25,000) when it finds and determines that to do so will materially assist the public entity in meeting the qualifications for federal airport loans or grants and that sufficient funds will remain in the account to make all of the credits and payments required under subdivision (b). Whenever an advance is made to a subaccount, the department shall withhold not more than the amount of the five thousand dollars ($5,000) annual payment under this section each year until the advancement plus interest is fully recovered. Interest shall be calculated at the same rate as that earned on funds invested in the Pooled Money Investment Account during the period of the advance. If any airport fails to maintain eligibility at any time during the five-year period, the public entity shall repay that amount which the department determines is attributable to the period of the airport's ineligibility under the terms and conditions specified by the department, taking into consideration, among other things, the amount to be repaid.

(b) The department shall, subject to Section 21684, credit from the Aeronautics Account to each public entity owning and operating an airport or airports under a valid permit issued by the department for every airport which has less than 85,000 annual enplanements the sum of five thousand dollars ($5,000) annually for each qualifying airport. These funds shall be paid to public entities upon request for expenditure on preapproved eligible projects. Eligible public entities may submit applications for the withdrawal of credited funds for expenditure on proposed projects in letter form to the department for review and approval. Projects identified shall be for airport and aviation purposes and operation and maintenance purposes. Payment under this section is conditioned upon each public entity proving to the satisfaction of the department that not more than 85,000 enplanements occurred at each airport for which

funding is being sought. No payment made under this section is transferable, but shall be expended only upon the airport for which the payment is made, unless the department authorizes a payment to be transferred for expenditure on another airport owned or operated by the public entity. The department may establish any accounting systems it deems necessary to provide for the cumulation and expenditure of funds under this subdivision.

(c) If, in any year, there is insufficient money in the Aeronautics Account to make the credits specified in subdivision (b), the department shall, subject to Section 21684, credit to each public entity subaccount an amount which is equal to the total amount of money in the Aeronautics Account multiplied by a percentage equivalent to the proportion which the airport or airports of the public entity for which credit is required to be made pursuant to subdivision (b) bear to the total number of airports for which credit is required to be made pursuant to subdivision (b).

(d) No payment shall be made under this section to any public entity for any airport on which general or commercial aviation activities are substantially restricted if the airport is licensed to conduct these activities by the department. The department shall determine whether or not general or commercial aviation activities are restricted.

(e) The department shall adopt rules and regulations and establish procedures to effect prompt payment to public entities for eligible airport projects from money credited pursuant to this section.

CHAPTER 111

An act to amend Sections 11105.1, 11207, 11209, 11814, and 11820 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 11105.1 of the Vehicle Code is amended to read:

11105.1. (a) The department shall issue a license certificate to each driving school instructor when it is satisfied that he or she has met the qualifications required under this chapter. The original driving school instructor license and any driving school instructor license renewed pursuant to subdivisions (b) and (c) shall be valid for a period of three years from the date of issuance unless canceled, suspended, or revoked by the department.

(b) Every application for the renewal of a driving school instructor license may be made by the licensee prior to the

expiration date of the license by presenting the application form provided by the department. In no event shall a driving school instructor renew the license after the date of expiration.

The department shall require all of the following for the renewal of the license:

(1) Compliance with Section 11104, except subdivision (c) thereof, and with 11105.2.

(2) Satisfactory completion of an examination as provided in Section 11104 at least once during each succeeding three-year period after the initial issuance of a license certificate.

In lieu of any examination for renewal of the license, the department may accept submission by the licensee of evidence of continuing professional education as defined in paragraph (2) of subdivision (b) of Section 11105.

(c) The department may issue a probationary license and certificate subject to conditions to be observed by the licensee in the exercise of the privilege granted. The conditions to be attached to the exercise of the privilege shall not appear on the face of the license or certificate, but shall be such as may, in the judgment of the department, be in the public interest and suitable to the qualifications of the applicant as disclosed by the application and investigation by the department of the information contained therein.

SEC. 2. Section 11207 of the Vehicle Code is amended to read:

11207. (a) The department shall issue a license certificate to each traffic violator school instructor when it is satisfied that he or she has met the qualifications required under this chapter. The original instructor license and any license renewed pursuant to subdivisions (b) and (c) shall be valid for a period of three years from the date of issuance unless canceled, suspended, or revoked by the department.

(b) Every application for the renewal of a traffic violator school instructor license may be made by the licensee prior to the expiration date of the license by presenting to the department a completed application on a form provided by the department. In no event shall a traffic violator school instructor renew the license after the date of expiration.

(c) The department shall require all of the following for the renewal of an instructor's license:

(1) Compliance with Section 11206, except subdivision (c) thereof.

(2) Satisfactory completion of an examination as provided in Section 11206 at least once during each succeeding three-year period after the initial issuance of the license. However, in lieu of examination for renewal of the license, the department may accept submission by the licensee of evidence of continuing professional education.

(d) When, in its judgment, the public interest so requires, the department may issue a probationary license subject to special

conditions to be observed by the licensee in the exercise of the privilege granted. The conditions to be attached to the license shall be such as may, in the judgment of the department, be in the public interest and suitable to the qualifications of the applicant, as disclosed by the application and investigation by the department of the information contained therein.

SEC. 3. Section 11209 of the Vehicle Code is amended to read:

11209. Any traffic violator school owner, traffic violator school operator, or traffic violator school instructor required to be licensed under this chapter who fails to renew the license before the expiration of the license may not renew that license, but may reapply for an original license pursuant to this chapter. For purposes of this section, a license that has been canceled may not be renewed and a license that is suspended or revoked may not be renewed, until reinstatement or reissuance by the department. If the period of suspension or revocation extends beyond the expiration of a license, it may not be renewed, but the person may apply for a new license thereafter.

SEC. 4. Section 11814 of the Vehicle Code is amended to read:

11814. (a) Every original vehicle salesperson's license issued, and every vehicle salesperson's license renewed pursuant to subdivision (b), shall be valid for a period of three years from the date of issuance unless canceled, suspended, or revoked by the department.

(b) Renewal of a vehicle salesperson's license may be made prior to the expiration date. In no event may a vehicle salesperson renew his or her license after the date of expiration.

(c) A salesperson shall obtain a duplicate license when the original is either lost or mutilated.

SEC. 5. Section 11820 of the Vehicle Code is amended to read:

11820. The following fees shall be paid to the department:

(a) Except as provided by Section 42231, a nonrefundable fee for the original issuance of a license, fifty dollars ($50).

(b) Fee for license renewal, fifteen dollars ($15).

(c) Fee for a duplicate license, fifteen dollars ($15).

CHAPTER 112

An act to amend Sections 2200 and 2272 of, and to add Section 2272.5 to, the Health and Safety Code, relating to local agencies.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 2200 of the Health and Safety Code is amended to read:

2200. Except where the context otherwise requires, the following definitions govern construction of this chapter:

(a) "Board" or "district board" refers to the board of trustees of a district.

(b) "City" includes a city and county.

(c) "District" refers to any mosquito abatement district or vector control district formed pursuant to this chapter or pursuant to any law which it supersedes.

(d) "Property" includes water, and the person or agency claiming ownership, title, or right to water or who controls the diversion, delivery, conveyance, or flow of water is responsible for abatement of public nuisances, as specified in this chapter or Chapter 8 (commencing with Section 2800), which are caused by or as a result of diversion, delivery, conveyance, or control.

(e) "Public nuisance" means any of the following:

(1) (A) Any breeding place for mosquitoes, flies, or other vectors of public health importance which exists by reason of any use made of the land on which it is found, or of any artificial change in its natural condition. Presence of immature arthropods of public health importance shall constitute prima facie evidence that a place is a breeding place for arthropods.

(B) If the board determines that an agricultural operation is growing or processing crops or raising fowl or animals in a manner consistent with proper and accepted practices and standards, as established and followed by similar agricultural operations in the same locality, and employing measures for fly control, for manure management, removal, and disposal, and for disposal of agricultural crop waste, which prevent excessive domestic fly larval development and excessive adult fly emergence on the property, then that place shall not be deemed a public nuisance.

(C) As used in this paragraph, "excessive" means the presence of domestic flies associated with agricultural operations, which do all of the following:

(i) Occur in immature stages and as adults in numbers considerably in excess of those found in the surrounding environment.

(ii) Are associated with the design, layout, and management of agricultural operations.

(iii) Disseminate widely from the property.

(iv) Cause detrimental effects on the public health and well-being of a majority of the surrounding population, as determined by the board.

(2) Water which is a breeding place for mosquitoes, flies, or other arthropods of public health importance.

(3) The presence of rodents or evidence of rodent activity, such as rodent droppings, trails, or evidence of feeding activity.

(f) "Vector" means any animal capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury, including, but not limited to, mosquitoes, flies,

other insects, ticks, mites, and rats, but not including any domesticated animal.

SEC. 2. Section 2272 of the Health and Safety Code is amended to read:

2272. Except as otherwise provided in Section 2272.5, a public nuisance may be abated in any action or proceeding by any remedy provided by this chapter or any other provision of law.

SEC. 3. Section 2272.5 is added to the Health and Safety Code, to read:

2272.5. Section 2272 shall not apply to a public nuisance which exists at an agricultural operation by reason of excessive domestic fly larval development and excessive adult fly emergence as defined in subparagraph (C) of paragraph (1) of subdivision (e) of Section 2200. An agricultural nuisance described in this section may be abated in any action or proceeding only by the remedies provided by this chapter. This chapter shall provide the exclusive source of costs and civil penalties which may be assessed by reason of the agricultural nuisance against the owner or operator of an agricultural operation at which the nuisance is found to exist.

CHAPTER 113

An act to amend Section 98.6 of the Revenue and Taxation Code, relating to mosquito abatement districts.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 98.6 of the Revenue and Taxation Code is amended to read:

98.6. (a) Notwithstanding any other provision of this chapter, the amount allocated pursuant to Sections 96 or 97, and 98, to a special district, as defined in Article 1 (commencing with Section 2201) of Chapter 3 of Part 4, excluding multicounty districts, and the amount allocated pursuant to Section 75.70 to a special district which is governed by the board of supervisors of a county or whose governing body is the same as the board of supervisors of a county, shall be reduced by an amount computed as follows:

(1) A ratio shall be computed for each of the special districts equal to the amount of state assistance payment for the special district for the 1978–79 fiscal year divided by the sum of the state assistance payment for the special district plus the amount of property tax revenue allocated to the special district for the 1978–79 fiscal year pursuant to Section 26912 of the Government Code.

(2) The amount by which the allocation pursuant to Sections 75.70, 96 or 97, and 98, shall be reduced shall be equal to the allocation

multiplied by the factor computed for the district pursuant to paragraph (1).

(3) For the 1984–85 fiscal year and each fiscal year thereafter, the amount computed for each special district pursuant to this subdivision, other than a special district governed by a county board of supervisors or whose governing board is the same as the county board of supervisors, shall not be greater than the amount computed for the 1983–84 fiscal year.

(4) The total of all amounts computed for special districts within each county shall be deposited in the Special District Augmentation Fund which shall specify amounts for each governing body as defined in Section 16271 of the Government Code and which shall be allocated pursuant to subdivision (b).

(5) Notwithstanding any other provision of law, for purposes of this section, an existing mosquito abatement district, as provided for in Chapter 5 (commencing with Section 2108) of Division 3 of the Health and Safety Code, located in Monterey County that, on or after January 1, 1988, annexes property in a county adjoining Monterey County and which prior to the date of annexation is not a multicounty district, shall not be deemed a multicounty district.

(b) There is hereby created a Special District Augmentation Fund in each county to augment the revenues of special districts. On or before June 1 of each year, the governing body shall notify each special district of the estimated amount of funds in the Special District Augmentation Fund available to special districts in the coming fiscal year. The auditor shall, on or before September 30 of each year, notify each governing body, as defined in Section 16271 of the Government Code, of the amount allocated to it pursuant to this section.

(c) Within 15 days of the notice, the governing body shall hold a public hearing for the purpose of determining the distribution of the funds. The governing body shall send written notice to the legislative body of each special district which is not governed by the board of supervisors or the city council. The notice shall include all of the following:

(1) The amount of funds disbursed to each special district and the amount of funds disbursed pursuant to subdivision (j) in the past fiscal year.

(2) The amount of funds computed pursuant to subdivision (a).

(3) The amount of funds proposed to be allocated pursuant to subdivision (j).

(4) The time and place of the hearing.

The governing body shall also publish the notice in a newspaper of general circulation in the county not less than three days prior to the hearing. The published notice shall include the time and place of the hearing.

(d) Within 30 days of the notice of allocation, the governing body shall allocate the funds to special districts, and may allocate funds pursuant to subdivision (j). The governing body shall disburse the

entire amount of the fund to special districts during the fiscal year, except for the amounts allocated pursuant to subdivision (j).

(e) In determining the amount of funds to be disbursed to each special district, the governing body shall not consider any revenues raised by a special district pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1, or Article 16 (commencing with Section 53970) of Chapter 4 of Part 1 of Division 2, of Title 5 of the Government Code.

(f) In determining the amount of funds to be allocated to each special district, the governing body may consider the revenues which are raised, or could be raised, by a special district from its enterprise activities.

(g) In determining the amount of funds to be allocated to each special district, the governing body shall not allocate funds to any special district which is governed by the board of supervisors or the city council if the governing body intends that those funds are to be transferred to that county or city upon or after disbursement to the special district, except as reimbursement to the city or county for services rendered to the special district.

(h) Within 30 days after determining the amount of funds to be allocated, the governing body shall send written notice to the legislative body of each special district which is not governed by the board of supervisors or the city council which shall include:

(1) The total amount of funds computed pursuant to subdivision (a).

(2) The amount of funds allocated to each special district.

(3) The amount of funds allocated pursuant to subdivision (j).

(i) In determining the amount of funds to be disbursed to a special district, the governing body may restrict the use of the funds requested by a special district for purposes of capital purchases to those purposes.

(j) The funds allocated pursuant to this section shall be used exclusively for special districts and shall not be used for any general county or municipal expenses, except that:

(1) The governing body may allocate to its general fund an amount not to exceed the actual demonstrated cost of administering the Special District Augmentation Fund, which shall be an amount necessary to reimburse the actual demonstrated expenditures made to carry out the requirements of subdivisions (a) to (i), inclusive, and also the actual demonstrated cost of providing the assistance requested by special districts, which amount shall not exceed 1 percent of the amount in the fund.

(2) The governing body may allocate to a special account in its general fund an amount not to exceed 1 percent of the amount of the Special District Augmentation Fund to pay only the costs of the following:

(A) Expenses incurred by special districts in the event of an emergency. As used in this subparagraph, "emergency" means a sudden, unexpected occurrence which threatens the public peace,

health, safety, or welfare and which is, or is likely to be, beyond the control of the services, personnel, equipment, or facilities of the special district.

(B) To carry out the purposes of the California Special District Consolidation Assistance Program established pursuant to Chapter 9.5 (commencing with Section 60350) of Division 2 of Title 6 of the Government Code.

(C) To establish a Special District Augmentation Fund Loan program. The program funds may be loaned to special districts under those terms and conditions and in those amounts as are specified by the governing body.

(3) Notwithstanding the limits of paragraph (2), the governing body of a county with a population of less than 50,000, as determined by the Department of Finance, may allocate an amount not to exceed 2 percent of the fund. Those governing bodies may accumulate in the special account an amount not to exceed 5 percent of the fund over a period of three fiscal years.

(4) The governing body shall disburse to special districts any amount allocated pursuant to this subdivision which is greater than the limits set by paragraphs (2) and (3) in the succeeding fiscal year.

(k) The county auditor shall disburse funds to the special district in the same manner as disbursements which are made from the county treasurer's property tax trust fund.

(*l*) Disbursements to cities with more than one subsidiary special district may be made to the city. Each city shall distribute these funds to their individual subsidiary special districts in accordance with the city council's final determination.

(m) Any interest which accrues to the Special District Augmentation Fund shall be considered part of the fund and shall not be allocated or distributed in any way to the general fund of the governing body.

SEC. 2. 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 of the unique circumstances of the County of Monterey. The facts constituting the necessity are:

The Northern Salinas Valley Mosquito Abatement District has considered the annexation of territory which is located in the County of Santa Cruz and thereby becoming a multicounty district. If this annexation results in reducing the amount of money which is deposited in the Special District Augmentation Fund of the County of Monterey pursuant to Section 98.6 of the Revenue and Taxation Code, then the Board of Supervisors of the County of Monterey will have less money to allocate to other special districts in the county.

CHAPTER 114

An act to amend Section 7006 of, and to add Section 7017.2 to, the Civil Code, relating to parent and child.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 7006 of the Civil Code is amended to read:

7006. (a) A child, the child's natural mother, or a man presumed to be the child's father under paragraph (1), (2), or (3) of subdivision (a) of Section 7004, may bring an action as follows:

(1) At any time for the purpose of declaring the existence of the father and child relationship presumed under paragraph (1), (2), or (3) of subdivision (a) of Section 7004.

(2) For the purpose of declaring the nonexistence of the father and child relationship presumed under paragraph (1), (2), or (3) of subdivision (a) of Section 7004 only if the action is brought within a reasonable time after obtaining knowledge of relevant facts. After the presumption has been rebutted, paternity of the child by another man may be determined in the same action, if he has been made a party.

(b) Any interested party may bring an action at any time for the purpose of determining the existence or nonexistence of the father and child relationship presumed under paragraph (4) of subdivision (a) of Section 7004.

(c) An action to determine the existence of the father and child relationship with respect to a child who has no presumed father under Section 7004 or whose presumed father is deceased may be brought by the child or personal representative of the child, the State Department of Social Services, the mother or the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor. Such an action shall be consolidated with a proceeding pursuant to subdivision (b) of Section 7017 if a proceeding has been filed under Section 7017. The parental rights of the alleged natural father shall be determined as set forth in subdivision (d) of Section 7017.

(d) Except as to cases coming within the provisions of Section 621 of the Evidence Code, a man not a presumed father may bring an action for the purpose of declaring that he is the natural father of a child having a presumed father under Section 7004, if the mother relinquishes for, consents to, or proposes to relinquish for or consent to, the adoption of the child. Such an action shall be brought within 30 days after the man is served as prescribed in subdivision (f) of Section 7017 with a notice that he is or could be the father of the child

or the birth of the child, whichever is later. The commencement of the action shall suspend any pending proceeding in connection with the adoption of the child until a judgment in the action is final.

(e) Regardless of its terms, an agreement between an alleged or presumed father and the mother or child does not bar an action under this section.

(f) An action under this section may be brought before the birth of the child.

(g) The district attorney may also, at his or her discretion, bring an action under this section in any case in which the district attorney believes it to be appropriate.

SEC. 2. Section 7017.2 is added to the Civil Code, to read:

7017.2. (a) Notwithstanding any other provision of law, an action to terminate the parental rights of a father of a child as specified in Section 7017 shall be set for hearing not more than 45 days after filing of the petition therefor and completion of service thereon or the entry of an order dispensing with notice of the proceedings. The petition shall either specify the date of the hearing or state that a hearing will be held on a date as determined pursuant to this section, which shall be separately noticed.

(b) The matter so set shall have precedence over all other civil matters on the date set for trial, except an action to terminate parental rights pursuant to Section 232. The court may continue the proceedings for not more than 30 days as necessary to appoint counsel and to enable counsel to adequately prepare for the case or for other good cause.

(c) In order to obtain a motion for a continuance of the hearing, written notice shall be filed within two court days of the date set for the hearing, together with affidavits or declarations detailing specific facts showing that a continuance is necessary, unless the court for good cause entertains an oral motion for continuance. Continuances shall be granted only upon a showing of good cause. Neither a stipulation between counsel nor the convenience of the parties is in and of itself a good cause.

A continuance shall be granted only for that period of time shown to be necessary by the evidence considered at the hearing on the motion. Whenever any continuance is granted, the facts proven which require the continuance shall be entered upon the minutes of the court.

CHAPTER 115

An act to amend Sections 12027 and 12031 of the Penal Code, relating to firearms.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 12027 of the Penal Code is amended to read:

12027. Section 12025 does not apply to or affect any of the following:

(a) (1) Any peace officer, listed in Section 830.1 or 830.2, whether active or honorably retired, other duly appointed peace officers, honorably retired peace officers listed in subdivision (c) of Section 830.5, full-time paid peace officers of other states and the federal government who are carrying out official duties while in California, or any person summoned by any of these officers to assist in making arrests or preserving the peace while he or she is actually engaged in assisting that officer. Any peace officer described in this paragraph who has been honorably retired shall be issued an identification certificate by the agency the officer retired from.

Any officer retired after January 1, 1981, shall have an endorsement on the identification certificate stating that the issuing agency approves the officer's carrying of a firearm. The endorsement shall also include the date when the endorsement is to be renewed.

(2) A retired peace officer who retired after January 1, 1981, shall petition the issuing agency for renewal of his or her privilege to carry a concealed firearm every five years. An honorably retired peace officer, described in paragraph (1), retired prior to January 1, 1981, shall not be required to obtain an endorsement from the issuing agency to carry a firearm. The agency from which a peace officer is honorably retired may, upon initial retirement of that peace officer, or at any time subsequent thereto, deny or revoke, for good cause, the retired officer's privilege to carry a firearm.

(3) An honorably retired peace officer listed in subdivision (c) of Section 830.5 authorized to carry firearms by this subdivision shall meet the training requirements of Section 832 and shall qualify with the firearm at least annually. The individual retired peace officer shall be responsible for maintaining his or her eligibility to carry a firearm. The Department of Justice shall provide subsequent arrest notification pursuant to Section 11105.2 regarding honorably retired peace officers listed in subdivision (c) of Section 830.5 to the agency from which the officer has retired.

(b) The possession or transportation by any merchant of unloaded firearms as merchandise.

(c) Members of the Army, Navy, or Marine Corps of the United States, or the National Guard, when on duty, or organizations which

are by law authorized to purchase or receive such weapons from the United States or this state.

(d) Duly authorized military or civil organizations while parading, or the members thereof when going to and from the places of meeting of their respective organizations.

(e) Guards or messengers of common carriers, banks, and other financial institutions while actually employed in and about the shipment, transportation, or delivery of any money, treasure, bullion, bonds, or other thing of value within this state.

(f) Members of any club or organization organized for the purpose of practicing shooting at targets upon established target ranges, whether public or private, while such members are using any of the firearms referred to in this chapter upon such target ranges, or while going to and from such ranges.

(g) Licensed hunters or fishermen while engaged in hunting or fishing, or while going to or returning from such hunting or fishing expedition.

(h) Members of any club or organization organized for the purpose of collecting and displaying antique or historical pistols, revolvers or other firearms, while such members are displaying such weapons at meetings of such clubs or organizations or while going to and from such meetings, or individuals who collect such firearms not designed to fire, or incapable of firing fixed cartridges or fixed shot shells, or other firearms of obsolete ignition type for which ammunition is not readily available and which are generally recognized as collector's items, provided such firearm is kept in the trunk. If the vehicle is not equipped with a trunk, such firearm shall be kept in a locked container in an area of the vehicle other than the utility or glove compartment.

(i) Upon approval of the sheriff of the county in which they reside, honorably retired federal officers or agents of the Federal Bureau of Investigation, the Secret Service, the United States Customs Service, the Federal Bureau of Alcohol, Tobacco, and Firearms, the Federal Bureau of Narcotics, and the Drug Enforcement Administration who were assigned to duty within the state for a period of not less than one year, or who retired from active service in the state.

Retired federal officers or agents shall carry identification indicating their retired federal status and shall provide the sheriff with certification from the agency from which they retired certifying their service in the state, the nature of their retirement, and indicating the agency's concurrence that the retired federal officer or agent should be accorded the privilege of carrying a concealed firearm.

The sheriff of the county in which the retired federal officer or agent resides may require recertification prior to a permit renewal, and may suspend the privilege for cause. The sheriff may charge a fee necessary to cover any reasonable expenses incurred by the county.

SEC. 2. Section 12031 of the Penal Code is amended to read:

12031. (a) Except as provided in subdivision (b), (c), or (d), every person who carries a loaded firearm on his or her person or in a vehicle while in any public place or on any public street in an incorporated city or in any public place or on any public street in a prohibited area of unincorporated territory is guilty of a misdemeanor.

Every person convicted under this section who has previously been convicted of an offense enumerated in Section 12001.6, or of any crime made punishable under this chapter, shall serve a term of at least three months in the county jail, or, if granted probation, or if the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned for a period of at least three months.

The court shall apply the three-month minimum sentence except in unusual cases where the interests of justice would best be served by granting probation or suspending the imposition or execution of sentence without the minimum imprisonment required in this subdivision or by granting probation or suspending the imposition or execution of sentence with conditions other than those set forth in this subdivision, in which case, 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.

(b) Subdivision (a) shall not apply to any of the following:

(1) Peace officers listed in Section 830.1 or 830.2, whether active or honorably retired, other duly appointed peace officers, honorably retired peace officers listed in subdivision (c) of Section 830.5, full-time paid peace officers of other states and the federal government who are carrying out official duties while in California, or any person summoned by any such officers to assist in making arrests or preserving the peace while the person is actually engaged in assisting that officer. Any peace officer described in this paragraph who has been honorably retired shall be issued an identification certificate by the agency from which the officer has retired.

Any officer retired after January 1, 1981, shall have an endorsement on the identification certificate stating that the issuing agency approves the officer's carrying of a loaded firearm. The endorsement shall also include the date when the endorsement is to be renewed.

(2) A retired peace officer who retired after January 1, 1981, shall petition the issuing agency for renewal of his or her privilege to carry a loaded firearm every five years. An honorably retired peace officer, described in paragraph (1), retired prior to January 1, 1981, shall not be required to obtain an endorsement from the issuing agency to carry a firearm. The agency from which a peace officer is honorably retired may, upon initial retirement of the peace officer, or at any time subsequent thereto, deny or revoke, for good cause, the retired officer's privilege to carry a firearm.

(3) An honorably retired peace officer listed in subdivision (c) of Section 830.5 authorized to carry loaded firearms by this subdivision

shall meet the training requirements of Section 832 and shall qualify with the firearm at least annually. The individual retired peace officer shall be responsible for maintaining his or her eligibility to carry a loaded firearm. The Department of Justice shall provide subsequent arrest notification pursuant to Section 11105.2 regarding honorably retired peace officers listed in subdivision (c) of Section 830.5 to the agency from which the officer has retired.

(4) Members of the military forces of this state or of the United States engaged in the performance of their duties.

(5) Persons who are using target ranges for the purpose of practice shooting with a firearm or who are members of shooting clubs while hunting on the premises of such clubs.

(6) The carrying of concealable weapons by persons who are authorized to carry such weapons pursuant to Article 3 (commencing with Section 12050) of Chapter 1 of Title 2 of Part 4.

(7) Armored vehicle guards, as defined in Section 7521 of the Business and Professions Code, (A) if hired prior to January 1, 1977; or (B) if hired on or after such date, if they have received a firearms qualification card from the Department of Consumer Affairs, in each case while acting within the course and scope of their employment.

(8) Upon approval of the sheriff of the county in which they reside, honorably retired federal officers or agents of the Federal Bureau of Investigation, the Secret Service, the United States Customs Service, the Federal Bureau of Alcohol, Tobacco, and Firearms, the Federal Bureau of Narcotics, and the Drug Enforcement Administration who were assigned to duty within the state for a period of not less than one year, or who retired from active service in the state.

Retired federal officers or agents shall carry identification indicating their retired federal status and shall provide the sheriff with certification from the agency from which they retired certifying their service in the state, the nature of their retirement, and indicating the agency's concurrence that the retired federal officer or agent should be accorded the privilege of carrying a loaded firearm.

The sheriff of the county in which the retired federal officer or agent resides may require recertification prior to a permit renewal, and may suspend the privilege for cause. The sheriff may charge a fee necessary to cover any reasonable expenses incurred by the county.

(c) Subdivision (a) shall not apply to any of the following who have completed a regular course in firearms training approved by the Commission on Peace Officer Standards and Training:

(1) Patrol special police officers appointed by the police commission of any city, county, or city and county under the express terms of its charter who also under the express terms of the charter (i) are subject to suspension or dismissal after a hearing on charges duly filed with the commission after a fair and impartial trial, (ii) must be not less than 18 years of age nor more than 40 years of age,

(iii) must possess physical qualifications prescribed by the commission, and (iv) are designated by the police commission as the owners of a certain beat or territory as may be fixed from time to time by the police commission.

(2) The carrying of weapons by animal control officers or zookeepers, regularly compensated as such by a governmental agency when acting in the course and scope of their employment and when designated by a local ordinance or, if the governmental agency is not authorized to act by ordinance, by a resolution, either individually or by class, to carry such weapons, or by persons who are authorized to carry such weapons pursuant to Section 607f of the Civil Code, while actually engaged in the performance of their duties pursuant to that section.

(3) Harbor policemen designated pursuant to Section 663.5 of the Harbors and Navigation Code.

(d) Subdivision (a) shall not apply to any of the following who have been issued a certificate pursuant to Section 12033. Such certificate shall not be required of any person who is a peace officer, who has completed all training required by law for the exercise of his or her power as a peace officer, and who is employed while not on duty as such peace officer.

(1) Guards or messengers of common carriers, banks, and other financial institutions while actually employed in and about the shipment, transportation, or delivery of any money, treasure, bullion, bonds, or other thing of value within this state.

(2) Guards of contract carriers operating armored vehicles pursuant to California Highway Patrol and Public Utilities Commission authority (i) if hired prior to January 1, 1977; or (ii) if hired on or after January 1, 1977, if they have completed a course in the carrying and use of firearms which meets the standards prescribed by the Department of Consumer Affairs.

(3) Private investigators and private patrol operators who are licensed pursuant to Chapter 11.5 (commencing with Section 7512) of, and alarm company operators who are licensed pursuant to Chapter 11.6 (commencing with Section 7590) of, Division 3 of the Business and Professions Code, while acting within the course and scope of their employment.

(4) Uniformed security guards or night watchmen employed by any public agency, while acting within the scope and in the course of their employment.

(5) Uniformed security guards, regularly employed and compensated in that capacity by persons engaged in any lawful business, and uniformed alarm agents employed by an alarm company operator, while actually engaged in protecting and preserving the property of their employers or on duty or en route to or from their residence or their place of employment. Security guards and alarm agents en route to or from their residence or employer-required range training. Nothing in this paragraph shall be construed to prohibit cities and counties from enacting ordinances

requiring alarm agents to register their name.

(6) Uniformed employees of private patrol operators and private investigators licensed pursuant to Chapter 11.5 (commencing with Section 7512) of Division 3 of the Business and Professions Code while acting within the course and scope of their employment as private patrolmen or private investigators.

(e) In order to determine whether or not a firearm is loaded for the purpose of enforcing this section, peace officers are authorized to examine any firearm carried by anyone on his or her person or in a vehicle while in any public place or on any public street in an incorporated city or prohibited area of an unincorporated territory. Refusal to allow a peace officer to inspect a firearm pursuant to the provisions of this section constitutes probable cause for arrest for violation of this section.

(f) As used in this section "prohibited area" means any place where it is unlawful to discharge a weapon.

(g) A firearm shall be deemed to be loaded for the purposes of this section when there is an unexpended cartridge or shell, consisting of a case which holds a charge of powder and a bullet or shot, in, or attached in any manner to, the firearm, including, but not limited to, in the firing chamber, magazine, or clip thereof attached to the firearm; except that a muzzle-loader firearm shall be deemed to be loaded when it is capped or primed and has a powder charge and ball or shot in the barrel or cylinder.

(h) Nothing in this section shall prevent any person engaged in any lawful business, including a nonprofit organization, or any officer, employee, or agent authorized by such person for lawful purposes connected with such business, from having a loaded firearm within such person's place of business, or any person in lawful possession of private property from having a loaded firearm on such property.

(i) Nothing in this section shall prevent any person from carrying a loaded firearm in an area within an incorporated city while engaged in hunting, during such time and in such area as the hunting is not prohibited by the city council.

(j) Nothing in this section is intended to preclude the carrying of any loaded firearm, under circumstances where it would otherwise be lawful, by a person who reasonably believes that the person or property of himself or herself or of another is in immediate, grave danger and that the carrying of such weapon is necessary for the preservation of such person or property. As used in this subdivision "immediate" means the brief interval before and after the local law enforcement agency, when reasonably possible, has been notified of the danger and before the arrival of its assistance.

(k) Nothing in this section is intended to preclude the carrying of a loaded firearm by any person while engaged in the act of making or attempting to make a lawful arrest.

(*l*) Nothing in this section shall prevent any person from having a loaded weapon, if it is otherwise lawful, at his or her place of residence, including any temporary residence or campsite.

CHAPTER 116

An act to amend Section 14613 of the Government Code, relating to the California State Police, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 14613 of the Government Code is amended to read:

14613. There is in the Department of General Services the California State Police Division.

The director shall appoint members and employees of the California State Police Division as may be necessary to protect and provide police services for the state buildings and grounds and occupants thereof. Members and security officers of the California State Police Division have the powers of peace officers as defined in the Penal Code.

Members of the California State Police Division consist of the following: the chief, inspectors, captains, lieutenants, sergeants, and officers. All other persons in the California State Police Division are considered employees.

The California State Police Division may provide for the physical security of any current or former constitutional officer of the state and any current or former legislator of the state.

Upon the request of the Chief Justice, the director, through the California State Police Division, may provide appropriate protective services to any current or former member of the state courts of appeal and the California Supreme Court.

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 protective services continue to be provided to persons now receiving those services as a result of public service on the California Supreme Court, it is necessary that this act take effect immediately.

CHAPTER 117

An act to amend Section 19549.10 of the Business and Professions Code, relating to horseracing.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 19549.10 of the Business and Professions Code is amended to read:

19549.10. Notwithstanding Section 19414.5, the board may allocate racing weeks of four racing days to an association conducting quarter horse racing in the northern zone if the association and the organization representing the horsemen agree to the allocation.

CHAPTER 118

An act to amend Section 232 of the Education Code, relating to education.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 232 of the Education Code is amended to read:

232. The State Board of Education, the Board of Governors of the California Community Colleges, and the Trustees of the California State University shall issue regulations pursuant to Chapter 3.5 (commencing with Section 11340) and Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code, commonly referred to as the Administrative Procedure Act, to implement the provisions of this chapter.

The Regents of the University of California may issue regulations to implement the provisions of this chapter. If the Regents of the University of California choose to issue regulations it may issue them pursuant to Chapter 3.5 (commencing with Section 11340) and Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code, commonly referred to as the Administrative Procedure Act.

SEC. 2. It is the intent of the Legislature that Section 264 of the Education Code, relative to the applicability of Chapter 2 (commencing with Section 200) of Part 1 of the Education Code to the University of California, apply to the section of the Education Code amended by this act.

CHAPTER 119

An act to amend Sections 4 and 5 of, and to add Sections 12.1 and 12.3 to, the Monterey County Flood Control and Water Conservation District Act (Chapter 699 of the Statutes of 1947), relating to the Monterey County Flood Control and Water Conservation District.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 4 of the Monterey County Flood Control and Water Conservation District Act (Chapter 699 of the Statutes of 1947) is amended to read:

Sec. 4. The objects and purposes of this act are to provide for the control of the flood and storm waters of the district and the flood and storm waters of streams that have their sources outside the district, but which streams and flood waters flow into the district, and to conserve such waters for beneficial and useful purposes by spreading, storing, retaining, and causing such waters to percolate into the soil within the district, or to save and conserve in any manner all or any of such waters and to protect from such flood or storm waters the public highways, life and property in the district, and the watercourses and watersheds of streams flowing into the district, and to increase, and prevent the waste or diminution of the water supply in the district, including the control of groundwater extractions as required to prevent or deter the loss of usable groundwater through intrusion of seawater and the replacement of groundwater so controlled through the development and distribution of a substitute surface supply, and to prohibit groundwater exportation from the Salinas River Groundwater Basin, and to obtain, retain, and reclaim drainage, storm, flood, and other waters for beneficial use within the district; and to provide, in the discretion of the district in connection with and as an incident to any works, dam, or reservoir heretofore or hereafter constructed either within or without the district, for the construction, maintenance, and operation of a minimum or permanent pool and facilities for swimming, boating, fishing, and recreation in or upon waters stored in any stream, reservoir, or minimum or permanent pool, and for the acquisition in any manner provided in this act and for the use by the district, in addition or adjacent to lands that may be used or acquired for flood control or water conservation purposes or that may be acquired for the maintenance or protection of any such works, dam, or reservoir or watersheds adjacent thereto, of lands deemed by the supervisors of the district to be necessary or convenient for the installation, construction, use, and maintenance of recreational areas or facilities, including picnic grounds, play grounds, camp grounds, home sites, boats and fishing, bathing, or other facilities for use by the

public, subject to such rules and regulations and reasonable charges as may be prescribed by the board of supervisors of the district; provided, however, that no property situated in another county, except property sought to be condemned in condemnation proceedings pending before a court upon the effective date of this section (as amended at the 1956 First Extraordinary Session) shall be condemned by the district for recreational areas or facilities unless the board of supervisors of the county in which such property is situated agrees to the condemnation thereof.

SEC. 2. Section 5 of the Monterey County Flood Control and Water Conservation District Act (Chapter 699 of the Statutes of 1947) is amended to read:

Sec. 5. The district is hereby declared to be a body corporate and politic and as such shall have, in addition to the other powers vested in it by this act, the following powers:

1. To have perpetual succession.

2. To sue and be sued in the name of the district in all actions and proceedings in all courts and tribunals of competent jurisdiction.

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

4. To acquire by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and to hold, use, enjoy, sell, let, and dispose of real and personal property of every kind, including lands, structures, buildings, rights-of-way, easements, and privileges, and to construct, maintain, alter, and operate any and all works or improvements, within or without the district, necessary or proper to carry out any of the objects or purposes of this act and convenient to the full exercise of its powers, and to complete, extend, add to, alter, remove, repair, or otherwise improve any works, or improvements, or property acquired by it as authorized by this act.

5. To store water in surface or underground reservoirs within or outside of the district for the common benefit of the district or of any zone or zones affected; to conserve and reclaim water for present and future use within the district; to appropriate and acquire water and water rights, and import water into the district and to conserve within or outside of the district, water for any purpose useful to the district; to commence, maintain, intervene in, defend, or compromise, in the name of the district in behalf of the landowners therein, or otherwise, and to assume the costs and expenses of any action or proceeding involving or affecting the ownership or use of waters or water rights within or without the district, used or useful for any purpose of the district or of common benefit to any land situated therein, or involving the wasteful use of water therein; to commence, maintain, intervene in, defend, and compromise and to assume the cost and expenses of any and all actions and proceedings now or hereafter begun; to prevent interference with or diminution of, or to declare rights in the natural flow of any stream or surface or subterranean supply of waters used or useful for any purpose of the district or of common benefit to the lands within the district or to its inhabitants; to prevent unlawful exportation of water from the

district; to prevent contamination, pollution or otherwise rendering unfit for beneficial use the surface or subsurface water used or useful in the district, and to commence, maintain and defend actions and proceedings to prevent any such interference with those waters as may endanger or damage the inhabitants, lands, or use of water in, or flowing into, the district; provided, however, that the district shall not have power to intervene or take part in, or to pay the cost or expenses of, actions or controversies between the owners of lands or water rights which do not affect the interests of the district.

6. To control the flood and storm waters of the district and the flood and storm waters of streams that have their sources outside of the district, but which streams and the flood waters thereof, flow into the district, and to conserve such waters for beneficial and useful purposes of the district by spreading, storing, retaining, and causing to percolate into the soil within or without the district, or to save or conserve in any manner all or any of such waters and protect from damage from such flood or storm waters the watercourses, watersheds, public highways, life, and property in the district, and the watercourses outside of the district of streams flowing into the district.

7. To cooperate and to act in conjunction with the State of California, or any of its engineers, officers, boards, commissions, departments, or agencies, or with the government of the United States, or any of its engineers, officers, boards, commissions, departments, or agencies, or with any public or private corporation, or with the County of Monterey, in the construction of any work for the controlling of flood or storm waters of or flowing into the district, or for the protection of life or property therein, or for the purpose of conserving those waters for beneficial use within the district, or in any other works, acts, or purposes provided for herein, and to adopt and carry out any definite plan or system of work for any such purpose.

8. To carry on technical and other necessary investigations, make measurements, collect data, make analyses, studies, and inspections pertaining to water supply, water rights, control of flood and storm waters, and use of water both within and without the district relating to watercourses or streams flowing in or into the district. For such purposes, the district shall have the right of access through its authorized representatives to all properties within the district and elsewhere relating to watercourses and streams flowing in or into the district. The district, through its authorized representatives, may enter upon such lands and make examinations, surveys, and maps thereof.

9. To enter upon any land, to make surveys and locate the necessary works of improvement and the lines for channels, conduits, canals, pipelines, roadways, and other rights-of-way; to acquire by purchase, lease, contract, gift, devise, or other legal means all lands and water and water rights and other property necessary or convenient for the construction, use, supply, maintenance, repair,

and improvement of those works, including works constructed and being constructed by private owners, lands for reservoirs for storage of necessary water, and all necessary appurtenances, and also where necessary or convenient to that end, and for those purposes and uses, to acquire and to hold in the name of the state, the capital stock of any mutual water company or corporation, domestic or foreign, owning water or water rights, canals, waterworks, franchises, concessions, or rights, when the ownership of such stock is necessary to secure a water supply required by the district or any part thereof, upon the condition that when holding such stock, the district shall be entitled to all the rights, powers, and privileges, and shall be subject to all the obligations and liabilities conferred or imposed by law upon other holders of such stock in the same company; to enter into and do any acts necessary or proper for the performance of any agreement with the United States, or any state, county, district of any kind, public or private corporation, association, firm, or individual, or any number of them, for the joint acquisition, construction, leasing, ownership, disposition, use, management, maintenance, repair, or operation of any rights, works, or other property of a kind which might be lawfully acquired or owned by the district; to acquire the right to store water in any reservoirs, or to carry water through any canal, ditch or conduit not owned or controlled by the district; to grant to any owner or lessee the right to the use of any water or right to store such water in any reservoir of the district, or to carry such water through any tunnels, canal, ditch, or conduit of the district; to enter into and do any acts necessary or proper for the performance of any agreement with any district of any kind, public or private corporation, association, firm, or individual, or any number of them for the transfer or delivery to any such district, corporation, association, firm, or individual of any water right or water pumped, stored, appropriated, or otherwise acquired or secured, for the use of the district, or for the purpose of exchanging the same for other water, water right, or water supply in exchange for water, water right, or water supply to be delivered to said district by the other party to the agreement; to cooperate with, and to act in conjunction with, the State of California, or any of its engineers, officers, boards, commissions, departments, or agencies, or with the government of the United States, or any of its engineers, officers, boards, commissions, departments, or agencies, or with any public or private corporation, in the construction of any work for controlling flood or storm waters of streams in or running into the district, or for the protection of life or property therein, or for the purpose of conserving the waters for beneficial use within the district, or in any other works, acts, or purposes provided for herein, and to adopt and carry out any definite plan or system of work for any such purpose.

10. To incur indebtedness and to issue bonds in the manner herein provided.

11. To cause taxes or assessments to be levied and collected for the purpose of paying any obligation of the district, and to carry out any

of the purposes of this act, in the manner hereinafter provided.

12. To make contracts, and to employ labor, and to do all acts necessary for the full exercise of all powers vested in the district or any of the officers thereof, by this act.

13. To buy, provide, sell and deliver water.

14. To exchange water.

15. To develop and distribute water to persons in exchange for ceasing or reducing groundwater extractions, and to prevent groundwater extractions which are determined to be harmful to the groundwater basin.

16. To transport, reclaim, purify, treat, or otherwise manage and control water for the beneficial use of persons or property within the district.

17. To construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir operated or contracted to be operated by the district whether within or without the district, subject to the limitations as to eminent domain use for recreational purposes outside the district set forth in Section 4, and to provide by ordinance regulations binding upon all persons to govern the use of such facilities including regulations imposing reasonable charges for the use thereof.

18. To regulate, inspect, and license all structures, including docks and wharves, or structures used as docks or wharves, and their anchorage or mooring system, that float on or are designed to float on the surface of reservoirs operated or contracted to be operated by the district or that are located within the area subject to its flowage easement, or that are located on real property of the district, and to charge a reasonable fee for licensing such structures. Any of such structures that are unlicensed more than 30 days after notice to license the structure has been posted thereon, or any unlicensed structure that is neither anchored nor moored, or is found on property owned in fee by the district is a nuisance. The district may have injunctive relief for any of such nuisances, or may summarily abate any untended structure floating on the surface of such reservoir that is neither anchored nor moored, or any untended structure found on property owned in fee by the district. It shall be unlawful and it is hereby declared to be a misdemeanor to maintain, anchor, or moor or suffer to be maintained, anchored, or moored on property of which one is possessed any unlicensed structure when such structure is required to be licensed pursuant to the provisions of this act. Such misdemeanor shall be punishable by a fine not to exceed five hundred dollars ($500) or by imprisonment in the county jail for not to exceed six months, or by both such fine and imprisonment. Each day of violation of these provisions shall constitute a separate offense.

19. To utilize any part of its water, and any part of its works, facilities, improvements, and property used for the development, storage, and transportation of water pursuant to this section to provide, generate, and deliver hydroelectric power, and to acquire,

construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient therefor.

20. Pursuant to contract, to provide, generate, sell, and deliver hydroelectric power to the United States of America or any board, department, or agency thereof, to the State of California for the purposes of the State Water Resources Development System and to any public agency, public utility, private corporation, or other person or public entity, or any combination thereof, engaged in the sale of electric power. For the purposes of this subdivision, "public agency" means a city, county, city and county, district, local agency, public authority, or public corporation.

21. To construct, maintain, and operate works, facilities, improvements, and property of the district useful or necessary for the provision, generation, and delivery of hydroelectric power, pursuant to paragraphs 19 and 20 of this section.

22. To prevent the export of groundwater from the Salinas River Groundwater Basin, except that use of water from the basin on any part of Fort Ord shall not be deemed such an export. Nothing in this act shall be deemed to prevent the development and use of the Seaside Groundwater Basin for use on any lands within or without that basin.

SEC. 3. Section 12.1 is added to the Monterey County Flood Control and Water Conservation District Act (Chapter 699 of the Statutes of 1947), to read:

Sec. 12.1. The Legislature finds and determines that the district is developing a project which will establish a substantial balance between extraction and recharge within the Salinas River Groundwater Basin. For the purpose of preserving that balance, no groundwater from that basin may be exported for any use outside the basin, except that use of water from the basin on any part of Fort Ord shall not be deemed such an export. If any export of water from the basin is attempted, the district may obtain from the superior court, and the court shall grant, injunctive relief prohibiting that exportation of groundwater.

SEC. 4. Section 12.3 is added to the Monterey County Flood Control and Water Conservation District Act (Chapter 699 of the Statutes of 1947), to read:

Sec. 12.3. If, as a result of appropriate studies conducted by the district, it is determined by the board that any portion of a groundwater basin underlying the district is threatened with the loss of a usable water supply as a result of seawater intrusion into that portion of the groundwater basin, the board may take appropriate steps to prevent or deter the further intrusion of underground seawater by establishing and defining an area and depth from which the further extraction of groundwater is prohibited. This determination shall be made only after a public hearing by the board upon the proposed determination, with notice of the hearing to be given in the manner prescribed in Section 6065 of the Government Code. At the hearing, the board shall accept evidence showing the

nature and extent of the threat of seawater intrusion and the facilities proposed in order to provide to the area threatened a substitute supply of surface water. If, at the conclusion of the hearing, the board determines that a threat of seawater intrusion exists which will be aggravated by continued groundwater extraction within a given area and depth, the board may adopt an ordinance prohibiting the further extraction of groundwater from the area and depth so defined. The ordinance shall be effective as to any existing groundwater well extracting water from the area and depth prohibited only if there is made available to the lands served from that well a substitute surface water supply adequate to replace the water supply previously available from that well. The board shall apportion the costs of installation, maintenance, and operation of the facilities required to furnish that substitute surface supply in an equitable manner among all those benefited by the substitute supply, and by the cessation of groundwater extraction, through appropriate standby charges, water tolls, or subsidies.

CHAPTER 120

An act to amend Sections 30102.5, 30208, 30212, 30214, and 30224 of, to repeal and add Section 30231 of, and to repeal Sections 30228 and 30230 of, the Streets and Highways Code, relating to toll bridges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 30102.5 of the Streets and Highways Code is amended to read:

30102.5. (a) Notwithstanding any other provision of this chapter, on and after January 1, 1982, the commission, in establishing toll charges for any particular toll bridge within the area of jurisdiction of the Metropolitan Transportation Commission, shall give consideration to the cost of operating toll bridges or other toll highways, the tolls on which are pledged as security for bonds issued and outstanding. The cost of operating toll bridges and other toll highways includes the cost of insurance, and the amount required annually to meet the redemption of bonds issued and outstanding for which the tolls are pledged as security, and interest payments and interest charges of the bonds issued and outstanding as they fall due for any particular toll bridge or other toll highway. For the Richmond-San Rafael Bridge, costs may include amounts necessary to repay loans from the State Highway Account in the State Transportation Fund.

(b) In establishing toll charges for the toll bridges within the area

of jurisdiction of the Metropolitan Transportation Commission, the commission shall also maintain net revenues to be used exclusively for transit capital improvements. The net revenues may not exceed the average financial commitment made toward transit capital improvements from toll revenues, as audited, during the 1977–78 and 1978–79 fiscal years, but may be adjusted annually according to the appropriate inflationary index adopted by the Metropolitan Transportation Commission.

(c) No new bonds may be issued that are secured by tolls of any particular toll bridge or toll highway within the area of jurisdiction of the Metropolitan Transportation Commission, except for those bonds necessary to finance the completion of the new Dumbarton Bridge and the payment by the Richmond-San Rafael Bridge of loans from the State Highway Account in the State Transportation Fund. Nothing in this section shall be construed to prohibit the issuance of refunding bonds when, in the exercise of its discretion, the commission determines that by so doing a net savings to the state in interest costs will be realized.

(d) No new loans shall be made from the General Fund or the State Highway Account for any toll bridge or toll highway within the area of jurisdiction of the Metropolitan Transportation Commission.

SEC. 2. Section 30208 of the Streets and Highways Code is amended to read:

30208. (a) The commission shall determine the form, conditions, and denominations of all bonds, the dates which the bonds to be sold shall bear, and the interest rate thereon which may be a variable rate of interest, except that the interest rate shall not exceed 12 percent per annum. The rate of interest need not be uniform for all bonds of the same authorized issue. Principal and interest of the bonds shall be payable at places fixed and determined by the commission. The bonds may contain provisions for registration as to principal only and as to both principal and interest. The bonds may be issued in coupon form with interest payable at times determined by the commission, and shall mature at times and in amounts as prescribed by the commission.

(b) The interest rate on bonds whose proceeds are used exclusively for the costs of construction of the new Dumbarton Bridge shall not exceed 12 percent per annum. Costs of construction shall include all costs and expenses incidental to the acquisition, construction, and financing of the bridge, the costs of issuance and sale of the bonds, and legal, financial, consulting, and engineering fees, and the expenses of printing the bonds and the resolution authorizing issuance of the bonds. This subdivision only applies to bonds not exceeding an aggregate amount of fifty million dollars ($50,000,000).

SEC. 3. Section 30212 of the Streets and Highways Code is amended to read:

30212. Bonds authorized pursuant to this chapter may be sold at a discount from their par value. The sales price shall include the

interest which has accrued thereon up to the date of delivery of the bonds.

SEC. 4. Section 30214 of the Streets and Highways Code is amended to read:

30214. (a) Other than refunding bonds, bonds issued and sold pursuant to this chapter shall be sold on sealed proposals to the highest and best bidder after advertising for bids that the commission deems proper. The commission may reject any and all bids submitted and may thereafter sell the bonds so advertised for sale at private sale under terms and conditions that it deems most advantageous to its own interest, but the bonds shall not be sold at a price below that of the best bid which was rejected.

(b) Refunding bonds issued and sold pursuant to this chapter may be sold pursuant to subdivision (a) or at a private or negotiated sale if the commission determines that a private or negotiated sale of the refunding bonds is in the best interests of the state.

SEC. 5. Section 30224 of the Streets and Highways Code is amended to read:

30224. If a bond issue for the acquisition or construction of a toll bridge or other highway crossing is authorized and sold, in whole or in part, and the commission and director deem it advisable and advantageous to enlarge or extend the toll bridge or other highway crossing or to change the structure or design thereof in order to provide new or greater facilities for any type or class of traffic, the commission may issue additional bonds for the purpose of enlarging or extending the toll bridge or other highway crossing or changing the structure or design thereof in order to provide those new or greater facilities.

The additional bonds shall not constitute a debt or obligation of the state, but shall be bonds of the commission of the same character and payable from the same funds as other bonds authorized pursuant to this chapter. The pledge of the tolls and other revenues to be received from the operation of the toll bridge or other highway crossing to the payment of outstanding bonds shall not be lessened, diminished, or affected in any way by the issuance of the additional bonds.

SEC. 6. Section 30228 of the Streets and Highways Code is repealed.

SEC. 7. Section 30230 of the Streets and Highways Code is repealed.

SEC. 8. Section 30231 of the Streets and Highways Code is repealed.

SEC. 9. Section 30231 is added to the Streets and Highways Code, to read:

30231. (a) The commission may provide for the issuance of bonds for the purpose of refunding any bonds or any series or issue of bonds, or any portion of any series or issue of bonds, of the commission then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue

to the date of redemption, purchase, or maturity of the bonds.

(b) The proceeds of any bonds issued for the purpose of refunding of outstanding bonds may, in the discretion of the commission, be applied to the purchase, redemption prior to maturity, or retirement at maturity of any outstanding bonds on their earliest redemption date, upon their purchase or maturity, or paid to a third person to assume the commission's obligation to make the payments, and may, pending that application, be placed in escrow to be applied to the purchase, retirement at maturity, or redemption on the date determined by the commission.

(c) Any proceeds placed in escrow may, pending their use, be invested and reinvested in obligations or securities authorized by resolutions of the commission, payable or maturing at the time appropriate to ensure the prompt payment of the principal, interest, and redemption premium, if any, of the outstanding bonds to be redeemed at maturity or to be refunded at either their earliest redemption date or any subsequent redemption date. The interest, income, and profits, if any, earned or realized on any investment may also be applied to the payment of the outstanding bonds to be refunded or to the payment of interest on the refunding bonds. After the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds and interest, income, and profits, if any, earned or realized on the investments thereof may be returned to the commission for use by the commission.

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 take advantage of current economic conditions with respect to interest rates that could provide significant additional savings to the state, it is necessary that this act take effect immediately.

CHAPTER 121

An act to add Section 30606 to the Streets and Highways Code, relating to the San Francisco-Oakland Bay Bridge.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 30606 is added to the Streets and Highways Code, to read:

30606. (a) The cost of operating and maintaining the architectural lights on the toll bridge shall be paid by the department from toll bridge revenue funds available for the operation of the toll

bridge.

(b) For the purpose of carrying out this section from January 1, 1988, to January 1, 1989, the department's operating expense budget shall be augmented by one person-year and fifty thousand dollars ($50,000). Thereafter, the expense of carrying out this section shall be included in the annual Budget Act.

CHAPTER 122

An act to amend Sections 21151 and 21153 of the Government Code, relating to public employees.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 21151 of the Government Code is amended to read:

21151. A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as follows:

(a) As a member of any board, commission or advisory committee, upon appointment by the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, director of a state department, or the governing board of the contracting agency. However, the appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3201) and Division 4.5 (commencing with Section 6100) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his or her dependents.

(b) As a school crossing guard.

(c) As a juror or election officer.

(d) As an elective officer on and after September 15, 1961. However, all rights and immunities which may have accrued under Section 21158 as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.

(e) As an appointive member of the governing body of a contracting agency. However, the compensation for that office shall not exceed one hundred dollars ($100) per month.

(f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by the appointing power to be temporary in nature.

(g) Upon appointment by the governing body of a contracting agency to a position deemed by the governing body to be of a limited duration and requiring specialized skills. The appointment shall be only to fill a temporary vacancy until a permanent appointment can be made by the governing body.

SEC. 2. Section 21153 of the Government Code is amended to read:

21153. A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system upon appointment by the appointing power of a state agency or any other employer either during an emergency to prevent stoppage of public business or because the retired employee has skills needed in performing work of limited duration. These appointments shall not exceed a total for all employers of 90 working days or 720 hours in any calendar year, and the rate of pay for the employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties.

CHAPTER 123

An act to add Sections 17004.5 and 17004.6 to the Government Code, relating to state government.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 17004.5 is added to the Government Code, to read:

17004.5. Each warrant issued by the Controller payable pursuant to Sections 21235, 21236, and 21237 from the Investment Dividend Disbursement Account in the Public Employees' Retirement Fund to a retiree or beneficiary of the Public Employees' Retirement System shall be accompanied by a statement in at least 10-point print that shall advise at a minimum that:

(a) The benefits are paid quarterly and are paid solely from any moneys then available in the Investment Dividend Disbursement Account (IDDA). Current law provides that the last payment will be made on October 1, 1993.

(b) Moneys become available in the Investment Dividend Disbursement Account (IDDA) only when the investment earnings exceed the earnings forecasted by the actuaries and adopted by the Board of Administration of the Public Employees' Retirement System.

(c) The increases are subject to some variation, are not cumulative, and will not be included in your base allowance entitlement, are not subject to any cost-of-living adjustments, and may be discontinued or reduced if sufficient funds are not available.

SEC. 2. Section 17004.6 is added to the Government Code, to read:

17004.6. Each warrant issued by the Controller payable pursuant to Section 24701 or 24702 of the Education Code to a retirant or

beneficiary of the State Teachers' Retirement System, shall be accompanied by a statement in at least 10-point print that shall advise at a minimum that:

(a) The warrant associated with this stub provides a quarterly payment from funds made available during the current fiscal year to help offset the effects of inflation on your normal monthly allowance from the State Teachers' Retirement System (STRS).

(b) These payments are not cumulative, are not part of the base retirement allowance, and are made only when funds are available for this purpose.

(c) In order for payments to be made pursuant to Section 24701 of the Education Code (added by Chapter 1606 of the Statutes of 1982, S.B. 1562), funds must be appropriated each fiscal year as part of the Budget Act of the State of California.

(d) Funding for the supplemental payments made pursuant to Section 24702 of the Education Code (added by the Deddeh, Elder, and Stirling Act of 1983, Chapter 1213 of the Statutes of 1983, S.B. 638) comes from the net revenues received from the use of school lands and lieu lands in the State of California. The amount of the supplemental payment to each eligible individual is calculated in September. The payments are made on October 1, January 1, April 1, and July 1, for the current fiscal year.

CHAPTER 124

An act to amend Section 12306.5 of the Education Code, relating to resources, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 12306.5 of the Education Code is amended to read:

12306.5. Notwithstanding any other provision in this article or Section 2795 of the Public Resources Code, the Controller shall apportion money received pursuant to Section 12304 for potash deposits located in the Trona Joint Unified School District and the Kern Community College District as follows:

(a) Kern Community College District shall receive 15 percent of the total apportionment.

(b) Trona Joint Unified School District shall receive 85 percent of the total apportionment.

SEC. 2. It is the intent of the Legislature that the amendments to Section 12306.5 of the Education Code made by Section 1 of this act are to be applied retroactively so as to authorize the Controller

to allocate funds received for potash deposits located in the Trona Joint Unified School District and the Kern Community College District to those districts as of July 1, 1986, notwithstanding the effect of Section 2795 of the Public Resources 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 alleviate the financial hardship placed on certain school districts due to a revised method of accounting for federal mineral royalties received by this state and earmarked for those districts from which the minerals are obtained, it is necessary that this act take effect immediately.

CHAPTER 125

An act to amend Section 1070 of the Penal Code, relating to criminal procedure.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 1070 of the Penal Code is amended to read:

1070. (a) If the offense charged be punishable with death, or with imprisonment in the state prison for life, the defendant is entitled to 20 and the state to 20 peremptory challenges. Except as provided in subdivision (b), on a trial for any other offense, the defendant is entitled to 10 and the state to 10 peremptory challenges.

(b) If the offense charged be punishable with a maximum term of imprisonment of 90 days or less, the defendant is entitled to six and the state to six peremptory challenges.

CHAPTER 126

An act to amend Section 798.15 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 798.15 of the Civil Code is amended to read:

798.15. The rental agreement shall be in writing and shall contain, in addition to the provisions otherwise required by law to be

included, all of the following:

(a) The term of the tenancy and the rent therefor.

(b) The rules and regulations of the park.

(c) A copy of the text of this chapter shall be attached as an exhibit and shall be incorporated into the rental agreement by reference. Management shall provide all homeowners with a copy of this chapter prior to February 1 of each year, if a significant change was made in the chapter by legislation enacted in the prior year.

(d) A provision specifying that it is the responsibility of the management to provide and maintain physical improvements in the common facilities in good working order and condition.

(e) A description of the physical improvements to be provided the homeowner during his or her tenancy.

(f) A provision listing those services which will be provided at the time the rental agreement is executed and will continue to be offered for the term of tenancy and the fees, if any, to be charged for those services.

(g) A provision stating that management may charge a reasonable fee for services relating to the maintenance of the land and premises upon which a mobilehome is situated in the event the homeowner fails to maintain such land or premises in accordance with the rules and regulations of the park after written notification to the homeowner and the failure of the homeowner to comply within 14 days. The written notice shall state the specific condition to be corrected and an estimate of the charges to be imposed by management if the services are performed by management or its agent.

(h) All other provisions governing the tenancy.

CHAPTER 127

An act to amend Sections 3520 and 3521 of the Elections Code, relating to elections.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 3520 of the Elections Code is amended to read:

3520. (a) Each section of the petition shall be filed with the clerk or registrar of voters of the county or city and county in which it was circulated, but all sections circulated in any county or city and county shall be filed at the same time.

(b) Within five days, excluding Saturdays, Sundays, and holidays, after the filing of the petition, the clerk or registrar of voters shall determine the total number of signatures affixed to the petition and

shall transmit this information to the Secretary of State. If the total number of signatures filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient, the Secretary of State shall so notify the proponents and the county clerks and no further action shall be taken in regard to the petition.

(c) If the number of signatures filed with all county clerks is 100 percent or more of the number of qualified voters needed to declare the petition sufficient, the Secretary of State shall immediately so notify the county clerks.

(d) Within 15 days after this notification, the clerk or registrar of voters shall determine the number of qualified voters who have signed the petition. If more than 500 names have been signed on sections of the petition filed with a county clerk, the clerk shall use a random sampling technique for verification of signatures, as determined by the Secretary of State. The random sample of signatures to be verified shall be drawn in such a manner that every signature filed with the county clerk shall be given an equal opportunity to be included in the sample. Such a random sampling shall include an examination of at least 500 or 5 percent of the signatures, whichever is greater. In determining from the records of registration what number of qualified voters have signed the petition, the clerk or registrar of voters may use the duplicate file of affidavits of registered voters or the facsimiles of voter's signatures, provided that the method of preparing and displaying the facsimiles complies with law.

(e) The clerk or registrar, upon the completion of the examination, shall immediately attach to the petition, except the signatures thereto appended, a certificate properly dated, showing the result of the examination and shall immediately transmit the petition, together with the certificate, to the Secretary of State. A copy of this certificate shall be filed in the clerk's office.

(f) If the certificates received from all county clerks by the Secretary of State establish that the number of valid signatures does not equal 95 percent of the number of qualified voters needed to find the petition sufficient, the petition shall be deemed to have failed to qualify, and the Secretary of State shall immediately so notify the proponents and the county clerks.

(g) If the certificates received from all county clerks by the Secretary of State total more than 110 percent of the number of qualified voters needed to find the petition sufficient, the petition shall be deemed to qualify as of the date of receipt by the Secretary of State of certificates showing the petition to have reached the 105 percent, and the Secretary of State shall immediately so notify the proponents and the county clerks.

SEC. 2. Section 3521 of the Elections Code is amended to read:

3521. (a) If the statistical sampling shows that the number of valid signatures is within 95 to 110 percent of the number of signatures of qualified voters needed to declare the petition

sufficient, the Secretary of State shall order the examination and verification of each signature filed and shall so notify the county clerks.

(b) Within 30 days, excluding Saturdays, Sundays, and holidays, after receipt of the order, the clerk or registrar of voters shall determine from the records of registration what number of qualified voters have signed the petition and if necessary the board of supervisors shall allow the clerk or registrar additional assistance for the purpose of examining the petition and provide for their compensation. In determining from the records of registration what number of qualified voters have signed the petition, the clerk or registrar of voters may use any file or list of registered voters maintained by his or her office or the facsimiles of voters' signatures, provided that the method of preparing and displaying the facsimiles complies with law.

(c) The clerk or registrar, upon the completion of the examination, shall immediately attach to the petition, except the signatures thereto appended, an amended certificate properly dated, showing the result of the examination and shall immediately transmit the petition, together with the amended certificate, to the Secretary of State. A copy of the amended certificate shall be filed in the clerk's office.

(d) If the amended certificates establish that the petition is sufficient, the petition shall be deemed to be filed as of the date of receipt by the Secretary of State of certificates showing the petition to be signed by the requisite number of voters of the state.

If the amended certificates received from all county clerks by the Secretary of State establish that the petition has still been found insufficient, the Secretary of State shall immediately so notify the proponents and the county clerks.

CHAPTER 128

An act to amend Sections 5110, 5125, and 5127 of the Civil Code, to amend Sections 104, 1201, 13504, 15003, 15405, 15410, 15803, 16062, 16063, 16222, 16303, 16441, and 17457 of, to add Sections 15805, 16082, and 20114.5 to, and to repeal and add Section 82 of, the Probate Code, relating to actions and proceedings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 5110 of the Civil Code is amended to read:

5110. Except as provided in Sections 5107, 5108, and 5126, all real property situated in this state and all personal property wherever

situated acquired during the marriage by a married person while domiciled in this state, and property held in trust pursuant to Section 5110.150, is community property; but whenever any real or personal property, or any interest therein or encumbrance thereon, is acquired prior to January 1, 1975, by a married woman by an instrument in writing, the presumption is that the same is her separate property, and if so acquired by the married woman and any other person the presumption is that she takes the part acquired by her, as tenant in common, unless a different intention is expressed in the instrument; except, that when any of the property is acquired by husband and wife by an instrument in which they are described as husband and wife, unless a different intention is expressed in the instrument, the presumption is that the property is the community property of the husband and wife. The presumptions in this section mentioned are conclusive in favor of any person dealing in good faith and for a valuable consideration with a married woman or her legal representatives or successors in interest, and regardless of any change in her marital status after acquisition of the property.

In cases where a married woman has conveyed, or shall hereafter convey, real property which she acquired prior to May 19, 1889, the husband, or his heirs or assigns, of the married woman, shall be barred from commencing or maintaining any action to show that the real property was community property, or to recover the real property from and after one year from the filing for record in the recorder's office of the conveyances, respectively.

As used in this section, personal property does not include and real property does include leasehold interests in real property.

SEC. 2. Section 5125 of the Civil Code, as amended by Chapter 1091 of the Statutes of 1986, is amended to read:

5125. (a) Except as provided in subdivisions (b), (c), and (d) and Sections 5110.150 and 5128, either spouse has the management and control of the community personal property, whether acquired prior to or on or after January 1, 1975, with like absolute power of disposition, other than testamentary, as the spouse has of the separate estate of the spouse.

(b) A spouse may not make a gift of community personal property, or dispose of community personal property without a valuable consideration, without the written consent of the other spouse.

(c) A spouse may not sell, convey, or encumber community personal property used as the family dwelling, or the furniture, furnishings, or fittings of the home, or the clothing or wearing apparel of the other spouse or minor children which is community personal property, without the written consent of the other spouse.

(d) Except as provided in subdivisions (b) and (c), and in Section 5127, a spouse who is operating or managing a business or an interest in a business that is all or substantially all community personal property has the primary management and control of the business or interest. Primary management and control means that the

managing spouse may act alone in all transactions but shall give prior written notice to the other spouse of any sale, lease, exchange, encumbrance or other disposition of all or substantially all of the personal property used in the operation of the business (including personal property used for agricultural purposes), whether or not title to that property is held in the name of only one spouse. Written notice is not, however, required when prohibited by the law otherwise applicable to the transaction.

Any change of the form of a business is not subject to the requirement of written notice.

Remedies for the failure by a managing spouse to give prior written notice as required by this subdivision are only as specified in Section 5125.1. A failure to give prior written notice shall not adversely affect the validity of a transaction nor of any interest transferred.

(e) Each spouse shall act in good faith with respect to the other spouse in the management and control of the community property in accordance with the general rules which control the actions of persons having relationships of personal confidence as specified in Section 5103, until such time as the property has been divided by the parties or by a court. This duty includes the obligation to make full disclosure to the other spouse of the existence of assets in which the community has an interest and debts for which the community may be liable, upon request. The case law defining the standard of care applicable to Section 5103, but not the case law applicable to former Title 8 (commencing with Section 2215) of Part 4 of Division 3 of this code (as repealed by Chapter 820 of the Statutes of 1986) or Division 9 (commencing with Section 15000) of the Probate Code, applies to this section. In no event shall this standard be interpreted to be less than that of good faith in confidential relations nor as high as that established by former Title 8 (commencing with Section 2215) of Part 4 of Division 3 of this code (as repealed by Chapter 820 of the Statutes of 1986) or Division 9 (commencing with Section 15000) of the Probate Code.

SEC. 3. Section 5127 of the Civil Code is amended to read:

5127. Except as provided in Sections 5110.150 and 5128, either spouse has the management and control of the community real property, whether acquired prior to or on or after January 1, 1975, but both spouses either personally or by duly authorized agent, must join in executing any instrument by which such community real property or any interest therein is leased for a longer period than one year, or is sold, conveyed, or encumbered; provided, however, that nothing herein contained shall be construed to apply to a lease, mortgage, conveyance, or transfer of real property or of any interest in real property between husband and wife; provided, also, however, that the sole lease, contract, mortgage or deed of the husband, holding the record title to community real property, to a lessee, purchaser, or encumbrancer, in good faith without knowlege of the marriage relation, shall be presumed to be valid if executed prior to

January 1, 1975, and that the sole lease, contract, mortgage, or deed of either spouse, holding the record title to community real property to a lessee, purchaser, or encumbrancer, in good faith without knowledge of the marriage relation, shall be presumed to be valid if executed on or after January 1, 1975. No action to avoid any instrument mentioned in this section, affecting any property standing of record in the name of either spouse alone, executed by the spouse alone, shall be commenced after the expiration of one year from the filing for record of such instrument in the recorder's office in the county in which the land is situate, and no action to avoid any instrument mentioned in this section, affecting any property standing of record in the name of the husband alone, which was executed by the husband alone and filed for record prior to the time this act takes effect, in the recorder's office in the county in which the land is situate, shall be commenced after the expiration of one year from the date on which this act takes effect.

SEC. 4. Section 82 of the Probate Code, as amended by Chapter 820 of the Statutes of 1986, is repealed.

SEC. 5. Section 82 is added to the Probate Code, to read:

82. (a) "Trust" includes the following:

(1) An express trust, private or charitable, with additions thereto, wherever and however created.

(2) A trust created or determined by a judgment or decree under which the trust is to be administered in the manner of an express trust.

(b) "Trust" excludes the following:

(1) Constructive trusts, other than those described in paragraph (2) of subdivision (a), and resulting trusts.

(2) Guardianships and conservatorships.

(3) Personal representatives.

(4) Totten trust accounts.

(5) Custodial arrangements pursuant to the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act of any state.

(6) Business trusts that are taxed as partnerships or corporations.

(7) Investment trusts subject to regulation under the laws of this state or any other jurisdiction.

(8) Common trust funds.

(9) Voting trusts.

(10) Security arrangements.

(11) Transfers in trust for purpose of suit or enforcement of a claim or right.

(12) Liquidation trusts.

(13) Trusts for the primary purpose of paying debts, dividends, interest, salaries, wages, profits, pensions, or employee benefits of any kind.

(14) Any arrangement under which a person is nominee or escrowee for another.

SEC. 6. Section 104 of the Probate Code is amended to read:

104. Notwithstanding Section 100, community property held in a

revocable trust described in Section 5110.150 of the Civil Code is governed by the provisions, if any, in the trust for disposition in the event of death.

SEC. 6.5. Section 1201 of the Probate Code is amended to read:

1201. (a) Where a provision of this code requires that notice be given to heirs, or to devisees and legatees, or both, of a decedent or testator, notice need not be given to (1) a person who may be an heir of the decedent or testator because of a possible parent-child relationship between a stepchild and a stepparent or between a foster child and a foster parent or (2) a person who may be a member of a class to whom a devise or bequest is made because of a possible parent-child relationship between a stepchild and a stepparent or between a foster child and a foster parent, unless the person required to give the notice has actual knowledge of facts which a person would reasonably believe give rise under Section 6408 to the parent-child relationship between the stepchild and the stepparent or the foster child and the foster parent.

(b) Nothing in this section limits Section 1202, 1202.5, or 1204.

SEC. 7. Section 13504 of the Probate Code is amended to read:

13504. Notwithstanding the provisions of this part, community property held in a revocable trust described in Section 5110.150 of the Civil Code is governed by the provisions, if any, in the trust for disposition in the event of death.

SEC. 8. Section 15003 of the Probate Code is amended to read:

15003. (a) Nothing in this division affects the law relating to constructive or resulting trusts.

(b) The repeal of Title 8 (commencing with Section 2215) of Part 4 of Division 3 of the Civil Code as provided in the act that added this division to the Probate Code is not intended to alter the rules applied by the courts to fiduciary and confidential relationships, except as to express trusts governed by this division.

(c) Nothing in this division or in Section 82 is intended to prevent the application of all or part of the principles or procedures of this division to an entity or relationship that is excluded from the definition of "trust" provided by Section 82 where these principles or procedures are applied pursuant to statutory or common law principles, by court order or rule, or by contract.

SEC. 9. Section 15405 of the Probate Code is amended to read:

15405. For the purposes of Section 15403 and 15404, the consent of a beneficiary who lacks legal capacity, including a minor, or who is an unascertained or unborn person may be given in proceedings before the court by a guardian ad litem, if it would be appropriate to do so. In determining whether to give consent, the guardian ad litem may rely on general family benefit accruing to living members of the beneficiary's family as a basis for approving a modification or termination of the trust.

SEC. 10. Section 15410 of the Probate Code is amended to read:

15410. At the termination of a trust, the trust property shall be disposed of as follows:

(a) In the case of a trust that is revoked by the settlor, as directed by the settlor.

(b) In the case of a trust that is terminated by the consent of the settlor and all beneficiaries, as agreed by the settlor and all beneficiaries.

(c) In any other case, as provided in the trust instrument or in a manner directed by the court that conforms as nearly as possible to the intention of the settlor as expressed in the trust instrument.

(d) If a trust is terminated by the trustee pursuant to subdivision (b) of Section 15408, the trust property may be distributed as determined by the trustee pursuant to the standard provided in subdivision (c) without the need for a court order. Where the trust instrument does not provide a manner of distribution at termination and the settlor's intent is not adequately expressed in the trust instrument, the trustee may distribute the trust property to the living beneficiaries on an actuarial basis.

SEC. 11. Section 15803 of the Probate Code is amended to read:

15803. The holder of a presently exercisable general power of appointment or power to withdraw property from the trust has the rights of a person holding the power to revoke the trust that are provided by Sections 15800 to 15802, inclusive, to the extent of the holder's power over the trust property.

SEC. 12. Section 15805 is added to the Probate Code, to read:

15805. Notwithstanding any other provision of law, the Attorney General is subject to the limitations on the rights of beneficiaries of revocable trusts provided by Sections 15800 to 15802, inclusive.

SEC. 13. Section 16062 of the Probate Code is amended to read:

16062. (a) Except as otherwise provided in this section and in Section 16064, the trustee shall account at least annually, at the termination of the trust, and upon a change of trustees, to each beneficiary to whom income or principal is required or authorized in the trustee's discretion to be currently distributed.

(b) A trustee of a living trust created by an instrument executed before July 1, 1987, is not subject to the duty to account provided by subdivision (a).

(c) A trustee of a trust created by a will executed before July 1, 1987, is not subject to the duty to account provided by subdivision (a), except that if the trust is removed from continuing court jurisdiction pursuant to Article 2 (commencing with Section 17350) of Chapter 4 of Part 5, the duty to account provided by subdivision (a) applies to the trustee.

(d) Except as provided in Section 16064, the duty of a trustee to account pursuant to former Section 1120.1a of the Probate Code (as repealed by Chapter 820 of the Statutes of 1986), under a trust created by a will executed before July 1, 1977, which has been removed from continuing court jurisdiction pursuant to former Section 1120.1a, continues to apply after July 1, 1987. The duty to account under former Section 1120.1a may be satisfied by furnishing an account that satisfies the requirements of Section 16063.

SEC. 14. Section 16063 of the Probate Code is amended to read:

16063. An account furnished pursuant to Section 16062 shall contain the following information:

(a) A statement of receipts and disbursements of principal and income that have occurred during the last complete fiscal year of the trust or since the last account.

(b) A statement of the assets and liabilities of the trust as of the end of the last complete fiscal year of the trust or as of the end of the period covered by the account.

(c) The trustee's compensation for the last complete fiscal year of the trust or since the last account.

(d) The agents hired by the trustee, their relationship to the trustee, if any, and their compensation, for the last complete fiscal year of the trust or since the last account.

(e) A statement that the recipient of the account may petition the court pursuant to Section 17200 to obtain a court review of the account and of the acts of the trustee.

(f) A statement that claims against the trustee for breach of trust may not be made after the expiration of three years from the date the beneficiary receives an account or report disclosing facts giving rise to the claim.

SEC. 15. Section 16082 is added to the Probate Code, to read:

16082. Except as otherwise specifically provided in the trust instrument, a person who holds a power to appoint or distribute income or principal to or for the benefit of others, either as an individual or as trustee, may not use the power to discharge the legal obligations of the person holding the power.

SEC. 16. Section 16222 of the Probate Code is amended to read:

16222. (a) Subject to subdivision (b), the trustee has the power to continue or participate in the operation of any business or other enterprise that is part of the trust property and may effect incorporation, dissolution, or other change in the form of the organization of the business or enterprise.

(b) Except as provided in subdivision (c), the trustee may continue the operation of a business or other enterprise only as authorized by the trust instrument or by the court. For the purpose of this subdivision, the lease of four or fewer residential units is not considered to be the operation of a business or other enterprise.

(c) The trustee may continue the operation of a business or other enterprise for a reasonable time pending a court hearing on the matter or pending a sale of the business or other enterprise.

(d) The limitation provided in subdivision (b) does not affect any power to continue or participate in the operation of a business or other enterprise that the trustee has under a trust created by an instrument executed before July 1, 1987.

SEC. 17. Section 16303 of the Probate Code is amended to read:

16303. (a) Income is the return in money or property derived from the use of principal, including return received as any of the following:

(1) Rent of real or personal property, including sums received for cancellation or renewal of a lease.

(2) Interest on money lent, including sums received as consideration for the prepayment of principal except as provided in Section 16307 on bond premium and bond discount.

(3) Receipts allocated to income as provided in Section 16304.

(4) Income earned during administration of a decedent's estate as provided in Section 16305.

(5) Corporate distributions as provided in Section 16306.

(6) Accrued increment on bonds or other obligations issued at discount as provided in Section 16307.

(7) Receipts from business and farming operations as provided in Section 16308.

(8) Receipts from disposition of natural resources as provided in Section 16309.

(9) Receipts from other principal subject to depletion as provided in Section 16310.

(10) Receipts from disposition of underproductive property as provided in Section 16311.

(b) Principal is the property which has been set aside by the owner or the person legally empowered so that it is held in trust eventually to be delivered to a remainder beneficiary while the return or use of the principal is in the meantime taken or received by or held for accumulation for an income beneficiary. Principal includes the following:

(1) Consideration received by the trustee on the sale or other transfer of principal or on repayment of a loan or as a refund or replacement or change in the form of principal.

(2) Proceeds of property taken on eminent domain proceedings.

(3) Proceeds of insurance upon property forming part of the principal except proceeds of insurance upon a separate interest of an income beneficiary.

(4) Receipts allocated to principal as provided in Section 16304.

(5) Stock dividends, receipts on liquidation of a corporation, and other corporate distributions as provided in Section 16306.

(6) Proceeds from the disposition of bonds and other obligations for the payment of money as provided in Section 16307.

(7) Royalties and other receipts from disposition of natural resources as provided in Section 16309.

(8) Receipts from other principal subject to depletion as provided in Section 16310.

(9) Any profit resulting from any change in the form of principal except as provided in Section 16311 on underproductive property.

(10) Receipts from disposition of underproductive property as provided in Section 16311.

(11) Any allowances for depreciation established under Section 16308 and paragraph (2) of subdivision (b) of Section 16312.

SEC. 18. Section 16441 of the Probate Code is amended to read:

16441. If the trustee is liable for interest pursuant to Section

16440, the trustee is liable for the greater of the following amounts:

(a) The amount of interest that accrues at the legal rate on judgments in effect during the period when the interest accrued.

(b) The amount of interest actually received.

SEC. 19. Section 17457 of the Probate Code is amended to read:

17457. A trust transferred to this state pursuant to this chapter shall be administered in the same manner as a trust of that type created in this state. The validity of a trust and the construction of the beneficial provisions of a trust transferred to this state are not affected by this section.

SEC. 20. Section 20114.5 is added to the Probate Code, to read:

20114.5. (a) As used in this section: (1) A reference to Section 4981 of the Internal Revenue Code means Section 4981 as enacted by Section 1133(a) of the Tax Reform Act of 1986 (Public Law 99-514); (2) "Excess retirement accumulation" has the meaning given it in Section 4981(d)(3) of the Internal Revenue Code.

(b) If the federal estate tax is increased under Section 4981(d) of the Internal Revenue Code, the amount of the increase shall be a charge against the persons who receive the excess retirement accumulation that gives rise to the increase, and shall be equitably prorated among all persons who receive interests in qualified employer plans and individual retirement plans to which the excess retirement accumulation is attributable.

SEC. 21. Sections 1 to 20, inclusive, of this act shall become operative on July 1, 1987.

SEC. 21. 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 and coordinate the implementation of the Trust Law, which will become operative July 1, 1987, it is necessary that this act go into immediate effect.

CHAPTER 129

An act to repeal Section 21665 of the Public Utilities Code, relating to aviation.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 21665 of the Public Utilities Code is repealed.

CHAPTER 130

An act to repeal and add Section 28053 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 28053 of the Vehicle Code is repealed.

SEC. 2. Section 28053 is added to the Vehicle Code, to read:

28053. (a) Nothing in this article prevents the service, repair, or replacement of an odometer, if the mileage indicated thereon remains the same as before the service, repair, or replacement. If the odometer is incapable of registering the same mileage as before the service, repair, or replacement, the odometer shall be adjusted to read zero and a notice in writing shall be attached to the left doorframe of the vehicle by the person performing the service, repair, or replacement specifying the mileage prior to the service, repair or replacement of the odometer and the date on which it was serviced, repaired, or replaced.

(b) No person shall fail to adjust an odometer or affix a notice regarding the adjustment as required by subdivision (a).

(c) No person shall, with intent to defraud, remove or alter any notice affixed to a vehicle pursuant to subdivision (a).

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 131

An act to amend Section 12028.5 of the Penal Code, relating to crime.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987]

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

SECTION 1. Section 12028.5 of the Penal Code is amended to read:

12028.5. (a) As used in this section, the following words have the following meanings:

(1) "Abuse" means intentionally or recklessly causing or

attempting to cause bodily injury, or placing another person in reasonable apprehension of imminent serious bodily injury to himself, herself, or another.

(2) "Domestic violence" is abuse perpetrated against a family or household member.

(3) "Family or household member" means a spouse, former spouse, parent, child, any other person related by consanguinity or affinity within the second degree, or any other person who regularly resides in the household, or who, within the last six months, regularly resided in the household.

(b) A sheriff, undersheriff, deputy sheriff, or police officer of a city, as defined in subdivision (a) of Section 830.1, a member of the University of California Police Department, as defined in subdivision (d) of Section 830.2, and a member of a California State University Police Department, as defined in subdivision (e) of Section 830.2, who is at the scene of a domestic violence incident involving a threat to human life or a physical assault, may take temporary custody of any firearm in plain sight or discovered pursuant to a consensual search as necessary for the protection of the peace officer or other persons present. Upon taking custody of a firearm, the officer shall give the owner or person who possessed the firearm a receipt. The receipt shall describe the firearm and list any identification or serial number on the firearm. The receipt shall indicate where the firearm can be recovered and the date after which the owner or possessor can recover the firearm. No firearm shall be held less than 48 hours. If a firearm is not retained for use as evidence related to criminal charges brought as a result of the domestic violence incident or is not retained because it was illegally possessed, the firearm shall be made available to the owner or person who was in lawful possession 48 hours after the seizure or as soon thereafter as possible, but no later than 72 hours after the seizure.

(c) Any firearm which has been taken into custody which has been stolen shall be restored to the lawful owner, as soon as its use for evidence has been served, upon his or her identification of the firearm and proof of ownership.

(d) Any firearm taken into custody and held by a police or sheriff's department for longer than 12 months and not recovered by the owner or person who has lawful possession at the time it was taken into custody, shall be considered a nuisance and sold or destroyed as provided in subdivision (c) of Section 12028.

SEC. 2. Section 12028.5 of the Penal Code is amended to read:

12028.5. (a) As used in this section, the following words have the following meanings:

(1) "Abuse" means intentionally or recklessly causing or attempting to cause bodily injury, or placing another person in reasonable apprehension of imminent serious bodily injury to himself, herself, or another.

(2) "Domestic violence" is abuse perpetrated against a family or household member.

(3) "Family or household member" means a spouse, former spouse, parent, child, any other person related by consanguinity or affinity within the second degree, or any other person who regularly resides in the household, or who, within the last six months, regularly resided in the household.

(b) A sheriff, undersheriff, deputy sheriff, marshal, deputy marshal, or police officer of a city, as defined in subdivision (a) of Section 830.1, a member of the University of California Police Department, as defined in subdivision (d) of Section 830.2, and a member of a California State University Police Department, as defined in subdivision (e) of Section 830.2, who is at the scene of a domestic violence incident involving a threat to human life or a physical assault, may take temporary custody of any firearm in plain sight or discovered pursuant to a consensual search as necessary for the protection of the peace officer or other persons present. Upon taking custody of a firearm, the officer shall give the owner or person who possessed the firearm a receipt. The receipt shall describe the firearm and list any identification or serial number on the firearm. The receipt shall indicate where the firearm can be recovered and the date after which the owner or possessor can recover the firearm. No firearm shall be held less than 48 hours. If a firearm is not retained for use as evidence related to criminal charges brought as a result of the domestic violence incident or is not retained because it was illegally possessed, the firearm shall be made available to the owner or person who was in lawful possession 48 hours after the seizure or as soon thereafter as possible, but no later than 72 hours after the seizure.

(c) Any firearm which has been taken into custody which has been stolen shall be restored to the lawful owner, as soon as its use for evidence has been served, upon his or her identification of the firearm and proof of ownership.

(d) Any firearm taken into custody and held by a police, university police, or sheriff's department or by a marshal's office, for longer than 12 months and not recovered by the owner or person who has lawful possession at the time it was taken into custody, shall be considered a nuisance and sold or destroyed as provided in subdivision (c) of Section 12028.

SEC. 3. Section 2 of this bill incorporates amendments to Section 12028.5 of the Penal Code proposed by both this bill and AB 416. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1988, (2) each bill amends Section 12028.5 of the Penal Code, and (3) this bill is enacted after AB 416, in which case Section 1 of this bill shall not become operative.

CHAPTER 132

An act to amend Section 3781 of the Elections Code, relating to county elections.

[Approved by Governor July 6, 1987. Filed with Secretary of State July 6, 1987.]

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

SECTION 1. Section 3781 of the Elections Code is amended to read:

3781. (a) Whenever any county measure qualifies for a place on the ballot, the county clerk shall transmit a copy of the measure to the county auditor and to the county counsel or to the district attorney in any county which has no county counsel.

(b) The county counsel or district attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The analysis shall be printed preceding the arguments for and against the measure. The analysis shall not exceed 500 words in length.

Immediately below the impartial analysis there shall be printed in no less than 10-point boldface type a legend substantially as follows:

"The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure, please call the elections official's office at (insert telephone number) and a copy will be mailed at no cost to you."

(c) Not later than 88 days prior to an election which includes a county ballot measure, the board of supervisors may direct the county auditor to review the measure and determine whether the substance thereof, if adopted, would affect the revenues or expenditures of the county. He or she shall prepare a fiscal impact statement which estimates the amount of any increase or decrease in revenues or costs to the county if the proposed measure is adopted. The fiscal impact statement is "official matter" within the meaning of those words as used in Section 10010 and shall be printed preceding the arguments for and against the measure. The fiscal impact statement shall not exceed 500 words in length.

CHAPTER 133

An act to amend Section 13002 of the Health and Safety Code, to amend and renumber Sections 374b, 374b.5, and 374e of the Penal Code, to amend Section 5008.7 of the Public Resources Code, and to amend Section 42001.7 of the Vehicle Code, relating to litter.

[Approved by Governor July 6, 1987 Filed with Secretary of State July 7, 1987]

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

SECTION 1. Section 13002 of the Health and Safety Code is amended to read:

13002. (a) Every person is guilty of a misdemeanor who throws or discharges any lighted or nonlighted cigarette, cigar, match, or any flaming or glowing substance, or any substance or thing which may cause a fire upon any highway, including any portion of the right-of-way of any highway, upon any sidewalk, or upon any public or private property. This subdivision does not restrict a private owner in the use of his or her own private property, unless the placing, depositing, or dumping of the waste matter on the property creates a public health and safety hazard, a public nuisance, or a fire hazard, as determined by a local health department, local fire department or fire district, or the Department of Forestry and Fire Protection, in which case this section applies.

(b) Every person convicted of a violation of this section shall be punished by a mandatory fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) upon a first conviction, by a mandatory fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) upon a second conviction, and by a mandatory fine of not less than seven hundred fifty dollars ($750) nor more than one thousand dollars ($1,000) upon a third or subsequent conviction.

The court may, in addition to the fine imposed upon a conviction, require as a condition of probation, in addition to any other condition, that any person convicted of a violation of this section pick up litter at a time and place within the jurisdiction of the court for not less than eight hours.

SEC. 2. Section 374b of the Penal Code is amended and renumbered to read:

374.3. (a) It is unlawful to dump or cause to be dumped any waste matter in or upon any public or private highway or road, including any portion of the right-of-way thereof, or in or upon any private property into or upon which the public is admitted by easement or license, or upon any private property without the consent of the owner, or in or upon any public park or other public property other than property designated or set aside for that purpose by the governing board or body having charge of that property.

(b) It is unlawful to place, deposit, or dump, or cause to be placed, deposited, or dumped, any rocks or dirt in or upon any private highway or road, including any portion of the right-of-way thereof, or any private property, without the consent of the owner, or in or upon any public park or other public property, without the consent of the state or local agency having jurisdiction over the highway, road, or property.

(c) Any person, firm, or corporation violating this section is guilty of an infraction. Each day that waste placed, deposited, or dumped in violation of this section remains is a separate violation.

(d) This section does not restrict a private owner in the use of his or her own private property, unless the placing, depositing, or dumping of the waste matter on the property creates a public health and safety hazard, a public nuisance, or a fire hazard, as determined by a local health department, local fire department or district providing fire protection services, or the Department of Forestry and Fire Protection, in which case this section applies.

(e) A person convicted of a violation of this section shall be punished by a mandatory fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) upon a first conviction, by a mandatory fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) upon a second conviction, and by a mandatory fine of not less than seven hundred fifty dollars ($750) nor more than one thousand dollars ($1,000) upon a third or subsequent conviction.

(f) The court may require, in addition to any fine imposed upon a conviction, that, as a condition of probation and in addition to any other condition of probation, a person convicted under this section remove, or pay the cost of removing, any waste matter which the convicted person dumped or caused to be dumped upon public or private property.

(g) Except when the court requires the convicted person to remove waste matter which he or she is responsible for dumping as a condition of probation, the court may, in addition to the fine imposed upon a conviction, require as a condition of probation, in addition to any other condition of probation, that any person convicted of a violation of this section pick up waste matter at a time and place within the jurisdiction of the court for not less than eight hours.

SEC. 3. Section 374b.5 of the Penal Code is amended and renumbered to read:

374.4. (a) It is unlawful to litter or cause to be littered in or upon any public or private property. Any person, firm, or corporation violating this section is guilty of an infraction.

(b) This section does not restrict a private owner in the use of his or her own property, unless the littering of waste matter on the property creates a public health and safety hazard, a public nuisance, or a fire hazard, as determined by a local health department, local fire department or district providing fire protection services, or the

Department of Forestry and Fire Protection, in which case this section applies.

(c) As used in this section, "litter" means the discarding, dropping, or scattering of small quantities of waste matter ordinarily carried on or about the person, including, but not limited to, beverage containers and closures, packaging, wrappers, wastepaper, newspapers, and magazines, in a place other than a place or container for the proper disposal thereof, and including waste matter which escapes or is allowed to escape from a container, receptacle, or package.

(d) A person, firm, or corporation convicted of a violation of this section shall be punished by a mandatory fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) upon a first conviction, by a mandatory fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) upon a second conviction, and by a mandatory fine of not less than seven hundred fifty dollars ($750) nor more than one thousand dollars ($1,000) upon a third or subsequent conviction.

(e) The court may, in addition to the fine imposed upon a conviction, require as a condition of probation, in addition to any other condition of probation, that any person convicted of a violation of this section pick up litter at a time and place within the jurisdiction of the court for not less than eight hours.

SEC. 4. Section 374e of the Penal Code is amended and renumbered to read:

374.7. (a) Every person who litters or causes to be littered, or dumps or causes to be dumped, any waste matter into any bay, lagoon, channel, river, creek, slough, canal, lake, or reservoir, or other stream or body of water, or upon a bank, beach, or shore within 150 feet of the high water mark of any stream or body of water, is guilty of a misdemeanor.

(b) Every person convicted of a violation of subdivision (a) shall be punished by a mandatory fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) upon a first conviction, by a mandatory fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) upon a second conviction, and by a mandatory fine of not less than seven hundred fifty dollars ($750) nor more than one thousand dollars ($1,000) upon a third or subsequent conviction.

(c) The court may, in addition to the fine imposed upon a conviction, require as a condition of probation, in addition to any other condition of probation, that any person convicted of a violation of subdivision (a), pick up litter at a time and place within the jurisdiction of the court for not less than eight hours.

SEC. 5. Section 5008.7 of the Public Resources Code is amended to read:

5008.7. Every person convicted of a violation of any rule or regulation adopted by the department pursuant to this division prohibiting the leaving, depositing, dropping, or scattering of bottles,

broken glass, ashes, wastepaper, cans, or other rubbish in any unit of the state park system shall be punished by a mandatory fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) upon a first conviction, by a mandatory fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) upon a second conviction, and by a mandatory fine of not less than seven hundred fifty dollars ($750) nor more than one thousand dollars ($1,000) upon a third or subsequent conviction.

The court may, in addition to the fine imposed upon a conviction, require as a condition of probation, in addition to any other condition of probation, that any person convicted of a violation of this section pick up litter at a time and place within the jurisdiction of the court for not less than eight hours.

SEC. 6. Section 42001.7 of the Vehicle Code is amended to read:

42001.7. Every person convicted of a violation of Section 23111 or 23112, or subdivision (a) of Section 23113, shall be punished by a mandatory fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) upon a first conviction, by a mandatory fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) upon a second conviction, and by a mandatory fine of not less than seven hundred fifty dollars ($750) nor more than one thousand dollars ($1,000) upon a third or subsequent conviction.

The court may, in addition to the fine imposed upon a conviction, require as a condition of probation, in addition to any other condition of probation, that any person convicted of a violation of this section pick up litter at a time and place within the jurisdiction of the court for not less than eight hours.

CHAPTER 134

An act to amend Sections 196 and 239 of, and to add Section 1141.105 to, the Code of Civil Procedure, to amend Sections 32390, 48911, 48914, and 48980 of the Education Code, to amend Sections 7906, 68562, and 68562.1 of the Government Code, to amend Sections 1143 and 1203 of the Penal Code, to amend Section 653.5 of, and to repeal Section 653.1 of, the Welfare and Institutions Code, and to repeal Sections 2, 12, and 18 of Chapter 1217 of the Statutes of 1985, relating to fiscal affairs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1987 Filed with Secretary of State July 7, 1987.]

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

SECTION 1. Section 196 of the Code of Civil Procedure is amended to read:

196. Except as otherwise provided by the next sentence, unless a higher fee of no more than ten dollars ($10) for each day's attendance is provided by county or city and county ordinance, the fee for trial jurors in the superior, municipal, and justice courts, in civil cases, is five dollars ($5) a day for each day's attendance as a juror. If a juror is subject to the requirement that the compensation provided by this section be remitted to his or her employer, then the fee for that trial juror, in civil cases, is five dollars ($5). Unless a higher rate of mileage is otherwise provided by statute or by county or city and county ordinance, trial jurors in the superior, municipal, and justice courts shall be reimbursed for mileage at the rate of fifteen cents ($0.15) per mile for each mile actually traveled in attending court as a juror, in going only.

SEC. 2. Section 239 of the Code of Civil Procedure is amended to read:

239. (a) Except in a county having a population of more than 6,000,000, any juror summoned shall be entitled to volunteer to be available on one-hour notice by telephone, in which case he would not be obligated to actually appear in court until so notified.

In a county having a population of more than 6,000,000, any juror summoned shall be entitled to volunteer to be available on one-hour notice by telephone, provided that the jury commissioner determines that it will serve the operational needs of the court and that a resolution has been adopted by the board of supervisors authorizing implementation of this section.

(b) The board of supervisors of any county may provide by ordinance that no trial juror shall be required during any 12-month period to serve more than 10 court days, except as necessary to complete the hearing of an action.

SEC. 3. Section 1141.105 is added to the Code of Civil Procedure, to read:

1141.105. This chapter only applies in those counties in which the board of supervisors has adopted a resolution authorizing this chapter to be applied in that county and agreeing to the payment by the county of costs imposed by Section 1141.28.

SEC. 4. Section 32390 of the Education Code is amended to read:

32390. (a) The governing board of any school district may offer a fingerprint program for children enrolled in kindergarten or newly enrolled in that district. The governing board may contract with any public or private agency, including any civic or community organization if determined to be appropriate by the governing board, to perform the fingerprinting. The governing board may seek to obtain private funding and volunteer assistance in performing the fingerprinting. The department shall adopt rules and regulations concerning obtaining private funding and volunteer assistance, and develop fingerprinting standards, as approved by the Department of Justice, to be followed in the fingerprinting of children pursuant to this article.

The governing board of any school district offering a

fingerprinting program pursuant to this article shall assess a fee to the parent or guardian of the fingerprinted pupils. The fee shall be calculated to reimburse the district only for actual costs associated with the program.

(b) In a school district which elects to offer a fingerprinting program pursuant to this article, each parent or guardian of a child shall be informed of the school fingerprinting program when he or she first enrolls the child in the public schools. At that time the parent or guardian shall declare, in writing, whether or not he or she wants the child to be fingerprinted in the school program and if the parent or guardian consents to the fingerprinting he or she shall pay the applicable fee. The parent or guardian shall be informed in writing at the time of enrollment that he or she may reverse in writing his or her declaration on fingerprinting at any time. Children shall not be fingerprinted without the consent of the parent or guardian.

(c) Any report or document containing fingerprints of a child which is made pursuant to this article shall be given to the parents or guardian of the child and shall not be given to, or retained by, the school district or any other private or public entity. The report or document containing the fingerprints may be given to the parents or guardian with the child's report card or any other document routinely mailed to parents or guardians, or may be given to parents or guardians in person at any conference with the child's teacher. To the maximum extent feasible, the report or document containing the fingerprints shall not be sent to the parents in a separate mailing.

(d) As used in this article, the terms "school district," and "governing board" include a county superintendent of schools.

SEC. 5. Section 48911 of the Education Code is amended to read:

48911. (a) The principal of the school, the principal's designee, or the superintendent of schools may suspend a pupil from the school for any of the reasons enumerated in Section 48900, and pursuant to Section 48900.5, for no more than five consecutive schooldays.

(b) Suspension by the principal, the principal's designee, or the superintendent shall be preceded by an informal conference conducted by the principal or the principal's designee or the superintendent of schools between the pupil and, whenever practicable, the teacher or supervisor or school employee who referred the pupil to the principal or the principal's designee or the superintendent of schools. At the conference, the pupil shall be informed of the reason for the disciplinary action and the evidence against him or her and shall be given the opportunity to present his or her version and evidence in his or her defense.

(c) A principal or the principal's designee or the superintendent of schools may suspend a pupil without affording the pupil an opportunity for a conference only if the principal or the principal's designee or the superintendent of schools determines that an emergency situation exists. "Emergency situation," as used in this article, means a situation determined by the principal, the principal's designee, or the superintendent to constitute a clear and present

danger to the lives, safety, or health of pupils or school personnel. If a pupil is suspended without a conference prior to suspension, both the parent and the pupil shall be notified of the pupil's right to a conference, and the pupil's right to return to school for the purpose of a conference. The conference shall be held within two schooldays, unless the pupil waives this right or is physically unable to attend for any reason, including, but not limited to, incarceration or hospitalization. The conference shall then be held as soon as the pupil is physically able to return to school for the conference.

(d) At the time of suspension, a school employee shall make a reasonable effort to contact the pupil's parent or guardian in person or by telephone. Whenever a pupil is suspended from school, the parent or guardian shall be notified in writing of the suspension.

(e) A school employee shall report the suspension of the pupil, including the cause therefor, to the governing board of the school district or to the district superintendent in accordance with the regulations of the governing board.

(f) The parent or guardian of any pupil shall respond without delay to any request from school officials to attend a conference regarding his or her child's behavior.

No penalties may be imposed on a pupil for failure of the pupil's parent or guardian to attend a conference with school officials. Reinstatement of the suspended pupil shall not be contingent upon attendance by the pupil's parent or guardian at such conference.

(g) In a case where expulsion from any school or suspension for the balance of the semester from continuation school is being processed by the governing board, the school district superintendent or other person designated by the superintendent in writing may extend the suspension until such time as the governing board has rendered a decision in the action. However, an extension may be granted only if the superintendent or the superintendent's designee has determined, following a meeting in which the pupil and the pupil's parent or guardian are invited to participate, that the presence of the pupil at the school or in an alternative school placement would cause a danger to persons or property or a threat of disrupting the instructional process. If the pupil or the pupil's parent or guardian has requested a meeting to challenge the original suspension pursuant to Section 48914, the purpose of the meeting shall be to decide upon the extension of the suspension order under this section and may be held in conjunction with the initial meeting on the merits of the suspension.

(h) For the purposes of this section, a "principal's designee" is any one or more administrators at the school site specifically designated by the principal, in writing, to assist with disciplinary procedures.

In the event that there is not an administrator in addition to the principal at the school site, a certificated person at the school site may be specifically designated by the principal, in writing, as a "principal's designee," to assist with disciplinary procedures. The principal may designate only one such person at a time as the

principal's primary designee for the school year.

An additional person meeting the requirements of this subdivision may be designated by the principal, in writing, to act for the purposes of this article when both the principal and the principal's primary designee are absent from the school site. The name of the person, and the names of any person or persons designated as "principal's designee," shall be on file in the principal's office.

SEC. 6. Section 48914 of the Education Code is amended to read:

48914. Each school district is authorized to establish a policy that permits school officials to conduct a meeting with the parent or guardian of a suspended pupil to discuss the causes, the duration, the school policy involved, and other matters pertinent to the suspension.

SEC. 7. 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 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.

(c) School districts which elect to provide a fingerprinting program pursuant to Article 10 (commencing with Section 32390) shall inform parents or guardians of the program as specified in Section 32390.

SEC. 8. Section 7906 of the Government Code is amended to read:

7906. For school districts:

(a) "ADA" means a school district's second principal apportionment units of average daily attendance in the regular school year, excluding average daily attendance in summer programs, adult education programs, and regional occupational centers and programs.

(b) "Foundation program level" means:

(1) For the 1978–79 fiscal year, one thousand two hundred forty-one dollars ($1,241) for elementary districts, one thousand three hundred twenty-two dollars ($1,322) for unified districts, and one thousand four hundred twenty-seven dollars ($1,427) for high school districts.

(2) For the 1979–80 fiscal year through the 1986–87 fiscal year, inclusive, the levels specified in paragraph (1) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(3) For the 1986–87 fiscal year, the levels specified in paragraph (2) increased by one hundred eighty dollars ($180) for elementary districts, one hundred ninety-one dollars ($191) for unified districts,

and two hundred seven dollars ($207) for high school districts.

(4) For the 1987–88 fiscal year and each fiscal year thereafter, the levels specified in paragraph (3) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(c) "Proceeds of taxes" shall be deemed to include subventions received from the state only if those subventions are for one of the following two purposes:

(1) Basic aid subventions of $120 per ADA.

(2) Additional apportionments, if any, which, when added to the district's local revenues as defined in Section 42237 or 42238 of the Education Code, do not exceed the foundation program level for that type of district. Any apportionments which are provided in excess of the amount needed to increase a district's 1978–79 revenue limit per ADA by the lesser of the change in cost of living or California per capita personal income, shall not be considered to be proceeds of taxes for that school district.

(d) The remainder of the state apportionments, including special purpose apportionments and categorical aid subventions shall not be considered proceeds of taxes for a school district.

SEC. 9. Section 68562 of the Government Code is amended to read:

68562. Any appropriation that provides funding for court interpreter services shall identify the county and the court interpreter programs to which it applies. For each county thus designated, beginning one year after the effective date of the designation, the State Personnel Board shall establish, maintain, and publish a list of recommended court interpreters, and the trial courts of each county shall utilize only the services of those recommended interpreters unless good cause is found by the judge for the appointment of an interpreter not on the recommended list. In establishing a list of recommended court interpreters, the State Personnel Board shall select from a list of qualified candidates who have successfully demonstrated proficiency, both written and oral, in an examination conducted by the State Personnel Board. The courts may also impose additional testing requirements and consider additional standards, as necessary for equity or to recognize local conditions. The State Personnel Board shall establish minimum standards of proficiency of language skills, both written and oral, in both English and the language to be interpreted. In establishing these criteria, the State Personnel Board shall take into account standards adopted by the Judicial Council to ensure a court interpreter's understanding of the technical terminology and procedures used in the courts. The State Personnel Board shall administer an appropriate examination and publish and make available to every trial court a list of qualified interpreters as frequently as needed to ensure that qualified interpreters are available.

SEC. 10. Section 68562.1 of the Government Code is amended to

read:

68562.1. The State Personnel Board shall charge a fee to applicants sufficient to cover the costs of examination and the costs of producing and distributing the list of qualified interpreters pursuant to Sections 68562 and 11513 and shall charge and be reimbursed a pro rata share of the costs of carrying out the provisions of Sections 68562 and 11513 by the Judicial Council and state agencies which conduct administrative hearings.

SEC. 10.5. Section 1143 of the Penal Code is amended to read:

1143. Except as otherwise provided by the next sentence, unless a higher fee of no more than ten dollars ($10) for each day's attendance is provided by county or city and county ordinance, the fee for trial jurors in the superior, municipal, and justice courts of the state, in criminal cases, is five dollars ($5), in lawful money of the United States, for each day's attendance. If a juror is subject to the requirement that the compensation provided by this section be remitted to his or her employer, then the fee for that trial juror, in criminal cases, is five dollars ($5). Unless a higher rate of mileage is otherwise provided by statute or by county or city and county ordinance, trial jurors in the superior, municipal, and justice courts shall be reimbursed for mileage at the rate of fifteen cents ($0.15) per mile for each mile necessarily traveled in attending court, in going only. Such fees and mileage shall be paid by the treasurer of the county, or city and county, in which the juror's services were rendered, out of the general fund of said county, or city and county, upon warrants drawn by the county auditor upon the written order of the judge of the court in which said juror was in attendance, and the treasurer of said county, or city and county, shall pay said warrants. The board of supervisors of each county, or city and county, is hereby directed to make suitable appropriations for the payment of the fees herein provided for.

SEC. 11. Section 1203 of the Penal Code is amended to read:

1203. (a) As used in this code, "probation" shall mean the suspension of the imposition or execution of a sentence and the order of conditional and revocable release in the community under the supervision of the probation officer. As used in this code, "conditional sentence" shall mean the suspension of the imposition or execution of a sentence and the order of revocable release in the community subject to the conditions established by the court without the supervision of the probation officer. It is the intent of the Legislature that both conditional sentence and probation are authorized whenever probation is authorized in any code as a sentencing option for infractions or misdemeanors.

(b) Except as provided in subdivision (j), in every case in which a person is convicted of a felony and is eligible for probation, before judgment is pronounced, the court shall immediately refer the matter to the probation officer to investigate and report to the court, at a specified time, upon the circumstances surrounding the crime and the prior history and record of the person, which may be

considered either in aggravation or mitigation of the punishment. The probation officer shall immediately investigate and make a written report to the court of his or her findings and recommendations, including his or her recommendations as to the granting or denying of probation and the conditions of probation, if granted. Pursuant to Section 828 of the Welfare and Institutions Code, the probation officer shall include in his or her report any information gathered by a law enforcement agency relating to the taking of the defendant into custody as a minor, which shall be considered for purposes of determining whether adjudications of commissions of crimes as a juvenile warrant a finding that there are circumstances in aggravation pursuant to Section 1170 or to deny probation. The probation officer shall also include in the report his or her recommendation of the amount the defendant should be required to pay as a restitution fine pursuant to Section 13967 of the Government Code. The probation officer shall also include in his or her report a recommendation as to whether the court shall require, as a condition of probation, restitution to the victim or to the Restitution Fund. The report shall be made available to the court and the prosecuting and defense attorney at least nine days prior to the time fixed by the court for the hearing and determination of the report, and shall be filed with the clerk of the court as a record in the case at the time of the hearing. The time within which the report shall be made available and filed may be waived by written stipulation of the prosecuting and defense attorneys which is filed with the court or an oral stipulation in open court which is made and entered upon the minutes of the court. At a time fixed by the court, the court shall hear and determine the application, if one has been made, or, in any case, the suitability of probation in the particular case. At the hearing, the court shall consider any report of the probation officer and shall make a statement that it has considered such report which shall be filed with the clerk of the court as a record in the case. If the court determines that there are circumstances in mitigation of the punishment prescribed by law or that the ends of justice would be served by granting probation to the person, it may place the person on probation. If probation is denied, the clerk of the court shall immediately send a copy of the report to the Department of Corrections at the prison or other institution to which the person is delivered.

(c) If a defendant is not represented by an attorney, the court shall order the probation officer who makes the probation report to discuss its contents with the defendant.

(d) In every case in which a person is convicted of a misdemeanor, the court may either refer the matter to the probation officer for an investigation and a report or summarily pronounce a conditional sentence. If such a case is not referred to the probation officer, in sentencing the person, the court may consider any information concerning the person which could have been included in a probation report. The court shall inform the person of the

information to be considered and permit him or her to answer or controvert such information. For this purpose, upon the request of the person, the court shall grant a continuance before the judgment is pronounced.

(e) 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 of the following persons:

(1) Unless the person had a lawful right to carry a deadly weapon, other than a firearm, at the time of the perpetration of the crime or his or her arrest, any person who has been convicted of arson, robbery, burglary, burglary with explosives, rape with force or violence, murder, assault with intent to commit murder, attempt to commit murder, trainwrecking, kidnapping, escape from the state prison, or a conspiracy to commit one or more of such crimes and was armed with such weapon at either of such times.

(2) Any person who used or attempted to use a deadly weapon upon a human being in connection with the perpetration of the crime of which he or she has been convicted.

(3) Any person who willfully inflicted great bodily injury or torture in the perpetration of the crime of which he or she has been convicted.

(4) Any person who has been previously convicted twice in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony.

(5) Unless the person has never been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, any person who has been convicted of burglary with explosives, rape with force or violence, murder, attempt to commit murder, assault with intent to commit murder, trainwrecking, extortion, kidnapping, escape from the state prison, a violation of Section 286, 288, or 288a, or a conspiracy to commit one or more of such crimes.

(6) Any person who has been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, if he or she committed any of the following acts:

(A) Unless the person had a lawful right to carry a deadly weapon at the time of the perpetration of such previous crime or his or her arrest for such previous crime, he or she was armed with such weapon at either of such times.

(B) The person used or attempted to use a deadly weapon upon a human being in connection with the perpetration of such previous crime.

(C) The person willfully inflicted great bodily injury or torture in the perpetration of such previous crime.

(7) Any public official or peace officer of this state or any city, county, or other political subdivision who, in the discharge of the duties of his or her public office or employment, accepted or gave or offered to accept or give any bribe, embezzled public money, or

was guilty of extortion.

(8) Any person who knowingly furnishes or gives away phencyclidine.

(9) Any person who intentionally inflicted great bodily injury in the commission of arson under subdivision (a) of Section 451 or who intentionally set fire to, burned, or caused the burning of, an inhabited structure or inhabited property in violation of subdivision (b) of Section 451.

(f) When probation is granted in a case which comes within the provisions of subdivision (e), 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.

(g) If a person is not eligible for probation, the judge shall refer the matter to the probation officer for an investigation of the facts relevant to determination of the amount of a restitution fine pursuant to Section 13967 of the Government Code in all cases where such determination is applicable. The judge, in his or her discretion, may direct the probation officer to investigate all facts relevant to the sentencing of the person. Upon such referral, the probation officer shall immediately investigate the circumstances surrounding the crime and the prior record and history of the person and make a written report to the court of his or her findings. The findings shall include a recommendation of the amount of the restitution fine as provided in Section 13967 of the Government Code.

(h) In any case in which a defendant is convicted of a felony and a probation report is prepared pursuant to subdivision (b) or (g), the probation officer may obtain and include in the report a statement of the comments of the victim concerning the offense. The court may direct the probation officer not to obtain such a statement in any case where the victim has in fact testified at any of the court proceedings concerning the offense.

(i) No probationer shall be released to enter another state unless his or her case has been referred to the Administrator, Interstate Probation and Parole Compacts, pursuant to the Uniform Act for Out-of-State Probationer or Parolee Supervision (Article 3 (commencing with Section 11175) of Chapter 2 of Title 1 of Part 4).

(j) In any court where a county financial evaluation officer is available, in addition to referring the matter to the probation officer, the court may order the defendant to appear before such county financial evaluation officer for a financial evaluation of the defendant's ability to pay restitution, in which case the county financial evaluation officer shall report his or her findings regarding restitution and other court-related costs to the probation officer on the question of the defendant's ability to pay such costs.

Any order made pursuant to this subdivision may be enforced as a violation of the terms and conditions of probation upon willful failure to pay and at the discretion of the court and as stated in the order, may be enforced in the same manner as a judgment in a civil action, if any balance remains unpaid at the end of the defendant's

probationary period.

SEC. 12. Section 653.1 of the Welfare and Institutions Code is repealed.

SEC. 13. Section 653.5 of the Welfare and Institutions Code is amended to read:

653.5. (a) Whenever any person applies to the probation officer to commence proceedings in the juvenile court, the application shall be in the form of an affidavit alleging that there was or is within the county, or residing therein, a minor within the provisions of Section 602, or that a minor committed an offense described in Section 602 within the county, and setting forth facts in support thereof. The probation officer shall immediately make any investigation he or she deems necessary to determine whether proceedings in the juvenile court shall be commenced.

(b) If the probation officer determines that proceedings pursuant to Section 650 should be commenced to declare a person to be a ward of the juvenile court on the basis that he or she is a person described in Section 602, the probation officer shall cause the affidavit to be taken to the prosecuting attorney.

(c) In all matters where the minor is not in custody and is already a ward of the court or a probationer under Section 602, the prosecuting attorney, within five judicial days of receipt of the affidavit from the probation officer, shall institute proceedings in accordance with his or her role as public prosecutor pursuant to subdivision (b) of Section 650 of this code and Section 26500 of the Government Code, unless it appears to the prosecuting attorney that the affidavit was not properly referred or that the offense for which the minor was referred requires additional substantiating information, in which case he or she shall immediately notify the probation officer of what further action he or she is taking.

SEC. 14. Section 2 of Chapter 1217 of the Statutes of 1985 is repealed.

SEC. 15. Section 12 of Chapter 1217 of the Statutes of 1985 is repealed.

SEC. 16. Section 18 of Chapter 1217 of the Statutes of 1985 is repealed.

SEC. 17. On the effective date of this act, the undisbursed balance of the appropriations provided in subdivision (b) of Section 17 of Chapter 1217 of the Statutes of 1985 and in Item 8885-101-001 (jj) of the Budget Act of 1986 (Ch. 186, Stats. 1986) shall revert to the unappropriated surplus of the General Fund.

SEC. 18. 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, which would provide necessary statutory adjustments to implement the Budget Act of 1987, may be in effect throughout the 1987–88 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 135

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 July 7, 1987, Filed with Secretary of State July 7, 1987]

I object to the following appropriations contained in Senate Bill No. 152:

Item 0250-490—Reappropriation, Judiciary 1 delete Provision 1

I believe it is inappropriate to transfer funds appropriated for a Judicial Council project to the Department of General Services to undertake a new project which has never been reviewed by the Administration. Retrofit of the San Francisco State Building is currently being studied. Upon completion and approval of the study, General Services can propose funding of the project and compete for available resources on a priority basis through the normal budgetary process

"1 Funds included under this item to remodel the Orange County Courthouse are hereby appropriated for transfer to, and in augmentation of, Item 1760-301-036, for preliminary plans for remodeling of the San Francisco State Building (350 McAllister and 455 Golden Gate), only if Assembly Bill No 666 of the 1987–88 Regular Session is chaptered."

Item 0585-001-001—For support of California State World Trade Commission 1 reduce this item from $1,942,000 to $1,442,000.

I am reducing this item to conform with my action in Item 0585-001-981

Item 0585-001-981—For support of California State World Trade Commission 1 reduce this item from $2,202,000 to $1,702,000 by reducing

(a) Personal Services from $1,117,000 to $617,000,

and deleting Provision 1.

I am deleting the $500,000 legislative augmentation for a feasibility study, development, and implementation of a trade fair for Pacific Rim trade partners to be held during the summer of 1988. The budget provides $315,000 for the Commission to participate in 12 international trade shows in 1987–88. The Commission may participate in any trade shows that it deems appropriate within its existing budgetary resources.

I am deleting Provision 1 to conform with this action.

"1. Of the funds appropriated in category (b), $500,000 shall be used by the commission for a feasibility study, development, and implementation of a California Trade Fair for Pacific Rim trade partners to be held during the summer of 1988. The feasibility study shall include, but not be limited to, an assessment of the economic benefits which would be realized by holding a California Trade Fair with representatives of Pacific Rim trade partners in the manufacturing, business, services, and agriculture sectors of the economy during the summer of 1988 The feasibility study, along with plans for the development and implementation of a Trade Fair, shall be reported to the fiscal committees of the Legislature no later than January 1, 1988 "

Item 0820-001-001—For support of Department of Justice 1 reduce this item from $152,981,000 to $152,716,000 by reducing

(g) 50-Law Enforcement from $126,138,000 to $125,873,000

I am reducing this item by $265,000 and 11.4 personnel years to delete the augmentation for the accelerated conversion of the automated child abuse system. The merits and the costs of the accelerated project have not been established. If the department provides the necessary information, the project can be considered in the

1988–89 fiscal year budget process However, the budget still provides $709,000 for the 1987–88 fiscal year to fund the current conversion schedule, which is expected to be completed by fiscal year 1994–95.

Item 0860-001-001—For support of State Board of Equalization I reduce this item from $98,671,000 to $97,760,000 by reducing

(a) 100000-Personal Services from $113,428,000 to $112,612,000, and

(b) 300000-Operating Expenses and Equipment from $30,066,000 to $29,971,000

I am deleting the $911,000 legislative augmentation for the Sales and Use Tax program as related to the administrative costs for tax collection in Alameda County Current law provides for the amount to be charged to each jurisdiction for the costs to administer the local option sales tax I believe each local jurisdiction should pay no more than its fair share However, before any adjustments are made to the charges provided for by current law, I am requesting the Board of Equalization to conduct a study of its actual costs associated with administering this tax and submit their findings to the Department of Finance for consideration in the 1988–89 budget process

Item 0890-001-001—For support of Secretary of State I delete Provision 4

Provision 4 would have required that funds appropriated for the Uniform Commercial Code (UCC) program conversion costs be used only for that purpose In light of the 16 percent reduction made by the Legislature to the $3 million UCC automation project, this language unnecessarily restricts the department's ability to implement the project and limits the administrative flexibility that is necessary to implement a project of this scope and magnitude

"4 The funds appropriated for the Uniform Commercial Code program conversion costs shall be used only for that purpose."

Item 1100-001-001—For support of Museum of Science and Industry I reduce this item from $8,554,000 to $8,504,000 by reducing

(b) 300000 Operating Expenses and Equipment from $4,165,000 to $4,115,000 and by deleting Provisions 3 and 5

I am reducing this item by $50,000 The Legislature augmented the budget by $200,000 to fund the development of a master capital outlay plan for Exposition Park in Los Angeles I support the need for a master capital outlay plan at Exposition Park which would provide for better utilization of this area and would benefit visitors to the park However, I am reducing the augmentation to reflect a revised estimate of the amount actually needed to complete the master plan

I am also deleting Provisions 3 and 5 because this language is unnecessary and would restrict the Museum's ability to implement the master capital outlay plan project In addition, the language limits the administrative flexibility that is necessary to implement a project of this scope and magnitude

"3 Except for the Natural History Museum, which shall submit all proposed construction to the Joint Legislative Budget Committee for approval, no new facility construction shall be approved by the California Museum of Science and Industry Board of Directors prior to 30 days after submission to the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson may determine, of a master capital outlay plan for Exposition Park and, where appropriate, the surrounding area

5. The California Museum of Science and Industry shall submit its draft of the Request for Proposal to the Joint Legislative Budget Committee for approval, prior to release for response Additionally, the California Museum of Science and Industry shall submit for approval to the Joint Legislative Budget Committee the proposed individual or group of individuals, firm, or organization with which the California Museum of Science and Industry proposes to contract for the development of the master capital outlay plan for Exposition Park."

Item 1150-008-128—For support of Bureau of Automotive Repair I revise this item by reducing

(a) 12-Bureau of Automotive Repair from $38,746,000 to $36,596,000, and

(c) Amount payable from the Vehicle Inspection Fund (Item 1150-008-420) from —$31,148,000 to —$28,998,000

I am reducing this item by $2,150,000 and 33 5 personnel years from the amount payable from the Vehicle Inspection Fund to correspond to my action taken in Item 1150-008-420

Item 1150-008-420—For support of Bureau of Automotive Repair I reduce this item from $31,148,000 to $28,998,000

I am reducing $2,150,000 of the legislative augmentation for the Smog Check Program This augmentation was added based on a report by the Inspection and Maintenance Review Committee which identified a need to increase the Bureau of Automotive Repair's Undercover Vehicle Inspection Program and recommended other technical changes to the Smog Check Program to reduce vehicle emissions within California While I support efforts to resolve air quality problems associated with emission standards within the state, it appears unlikely that the Bureau of Automotive Repair can expand their enforcement program as quickly as anticipated in the augmentation. I am retaining $2,150,000 of the augmentation to be available for a phase-in of new staff over the year for an increased enforcement effort in the Smog Check Program Full implementation of this expanded enforcement program by the end of 1987–88 will provide the capability to perform an undercover inspection in each smog check station once every two years rather than once every six years

These actions reduce the amount payable from this item to Item 1150-008-128

Item 1700-001-001—For support of Department of Fair Employment and Housing I reduce this item from $9,293,000 to $9,292,000 by reducing·

(a) 50-Administration of Civil Rights Law from $11,359,000 to $11,358,000, and by deleting Provision 1

I am reducing this Item by $1,000 During 1986–87, the Department of Fair Employment and Housing consolidated the operations of the San Francisco legal office into the Sacramento legal office and eliminated the Boalt Hall Employment Discrimination Clinic The Legislature transferred funds from the Department of Fair Employment and Housing main support item to newly created items for the Los Angeles legal office, San Francisco legal office and the Boalt Hall Employment Discrimination Clinic The amounts appropriated in these four items are based on the premise that all rent and other operating expenses for the legal offices will be paid from the main support item. However, the language in Provision 1 specifically precludes any transfer of funds to pay for the rent and other operating expenses in the three newly created items The Department of Fair Employment and Housing would incur at least $1,000 of cost to relocate staff and pay the support expenses related to reestablishing the San Francisco legal office and the Boalt Hall Clinic Although funds have not been budgeted for these administrative costs, I am reducing $1,000 which represents the savings that will be achieved based on vetoing language contained in Provision 1 of this item and similar provisions in the newly created items.

I am deleting Provision 1 to conform to this action.

I also believe Provision 1 is inconsistent with two constitutional provisions. First, the language violates the separation of powers provision concerning the Executive Branch authority. Second, the language represents a substantive change of law which can only be included with a single subject bill, not the Budget Act.

"1 None of the funds appropriated in this item shall be encumbered for transfer to any legal services operation in any legal office or discrimination clinic "

Item 1700-011-001—For support of Department of Fair Employment and Housing, Los Angeles Legal Office I revise the language in this item, and delete Provision 1

The Department of Fair Employment and Housing has a district office in Los Angeles which employs four attorneys to handle civil rights cases The department does not consider the legal staff in Los Angeles to constitute a legal office so I am revising this item to read·

"1700-011-001—For the support of Department of Fair Employment and Housing ; ~~Los Angeles Legal Office~~ "

I am deleting Provision 1 because this provision and the location specified in the item (Los Angeles Legal Office) are inconsistent with two constitutional provisions First, the language violates the separation of powers provision concerning the

Executive Branch authority Second, in as much as existing law does not define or reference the Los Angeles Legal Office, the language represents a substantive change of law which can only be included within a single subject bill, rather than the Budget Act. I believe the director of the Department of Fair Employment and Housing should be provided the opportunity to relocate staff and allocate funds to meet departmental needs which this language would prohibit

"1 The funds appropriated in this item shall be spent only in Los Angeles for legal staff and support of legal staff "

Item 1700-021-001—For support of Department of Fair Employment and Housing, San Francisco Legal Office I reduce this item from $383,000 to $382,000, revise the item language in the item and delete Provision 1

The relocation of staff from Sacramento to San Francisco to reestablish a legal office would cost at least $1,000 Last year the department closed the San Francisco legal office and consolidated the positions with the Sacramento office, and evidence has not been provided to justify the reopening of this office Although relocation costs have not been budgeted in 1987–88, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 1 of this item

I am revising the language in the item to conform to this action

"1700-021-001—For support of Department of Fair Employment and Housing; ~~San Francisco Legal Office~~ "

I am also deleting Provision 1 because this provision and the location specified in the item (San Francisco Legal Office) are inconsistent with two constitutional provisions First, the language violates the separation of powers provision concerning the Executive Branch authority Second, in as much as existing law does not define or reference the San Francisco Legal Office, the language represents a substantive change of law which can only be included within a single subject bill, not the Budget Act

"1. The funds appropriated in this item shall be spent only in San Francisco for legal staff and support of legal staff "

Item 1700-031-001—For support of Department of Fair Employment and Housing Boalt Hall Employment Discrimination Clinic I reduce this item from $73,000 to $72,000, revise the language in this item and delete Provision 1

The relocation of staff from Sacramento to Berkeley to reestablish a legal clinic at Boalt Hall School of Law would cost at least $1,000 Last year the department closed the Boalt Hall legal clinic and evidence has not been provided to justify the reopening of this clinic Although relocation costs have not been budgeted in 1987–88, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 1 of this item

I am revising the language in the item to conform to this action

"1700-031-001—For support of Department of Fair Employment and Housing; ~~Boalt Hall Employment Discrimination Clinic~~ "

I am also deleting Provision 1 because this provision and the location specified in the item (Boalt Hall Employment Discrimination Clinic) are inconsistent with two Constitutional provisions First, the language violates the separation of powers provision concerning Executive Branch authority Second, in as much as existing law does not define or reference the Boalt Hall Employment Discrimination Clinic, the language represents a substantive change of law which can only be included within a single subject bill, not the Budget Act

"1. The funds appropriated in this item shall be spent only at the University of California at Berkeley for the Employment Discrimination Clinic at Boalt Hall School of Law "

Item 1730-001-001—For support of Franchise Tax Board I reduce this item from $143,010,000 to $142,107,000 by reducing

(a) 100000-Personal Services from $106,969,000 to $106,562,000,

and

(b) 300000-Operating Expenses and Equipment from $38,436,000 to $37,940,000

I am reducing this item by $531,000 and 14.8 personnel years to maintain the same relative level of audit activity as in the past The legislative augmentation would fund the audit program at the $5 to $1 revenue-to-cost ratio using marginal costs rather than

at the $5 to $1 level using total costs The audit plan has always been developed on a total revenue-to-cost basis with $5 to $1 as the target level Nothing has changed the methodology and assumptions that have been used in recent years The 1987–88 budget contains an additional $4,069,000 and 142 personnel years for more audits and collections resources which I believe will provide an appropriate level of tax enforcement

I am also reducing this item by $372,000 which provided General Fund money to replace reimbursements I believe the Board can achieve the level of reimbursements proposed in the 1987–88 budget making this augmentation unnecessary

Item 1760-001-001—For support of Department of General Services, for transfer to Item 1760-001-666 I reduce this item from $8,917,000 to $8,897,000

I am reducing this item by $20,000 to delete the legislative augmentation to fund staff benefit increases for elevator operators Adjustments to staff benefits for elevator operators are more appropriately addressed through the collective bargaining process

Item 1760-001-666—For support of Department of General Services, payable from the Service Revolving Fund I revise this item by reducing

(a) Personal Services from $160,139,000 to $160,119,000,

(e) Amount payable from the General Fund (Item 1760-001-001) from −$8,917,000 to −$8,897,000

I am reducing this item by $20,000 from the amount payable from the General Fund to correspond to my action taken in Item 1760-001-001

Item 1760-012-036—For support of Department of General Services, for activities other than the Office of State Printing, payable from the Special Account for Capital Outlay I reduce this item from $9,666,000 to $8,040,000 by reducing

(b) Operating Expenses and Equipment from $9,280,000 to $7,654,000

I am reducing this item by $1,626,000 to delete the legislative augmentation for the construction phase of 65 projects to replace polychlorinated biphenyl (PCB) equipment at California State University campuses I believe this augmentation is premature I have included $226,000 in the budget to fund the preliminary plans and working drawing phases of these projects These preliminary plans and working drawings will provide more accurate information on which we can determine the extent of the problems and the cost to correct them Funding for the construction phase of these projects will be proposed for the 1988–89 budget I am approving a total of $8,040,000, including the $226,000 provided for preliminary plans and working drawings, from the Special Account for Capital Outlay and $755,000 from various special funds to replace PCB equipment at state-owned facilities

Item 1760-301-036—For capital outlay, Department of General Services I reduce this item from $2,962,000 to $1,133,000 by deleting

(7) 50.10.045-Site 5-State Library, Working Drawings ($659,000),

(8) 50.25 002-Van Nuys State Office Building-Space Frame Roof Covering ($400,000) and

(9) 50 25 003-Van Nuys State Office Building-Site Acquisition and Relocation Expenses ($770,000),

and deleting Provision 2

I am deleting the $659,000 legislative augmentation for Site 5-State Library working drawings because I believe it is premature to fund working drawings for this project until the preliminary plans are completed and the scope of the project is well defined

I am deleting Provision 2 to conform to this action

"2 Funds for working drawings appropriated pursuant to category (7) for Site 5 shall not be available for expenditure sooner than 30 days after the completed preliminary plans have been submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairs of the Legislative fiscal committees "

I am deleting the $400,000 legislative augmentation for the Van Nuys State Office Building Space Frame Roof Covering because the project should be submitted through the annual budget process in the context of competing with Statewide priorities

I am also deleting the $770,000 legislative augmentation for the Van Nuys State Building Site Acquisition because the need for the State to acquire this property has not been justified.

Item 2200-001-001—For support of Department of Commerce I reduce this item from $15,286,000 to $15,132,000 by reducing·

(f) 50-Small Business from $1,352,000 to $1,198,000

I am reducing $154,000 of the $300,000 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 were terminated in 1986–87, no State matching funds were provided for this purpose During 1986–87, however, $429,000 in Federal Jobs Training Partnership Act (JTPA) funds, which require no State matching funds, were allocated to support SBDCs The department has requested a continuation of the current JTPA unexpended balance of $154,000. Coupled with the $146,000 which I am leaving in this item, the continuation funds will provide the department a program level of $300,000

Item 2200-101-922—For local assistance, Department of Commerce I delete Provision 2

Chapter 1229, Statutes of 1977 created the California Economic Development Grant and Loan Fund to create long-term or permanent jobs in areas of high unemployment Grants are provided for public works and facilities needed to attract new industry and create business expansion which will result in economic benefits in these areas The loan program provides for direct loans to public agencies or private businesses which are seeking to establish or expand their operations

I am deleting Provision 2 because it would require the use of grant funds for a purpose not consistent with the creation of long-term or permanent jobs in areas of high unemployment as required by Chapter 1229, Statutes of 1977

"2 Of the amount appropriated in this item, $40,000 shall be used to finance the redesign of the current kiosk at the Interstate 80/Hunter Hill Rest Stop "

Item 2640-101-046—For local assistance, Special Transportation Programs I reduce this item from $27,000,000 to $2,000,000 and revise Provision (c)

I am reducing this item by $25,000,000 because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes. I recognize that this will reduce the transit funding available under the State Transit Assistance Program Because I believe this is an important program, I would sign legislation to provide $25 million for this purpose from the Special Account for Capital Outlay. There will be sufficient resources in the Account for this purpose

"2640-101-046—For local assistance, Special Transportation Programs, for allocation by the State Controller, payable from the Transportation Planning and Development Account in the State Transportation Fund, ~~60~~ *10* percent of the revenues transferred into the Transportation Planning and Development Account in the State Transportation Fund pursuant to paragraphs (1) and (2) of subdivision (a) of Section 7102 of the Revenue and Taxation Code during the 1987–88 fiscal year, for allocation in the 1987–88 fiscal year pursuant to Section 99312 of the Public Utilities Code

Provisions

(a) (1) 70 percent of this appropriation shall be allocated pursuant to Section 99313 of the Public Utilities Code

(2) 30 percent of this appropriation shall be allocated pursuant to Section 99314 of the Public Utilities Code

(b) Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, an amount not more than $70,500 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, and an amount not more than $48,000 of the amount appropriated by this item shall fund the State Controller's expenditures for administration of State Transit Assistance funds.

(c) Notwithstanding any other provision of law, no more than ~~$15,000,000~~ *$20,000,000* may be transferred to the Transportation Planning and Development Account in the State Transportation Fund during the 1987–88 fiscal year pursuant to subparagraph (E) of paragraph (2) of subdivision (a) of Section 7102 of the Revenue and Taxation Code."

Item 2660-001-042—For support of Department of Transportation I reduce this item from $918,976,000 to $918,973,000 by reducing:

(b) Highways from $1,093,702,000 to $1,093,699,000,

and deleting Provisions 4 and 8

I am deleting the 60.2 personnel years added for highway maintenance In reviewing the Legislature's action on the department's contracting-out proposals, I have determined that traffic guidance and landscape maintenance continue to be appropriate areas for contract work. It should be noted further that this Budget includes an additional 46.6 personnel years for Caltrans' highway maintenance activities, which must be performed by staff rather than through contracts, demonstrating the department's thoughtful approach to distinguishing between in-house and contract work.

I am reducing this item by $1,000 and deleting Provision 4. Provision 4 requires an unnecessary expenditure It implies that the intent of the program is to eliminate an unsafe or unhealthy condition, which would be evidenced by an improvement in the inside air quality after the project is finished. This is incorrect The purpose of the asbestos removal program is to replace the asbestos insulation before it becomes a hazard This is preventive, not remedial, action Therefore, the proposed language is inappropriate

"4. The Department of Transportation shall obtain air samples of all spaces scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level shall be at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is less."

I am further reducing this item by $2,000 and deleting Provision 8. Provision 8 restricts the Director's statutory duty to act in the best interest of the State Further. it specifies terms and conditions which would result in a net cost to the State Highway Account by requiring the department to perform and pay for activities that are properly the responsibility of the lessee. Although I encourage the department to continue to negotiate an acceptable lease, the proposed language is too costly and restrictive.

"8. The department shall enter into a long-term minimum-cost lease with the City of Los Angeles for approximately 2.5 acres at the termination of Route 2 at the north-east corner of Duane and Waterloo Streets in the City of Los Angeles for use as a ballpark.

The terms of the lease agreement shall include:

(a) A ten year nonrevocable lease;

(b) The City of Los Angeles shall pay an estimated $100 a year for the term of the lease;

(c) The department shall prepare a plan for future uses of the freeway ramp system adjacent to the proposed park;

(d) If it is determined that the park land will be needed for future reconstruction of freeway access ramps or for other highway purposes, the department shall have the right not to renew the lease after the initial ten-year period.

(e) If the department determines there to be no highway needs for the park land at the end of ten years, it shall enter into a long-term lease with, or sell the land to, the City of Los Angeles for park purposes.

(f) The park site shall be cleared of the mounds of asphalt, concrete, dirt, and roadway materials, and graded so as to be usable as a ballfield before the land is leased to the City.

(g) A six-foot chain link fence shall be constructed between the property and the Route 2 highway before the land is leased to the City."

Item 2660-101-042—For local assistance, Department of Transportation. I reduce this item from $64,170,000 to $64,120,000 by reducing:

(a) 20-Highway Transportation from $32,250,000 to $32,200,000

and revising Provision 3.

I am reducing $50,000 of a $250,000 legislative augmentation to complete a management plan for the Least Bell's Vireo. I agree that completion of the management plan must be expedited in order to permit a number of important State and local construction projects in San Diego County to proceed. However, when I originally approved Caltrans' participation in the management plan, it was with the understanding that local interests would co-fund the plan's costs as a cooperative effort with the State. I have been informed that the San Diego Association of Governments agrees with the principle of co-funding and has offered to provide $50,000 towards completion of the management plan Therefore, the total State funds needed for the plan have been reduced to $200,000.

I am revising Provision 3 to conform with this action.

"3. ~~$250,000~~ *$200,000* appropriated by this item shall be for completion of a management plan for the Least Bell's Vireo."

Item 2660-301-042—For capital outlay, Department of Transportation I delete Provision 4.

I am deleting Provision 4 because I do not believe it is appropriate to attempt to change substantive law in the budget by making the expenditure of this Budget Act appropriation contingent on the enactment of other legislation Existing law already provides both a set of priorities for highway projects and a detailed procedure for applying these priorities to the annual State Transportation Improvement Program. If legislation is subsequently enacted which changes the priorities and guidelines, the Department will, of course, follow the law.

"4. Of the amount appropriated in this item, $295,000,000 in State Highway Account funds shall not be allocated for highway capital outlay projects until legislation has been enacted to provide the Department of Transportation and the California Transportation Commission with guidelines to determine the use of state funds. Prior to its enactment, that legislation shall have been approved by the committees in each house which consider the budget bill."

Item 2720-001-044—For support of Department of the California Highway Patrol I reduce this item from $470,711,000 to $470,303,000 by reducing·

(a) 10-Traffic Management from $432,665,000 to $432,257,000.

I am reducing this item by the $408,000 and 4.0 positions which the Legislature added for an additional multidisciplinary accident investigation team in Southern California. I feel assured that the Patrol will continue its fine job of deploying the three teams currently budgeted to investigate accidents whenever they occur. It is not necessary, therefore, to establish an additional team in the budget year.

Item 3110-101-140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency. I delete Provision 4.

I am deleting Provision 4 because this language is unnecessarily restrictive. The budget provides $546,000 in funding for various studies and one-time projects in the Tahoe Basin. The Tahoe Regional Planning Agency should have the flexibility to contract with whomever can provide competent water quality monitoring service at a competitive price

"4. It is the intent of the Legislature that the current working relationship between the Tahoe Regional Planning Agency and the Tahoe Research Group concerning water quality monitoring be maintained."

Item 3340-001-001—For support of California Conservation Corps. I reduce this item from $36,882,000 to $36,382,000 by reducing:

(a) 10-Training and Work Program from $48,904,000 to $48,404,000,

and by deleting Provision 4.

I am reducing the amount provided for the local corps program by $500,000 because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes. I am retaining $2,000,000 for the continuation of this program.

I am deleting Provision 4 because no funding has been provided for this purpose. The Legislature originally included $74,000 and language in the Corps' capital outlay budget, Item 3340-301-036, to make funding in that item available for support of a project for the homeless. However, the Legislature later removed the funds and the language which would have provided the resources for this project, but did not remove the companion language in this item.

"4. Of the funds appropriated in this item, $74,000 shall be for a grant to the San Francisco Conservation Corps for a project for the homeless."

Item 3360-011-465—For support of State Energy Resources Conservation and Development Commission. I delete this item.

I am deleting the transfer of $5,565,000 from the Energy Resources Programs Account fund balance to the General Fund. For the past three fiscal years it has been necessary to rely upon Energy Resources Programs Account fund reserves to address funding deficiencies resulting from unanticipated workload increases in the power plant siting program administered by the Energy Commission. While I have provided significant increases in personnel in this critical workload area, it is important to maintain an adequate reserve in the fund to address any unforeseen increase in this statutorily mandated workload. Deletion of this item will assure that sufficient funding is available from the Energy Resources Programs Account for this purpose as well as other energy conservation and development activities.

Item 3400-001-001—For support of State Air Resources Board. I revise this item by reducing:

(a) 10-Air Pollution Control from $52,695,000 to $52,670,000

(f) Amount payable from the Environmental License Plate Fund (Item 3400-001-140) from —$1,535,000 to —$1,510,000,

and by deleting Provision 4 and revising Provision 2.

I am deleting the $25,000 and 0.9 personnel year legislative augmentation for a study of air emissions from tire-burning facilities. AB 514 of the current session would require the Air Resources Board, in cooperation with the Waste Management Board and the Energy Commission, to conduct a comprehensive waste rubber tire study. Any funding augmentation should be considered in the pending legislation along with the policy considerations.

I am deleting Provision 4 to conform with this action.

"4. Of the amount appropriated in this item, $25,000 (as transferred from Item 3400-001-140) is to prepare a study of the air emissions from tire-burning facilities. The study shall be distributed to local districts to assist in permit activities."

I am also revising Provision 2. This provision would limit the State's share of the costs for fiscal year 1987–88 to 30 percent of the total cost for the air quality study of the San Joaquin Valley. While I agree that the 30 percent maximum limit on the State's share over the life of the project is appropriate, I am concerned that specifying that the limit applies to the 1987–88 fiscal year may result in a problem with the timing of the receipt of funds from other participants.

"2. The State's share of the San Joaquin Valley Data Collection and Modeling Study shall not exceed 30 percent of the total expenditures for this study ~~in the 1987/88 fiscal year~~."

Item 3400-001-140—For support of State Air Resources Board, for transfer to Item 3400-001-001. I reduce this item from $1,535,000 to $1,510,000.

I am deleting the $25,000 legislative augmentation from the California Environmental License Plate Fund for a study of air emissions from tire-burning facilities to conform to my action taken in Item 3400-001-001. This action reduces the amount payable from this Item to Item 3400-001-001.

Item 3540-001-001—For support of Department of Forestry and Fire Protection. I revise this item by reducing:

(b) 300000-Operating Expenses and Equipment from $91,040,000 to $90,413,000, and

(i) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928) from —$3,045,000 to —$2,418,000,

and by deleting Provisions 4 and 5.

I am deleting Provision 4 because I believe this language is unnecessary. There appear to be no obstacles to representatives of State agencies obtaining access to private lands to monitor timber harvesting activities pursuant to the provisions of current law. Nevertheless, questions have been raised regarding the efficiency of current procedures for achieving coordination among the various agencies with responsibilities for natural resources in timber harvesting areas. Therefore, I am directing the Department of Forestry and Fire Protection to work cooperatively with the Department of Fish and Game, the State Water Resources Control Board, and other appropriate State agencies to achieve common goals on matters relating to the approval, management, and enforcement of timber harvesting plans in order to realize the optimum use of the State's timber resources through resource management and environmental considerations.

"4. The Director of Forestry and Fire Protection shall not approve any timber harvest plan submitted to the department pursuant to Section 4581 of the Public Resources Code, unless the person filing the plan agrees to cooperate with other state agencies in their legally authorized activities."

I am also deleting Provision 5 which specifies where an $843,000 unallocated General Fund reduction can be taken within the Department of Forestry and Fire Protection. Because this language is restrictive, the department would be limited to making the reduction in its support services and non-Forest Practice Act resource management programs. This would result in a disproportionate reduction of approximately 4 percent in those programs. Such a decrease in the level of services provided by these programs would have a serious impact on the ability of the department, as a whole, to fulfill its statutory obligations. Therefore, due to the restrictive nature of the language, I am deleting Provision 5 to provide the department with the flexibility to administer the $843,000 unallocated General Fund reduction with a minimum impact to programs and services provided.

"5. This item has been reduced by $843,000. In order to implement this reduction, the department may (a) make reductions in all programs, except the administration of the Forest Practice Act and direct fire protection activities (including fire lookouts), (b) increase fees for services to local governments, (c) assess fees on the timber industry to pay for the costs of administering the Forest Practice Act, or (d) impose any combination of options (a), (b), and (c)."

Concurrent with the deletion of this restrictive language, I am directing the department to apply the unallocated reduction to funds appropriated for retirement benefits for planned overtime. This issue was discussed during collective bargaining negotiations last year, but ultimately was not included in the memorandum of understanding with the California Department of Forestry Employees' Association. As such, retaining these funds would represent budgeting for a contingency expenditure, which I believe would be inappropriate. This issue is more appropriately addressed through the collective bargaining process.

I am also reducing $627,000 from the amount payable from the Forest Resources Improvement Fund to reflect the following. 1) a reduction of $527,000 from a $1,880,000 legislative augmentation for the support of the California Forest Improvement Grant Program, and 2) an elimination of a $100,000 legislative augmentation for urban forestry activities. I am reducing these augmentations to correspond to the actions taken in Item 3540-001-928.

Item 3540-001-928—For support of Department of Forestry and Fire Protection. I reduce this item from $3,045,000 to $2,418,000 and delete Provision 1.

I am reducing a $1,880,000 legislative augmentation in this item by $527,000, leaving $1,353,000 to continue funding grants for the California Forest Improvement Program at its current level. I believe that this funding level is sufficient to support high priority projects, and, in addition, there is insufficient information to support the need for the remaining portion of this augmentation.

I am also deleting the $100,000 legislative augmentation for the support of urban forestry activities because there is inadequate information to support funding for these projects. This request, along with the list of projects it would support, can be

considered for inclusion in the 1988–89 Governor's Budget. This will allow these projects to be reviewed and evaluated along with other proposals on a priority basis.

I am deleting Provision 1 to conform with my actions taken on this item.

"1 Of the amount appropriated in this item, $100,000 shall be for an urban forestry program The urban forestry program shall consist of only (a) providing technical assistance to local entities and (b) distributing public information, as defined below

To implement the technical assistance portion of the program, the department shall (a) compile information on urban forest management programs, pest management programs, energy conservation programs, developing computerized tree inventories, and air and water quality management programs, (b) notify local entities that technical assistance is available in these areas, and (c) provide assistance to local entities in these areas

To implement the public information portion of the program, the department shall compile and disseminate information on a request basis on (a) innovative treeplanting programs and (b) forestry and environmental education program relevant to city dwellers. The department also shall, in coordination with the Department of Education and the American Forestry Association, design a pilot school program to create a link between urban forestry and statewide resource management "

These actions reduce the amount payable from this item to Item 3540-001-001.

Item 3600-001-001—For support of Department of Fish and Game. I reduce this item from $9,125,000 to $8,875,000

I am deleting the $250,000 budgeted for a loan to Orange County for a study of the impact of modifications to a local marina on the Bolsa Chica Ecological Reserve. The full amount of the State loan for this purpose was appropriated during the 1986–87 fiscal year. Therefore, no additional State funding is necessary.

Item 3600-001-140—For support of Department of Fish and Game. I reduce this item from $11,868,000 to $11,679,000.

I am reducing this item by $44,000 by deleting the legislative augmentation to provide for a grant to the University of California to be used for the Fish Slough Ecological Reserve I do not believe that this proposal has a high enough priority to warrant support from the Environmental License Plate Fund. The University can provide support to this project, if they consider it a high priority, by redirecting a portion of its currently budgeted research funds.

I am also reducing this item by $145,000 by deleting the legislative augmentation for a grant for the Marin Wildlife Center. I am retaining $50,000 proposed in the Governor's Budget for this grant, but I am deleting the $145,000 legislative augmentation because there is pending legislation (AB 2289) which would provide funding for this purpose. I believe the priority and purpose of this augmentation can more appropriately be considered through this legislation.

Item 3600-001-200—For support of Department of Fish and Game. I reduce this item from $61,794,000 to $61,494,000 by reducing:

(b) 300000-Operating Expenses and Equipment from $46,848,000 to $46,109,000,

(d) Amount payable from the General Fund (Item 3600-001-001) from −$9,125,000 to −$8,875,000, and

(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) from −$11,868,000 to −$11,679,000,

and by deleting Provisions 6, 7 and 8.

I am reducing the $250,000 legislative augmentation for matching funds for the State's share of the Klamath and Trinity River projects because a matching fund requirement has not been established. Therefore, this augmentation represents funding for a contingency, which I believe is inappropriate. If matching funds are later determined to be necessary, the department will either redirect funds or seek additional support through the deficiency process

I am deleting Provision 6 to conform with this action.

"6. Of the amount appropriated in this item, $250,000 is available for the state's share of the Klamath River agreement or the Trinity River agreement."

In addition, I am reducing the $50,000 legislative augmentation for a grant to Central Coast Salmon Enhancement, Inc. because the priority of this project has not been established by the advisory committee comprised of members from the salmon fishing industry which provides support for these projects. This grant request, along with the list of projects it would support, should be submitted to the Department of Fish and Game for possible inclusion in the 1988–89 Governor's Budget. This will allow the project to be reviewed along with other proposals and will allow funding recommendations to be made by the advisory committee on a priority basis.

I am deleting Provision 8 to conform to this action.

"8. Of the amount appropriated in this item, $50,000 shall be for a grant to the Central Coast Salmon Enhancement project."

I am also deleting Provision 7 which requires that $401,000 of the amount appropriated in Item 3600-001-200 be from fees assessed on wildlife areas. The various revenues deposited into the nondedicated portion of the Fish and Game Preservation Fund are combined without being distinguished by source. Each revenue loses its individual identity once it enters the nondedicated portion of the fund. Therefore, the requirements of this language cannot be implemented unless legislation is enacted creating a new account within the Fish and Game Preservation Fund. Under current law, expenditures from the nondedicated portion of the Fish and Game Preservation Fund cannot be linked with particular sources of revenue to the fund.

"7 Of the funds appropriated in this item, $401,000 is from fees assessed on wildlife areas and may only be used for the operation of wildlife areas."

I am reducing $250,000 from the amount payable from the General Fund to correspond to the action I have taken on Item 3600-001-001

I am also reducing $189,000 from the amount payable from the California Environmental License Plate Fund to correspond to the action I have taken on Item 3600-001-140

Item 3600-301-200—For capital outlay, Department of Fish and Game I delete Provision 1

I am deleting Provision 1 because this language is unnecessary. Existing statutory authority stipulates that revenues generated from the Income Tax Check-Off Account be utilized for purposes as specified in category (3). The department is in compliance with this mandate.

"1. The amount in category (3) shall be funded exclusively from the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement (Income Tax Check-Off) Dedicated Account in the Fish and Game Preservation Fund."

Item 3640-001-140—For support of Wildlife Conservation Board. I reduce this item from $700,000 to $250,000 by reducing:

(1) 300000-Operating Expenses and Equipment from $700,000 to $250,000

I am retaining $250,000 of this legislative augmentation to provide funding for the Suisun Marsh Conservation District to conduct activities authorized by Chapter 1571, Statutes of 1982. This chapter authorizes payments to landowners within the district for the enhancement and management of wetlands on their property. However, there is insufficient information to support the need for the remaining portion of the augmentation. Therefore, I am reducing this item by $450,000, and recommending that a project proposal be submitted during the 1988–89 budget development process for consideration on a priority basis.

Item 3640-301-447—For capital outlay, Wildlife Conservation Board I delete Provision 3.

I am deleting Provision 3 because this language is unnecessary, and may restrict the Board's ability to manage the area. The Board has expressed its support for the preservation of the specified wetlands and is currently working toward that objective.

"3. It is the intent of the Legislature that the acquisition of Mapes Ranch, Faith Ranch, Dos Rios Ranch, and adjoining habitat and recreational lands (which are located along the San Joaquin and Tuolumne Rivers in Stanislaus County), or the acquisition of rights restricting development and hunting on these properties, for the preservation of riparian wetlands and related purposes is a high priority of the Legislature. The Wildlife Conservation Board shall assist

with its resources to ensure the acquisition of these properties, or the acquisition of rights restricting development and hunting on these properties, with state and nonstate funds in a timely manner."

Item 3720-001-001—For support of California Coastal Commission. I reduce this item from $6,272,000 to $5,953,000 by reducing

(a) 10-Coastal Management Program from $8,447,000 to $8,128,000

I am reducing $319,000 and 8 personnel years by eliminating the Santa Barbara district office and combining the Santa Cruz district office with the San Francisco district office. These reductions reflect the reduced workloads resulting from the completion and near completion of local coastal plans in these areas The remaining district offices, particularly in San Francisco and Los Angeles, are available to administer any workload generated in these two areas.

Item 3790-101-036—For local assistance, Department of Parks and Recreation. I reduce this item from $14,803,000 to $1,584,000 by reducing:

(1) 50.20 036-East Bay Regional Park District from $2,100,000 to $100,000

by deleting

(1) (a) 50.20 036.066 Alameda County-East Bay Regional Park District-Wool Property, ($2,000,000)

by reducing

(19) 50 20.036 029-City of Oakland, Peralta Hacienda Historical Park (Phase II) from $740,000 to $50,000,

and by deleting

(2) 50 20 036.006-Fresno City College Admin Bldg. ($200,000)

(2 3) 50 20 036 007-Riverside County—Jensen-Alvarado Ranch ($200,000)

(2.6) 50 20 036 008-Riverside County-Lake Elsinore Park and Recreation District ($65,000)

(2.9) 50 20.036 009-City of Colton-Colton Library ($235,000)

(7) 50.20 036 013-City of San Diego, Belmont Park-Roller Coaster ($300,000)

(8) 50.20 036.015-City of Los Angeles, Recreational Facilities and Swimming Pool Construction ($200,000)

(9) 50 20.036 017-City of Sacramento, Multicultural Center ($1,000,000)

(10) 25 30 036 044-Sonoma County, Healdsburg-Carnegie Library ($124,000)

(11) 25 30 036 045-Los Angeles County, Van Nuys Post Office ($200,000)

(12) 50.20.036.051-Selma-Pioneer Park ($200,000)

(13) 50.20.036 053-Balboa Park. Restoration of Administration Building ($200,000)

(14) 50 20 036.019-Santa Clara County, Los Gatos Creek Trail ($1,000,000)

(15) 50 20.036 021-City of Oakland, Aquatic Biology Hall/Oakland Museum ($250,000)

(16) 50.20 036.023-County of Los Angeles, Highland-Camrose Bungalows/Hollywood Bowl ($1,000,000)

(17) 50.20.036.025-City of Kingsburg, Kingburg Pool ($400,000)

(18) 50.20.036.027-City of Dinuba, Rose Ann Vuich Park Bandstand ($150,000)

(20) 50 20 036 031-City of Piedmont, Linda Playfield Project ($102,000)

(21) 50.20.036 033-City of San Francisco, California Academy of Science ($2,000,000)

(22) 50.20 036.035-Sacramento County—City of Sacramento Softball Complex ($250,000)

(23) 50 20.036.037-Ventura County—Santa Paula Community Center ($500,000)

(27) 50.20 036 045-City of Los Angeles—Los Angeles City Hall ($300,000)

(28) 50.20.036.047-City of Los Angeles—Union Church ($150,000)

(29) 50.20.036 049-City of Los Angeles—Eagle Rock Library ($238,000)

(31) 50.20.036.057-San Diego County, Spring Valley Revitalization Plan Project ($1,225,000)

(33) 50.20.036 061-City of Desert Hot Springs, Baseball Field Lighting ($10,000)

(34) 50.20.036.063-City of Los Angeles, Duane and Waterloo Streets Ballpark ($30,000)

I am reducing this item by $2,690,000 to reflect the deletion of an augmentation for the acquisition of the East Bay Regional Park District-Wool Property ($2,000,000) and the development of the City of Oakland, Peralta Hacienda Historical Park-(Phase II)

($690,000). I am retaining $100,000 and $50,000 from each of the respective projects for capital outlay purposes related only to the operation of the Knowland Zoo in the City of Oakland.

I am deleting $10,529,000 in legislative augmentations for 26 local assistance projects because I am concerned with the volume and magnitude of projects proposed. With the implementation of this 1987–88 Budget, the final appropriations of the three year program from the 1984 Parklands Fund have been made. While many local entities were successful in receiving funds from this 1984 Bond Act, many were not due to the competitive nature of the program. Other local entities are still seeking additional State funds for local projects. While many of these legislative augmentations may be for meritorious projects, they are not of significant statewide priority to justify the use of the limited tidelands oil revenues nor do they appear to be of a critical or urgent nature requiring immediate funding. Therefore, I recommend the local entities re-evaluate priority usage of their 1986 Bond fund allocation with consideration of funding these projects which I have deleted.

Item 3790-101-716—For local assistance, Department of Parks and Recreation. I reduce this item from $80,037,000 to $79,723,000 by deleting:

(4) 59.29.716.871-Santa Cruz County—Entitlement grants ($314,000)

I am deleting the legislative augmentation of $314,000 for a local assistance grant to Santa Cruz County—Entitlement grants because the application for 1987–88 funding was submitted too late for consideration. This request should be submitted for consideration during the normal budget process.

Item 3790-101-742—For local assistance, Department of Parks and Recreation. I reduce this item from $481,000 to $412,000 by deleting:

(6) 50.10.742.009-Sacramento County, Southgate Recreation Park District—Bowling Green Park ($69,000).

I am deleting the legislative augmentation of $69,000 for a local assistance grant for the Southgate Recreation Park District—Bowling Green Park because this project could be funded from Sacramento County's allocation of 1986 Park Bond funds if it is found to be a high priority project of the County.

Item 3790-301-036—For capital outlay, Department of Parks and Recreation. I reduce this item from $1,790,000 to $790,000 by deleting:

(2) 90.95.100.870-Little Frank's Tract—Repair ($1,000,000).

I am deleting the legislative augmentation of $1,000,000 for the repairs to the levees at Little Frank's Tract because additional funding for this project may be premature at this time. As I stated in my veto action on a similar augmentation in the 1986–87 Budget Bill, I have previously approved two appropriations totaling $1 million from 1984 Bond funds for this project. Until the State Park and Recreation Commission has approved the General Plan for Frank's Tract SRA, additional funding for repairs may not be appropriate or consistent with the General Plan.

Item 3790-301-392—For capital outlay, Department of Parks and Recreation. I reduce this item from $4,094,000 to $3,983,000 by deleting:

(5) 90.9H.100.870-Colonel Allensworth SHP, Railroad Passenger Platform ($20,000), and

(6) 90.9H.100.871-Colonel Allensworth SHP, Hotel Renovation ($91,000).

I am deleting the legislative augmentations of $20,000 and $91,000 for the railroad passenger platform and hotel renovation, respectively, at Colonel Allensworth State Historic Park. These projects should be submitted for consideration during the normal budget process

Item 3790-301-722—For capital outlay, Department of Parks and Recreation. I reduce this item from $33,997,000 to $32,297,000 by deleting:

(7.5) 90.5Y.100-Candlestick Park SRA-Complete Project ($1,700,000)

I am deleting the legislative augmentation of $1,700,000 for Candlestick Park-Complete Project because funding to accelerate the completion of the project has not been justified. The schedule for this project calls for this phase to be funded in 1988–89. This should be resubmitted at that time for consideration in the normal budget process.

Item 3810-101-140—For local assistance, Santa Monica Mountains Conservancy I

delete this item.

I am deleting the $250,000 legislative augmentation from the California Environmental License Plate Fund for six local assistance grants to various local entities for environmental education projects.

The limited resources available in this fund require that all proposed expenditures be prioritized in order that the highest priority projects will be funded. I am retaining over $21 million in projects statewide from the California Environmental License Plate Fund to address a variety of environmental concerns, including environmental education projects

Item 3810-301-036—For capital outlay, Santa Monica Mountains Conservancy. I delete this item.

I am deleting the legislative augmentation of $1,750,000 for the acquisition of Runyon Canyon Urban Wilderness This project should be submitted for review and evaluation during the normal budget process.

Item 3860-001-001—For support of Department of Water Resources. I reduce this item from $28,989,000 to $28,593,000 by reducing:

(c) 30-Public Safety and Prevention of Damage from $17,442,000 to $17,046,000, and by deleting Provisions 2 and 4.

I am deleting $396,000 and 0.8 personnel years for the support of two sediment removal projects because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes Specifically, I am deleting $196,000 and 0.3 personnel years for support of the Lindo Channel sediment removal project Further, I am eliminating $200,000 and 0.5 personnel years for support of the Cherokee Canal sediment removal project. I am willing to support legislation to fund the Lindo Channel and the Cherokee Canal sediment removal projects from the Special Account for Capital Outlay.

I am also deleting Provision 2 to conform to this action

"2. The $200,000 appropriated in this item for sediment removal at Cherokee Canal shall be spent only in accordance with the recommendations of the Department of Fish and Game concerning protection of fish and wildlife."

I am also deleting Provision 4 because the California Environmental Quality Act has established adequate safeguards as a part of the environmental impact report review process which address the concerns specified in this provision. This action is consistent with action taken last year by deleting similar language for this project.

"4 (a) Prior to entering into the assurance agreement for the Chico Landing to Red Bluff Project, 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

(b) Prior to certifying lands and rights-of-way for this project and within 30 days after the final Environmental Impact Report has been adopted for the Chico Landing to Red Bluff Project, the Reclamation Board shall report to the legislative fiscal committees and the Joint Legislative Budget Committee on (1) the agreement between the Reclamation Board and the Department of Fish and Game and (2) a financing and implementation plan for the mitigation measures required by the agreement.

(c) 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.

(d) The assurance agreement shall also provide for implementation and funding of the measures specified in the agreement between the Department of Fish and Game and the Reclamation Board."

Item 3860-301-036—For capital outlay, Department of Water Resources. I delete Provision 8

I am deleting Provision 8 because I believe the California Environmental Quality

Act has established adequate safeguards to be met prior to construction of the type foreseen by this provision.

"8. (a) Prior to certifying lands and rights-of-way to the United States Corps of Engineers for the San Joaquin River Channel Project, the Reclamation Board shall submit a report to the legislative fiscal committees and the Joint Legislative Budget Committee by November 1, 1987, on the financing plan for mitigation and enhancement or their progress to date in preparing the plan. The plan shall recommend the appropriate federal, state, and local share of all past and future costs and an implementation schedule for the plan.

The Department of Fish and Game shall review the financing plan or progress report and report to the Legislature by December 1, 1987, on the adequacy of the plan or report.

(b) 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 objectives of net long-term enhancement, as provided in Chapter 1530, 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 annually to the Legislature on the implementation and effectiveness of the mitigation plan."

Item 3940-001-001—For support of the State Water Resources Control Board. I am revising this item by reducing:

(a) 10-Water Quality from $54,374,000 to $54,324,000,

and by deleting:

(fx) Amount payable from the California Environmental License Plate Fund (Item 3940-001-140) (−$50,000),

and deleting Provision 2.

I am deleting the legislative augmentation of $50,000 payable from the California Environmental License Plate Fund for a study of ocean pollution. The State Water Resources Control Board indicates that Federal funds are available for this study. The study will be funded if it meets criteria for implementable recommendations which the Board imposes on studies of this sort, regardless of funding source. Therefore, these additional funds are not warranted. I am deleting this subitem to correspond to Item 3940-001-140.

I am also deleting Provision 2. The State Water Resources Control Board has indicated that it can develop a workplan within its baseline resources which would identify the problems associated with nitrate contamination in drinking water, identify the resources necessary to evaluate the magnitude of the problem, and develop and recommend strategies for protecting drinking water from nitrate contamination. It would be premature to require a study prior to the completion of such a workplan. Therefore, I am directing the Board to conduct a workplan within its current resources that will determine the scope of any future study.

"2. Of the funds appropriated in this item, $250,000 shall be available to conduct a study of the causes of nitrate contamination of groundwater and provide recommendations on how to prevent such pollution."

Item 3940-001-140—For support of State Water Resources Control Board, for transfer to Item 3940-001-001 I delete this item and accompanying Provision 1.

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I am deleting this item to conform to my action regarding a study of ocean pollution in Item 3940-001-001. This action eliminates the amount payable from this Item to Item 3940-001-001.

Item 4120-101-001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies. I reduce this item from $1,726,000 to $1,717,000.

I am deleting the $9,000 legislative augmentation for a discretionary cost-of-living adjustment for this program because the increase is not warranted. The State subvention for local emergency medical service agencies proposed for 1987–88 represents a 93 percent increase over the 1983–84 level of support and should be sufficient to provide essential services.

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 deleting the $500,000 legislative augmentation for the Family Physician Training Program to establish additional residency programs to meet the health care needs of individuals in underserved areas. I prefer the approach taken in SB 478 which provides $1,200,000 for grants and administration in 1987–88 from the Health Facility Construction Loan Fund. Funding for the program in future years is proposed to be raised from private sources by the Minority Health Professions Education Foundation created by the bill.

I am deleting Provision 2 to conform with this action.

"2. The Office of Statewide Health Planning and Development shall spend $500,000 to expand and/or increase family physician residency capitation programs established under the Song-Brown program. The allocation of the funds shall be approved by the Health Manpower Policy Commission."

Item 4170-101-001—For local assistance, Department of Aging. I reduce this item from $38,751,000 to $30,319,000 by reducing:

(a) 10-Nutrition from $62,818,640 to $62,430,000

(1) 10.10-Congregate nutrition from $46,291,680 to $46,109,000

(2) 10.20-Home delivered nutrition from $16,526,960 to $16,321,000

(c) 30-Supportive Services and Centers (for match) from $26,849,080 to $26,771,000
and

(d) 40-Special Projects from $34,255,280 to $26,290,000

I am deleting the $1,002,000 legislative augmentation to provide a 3 percent discretionary cost-of-living adjustment for the Nutrition ($388,640), Supportive Services and Centers ($78,080) and Special Projects ($535,280) programs. I believe the critical growth needs in this area have been addressed by providing increased funding for Alzheimer Day Care Resource Centers ($500,000) and the Long Term Care Ombudsman program ($500,000).

I am also reducing $7,430,000 of the $8,625,280 legislative augmentations for Special Projects as follows:

I am deleting the $750,000 legislative augmentation, which provides for expansion of Adult Day Health Care (ADHC) facilities, because I have signed legislation over the last four years which has provided for expansion in excess of $4 million in the ADHC program. In reviewing the current budget, I believe that sufficient resources are available to meet the current plans to expand from the 57 existing facilities to 70 ADHC facilities by June 1988.

Further, I am reducing $80,000 of the $180,000 legislative augmentation provided for the existing Alzheimer's Day Care Resource Centers (ADCRC). The remaining $100,000 will increase the allocation to the eight existing centers from $37,500 to $50,000.

I am also deleting $6,600,000 of the $7,000,000 legislative augmentation intended to expand the number of Centers ($5,000,000) and provide related education and training activities ($2,000,000). This will leave $400,000 to establish eight additional ADCRC's which will double the number of available facilities. These eight new facilities will provide services to an additional 400 clients statewide. The funding I have retained represents a 99 percent increase for Alzheimer's Day Care Resource Centers over the 1986–87 level of support.

Item 4200-101-001—For local assistance, Department of Alcohol and Drug Programs I delete Provision 5.

I am deleting Provision 5 because it places an emphasis on prevention efforts by alcohol and drug programs directed primarily at youth groups. As such, this language ignores the scope of prevention activities currently within the existing alcohol and drug prevention efforts in California which are directed at all population groups. This conforms to the action I have taken in Item 4200-101-890

"5 In allocating funds to counties for local alcohol and drug programs, the Director of the Department of Alcohol and Drug Programs shall ensure that counties are funding an adequate prevention effort An adequate prevention effort is one which. (1) helps young people to develop the positive values, knowledge, and skills to lead productive, drug-free lives; (2) presents accurate information on the root causes of substance abuse; (3) explores ways in which the use of alcohol and drugs by young people coincide with low self-image and self-esteem; (4) explores ways in which substance abuse can result in other adverse behavior which has long-term consequences for individuals' families and society as a whole, such as low academic performance, truancy and dropping out of school, teenage pregnancy, and delinquency; and (5) includes familial relationships and family dynamics within prevention strategies, as appropriate "

Item 4200-101-890—For local assistance, Department of Alcohol and Drug Programs I delete Provisions 6, 9 and 10

I am deleting Provision 6 because the Department of Alcohol and Drug Programs has already formalized a memorandum of understanding regarding departmental responsibilities relating to AIDS issues with the Department of Health Services Furthermore, the requirement that counties provide information to clients is currently being addressed in legislation, SB 1323. The identified cost of this issue has been estimated at $1 1 million. This requirement may result in less money being available for expenditure by counties for their local needs and priorities

"6 The Departments of Health Services and Alcohol and Drug Programs shall submit to the Legislature, on or before July 15, 1987, a memorandum of understanding which details each department's responsibility in addressing the AIDS epidemic in substance abusers

The Departments of Health Services and Alcohol and Drug Programs shall submit to the Legislature, on or before August 1, 1987, an assessment of services needed to deal with the AIDS epidemic in substance abusers

As a condition of using any funds received from the federal Anti-Drug Abuse Act, rollover funds from prior year federal allocations, or new Alcohol, Drug Abuse and Mental Health block grant funds, a county shall ensure that clients of county alcohol and substance abuse programs receive information on HTLV-III infection."

I am deleting Provision 9 because it places an emphasis on prevention efforts by alcohol and drug programs directed primarily at youth groups. As such, this language ignores the scope of prevention activities currently within the existing alcohol and drug prevention efforts in California which are directed at all population groups This conforms to the action I have taken in Item 4200-101-001.

"9 In allocating funds to the counties for local alcohol and drug programs, the director of the Department of Alcohol and Drug Programs shall ensure that counties are funding an adequate prevention effort. An adequate prevention effort is one which. (1) helps young people to develop the positive values, knowledge, and skills to lead productive, drug-free lives, (2) presents accurate information on the root causes of substance abuse, (3) explores ways in which the use of alcohol and drugs by young people coincides with low self-image and self-esteem, (4) explores ways in which substance abuse can result in other adverse behavior which has long-term consequences for individuals' families and society as a whole, such as low academic performance, truancy, and dropping out of school, teenage pregnancy, and delinquency, and (5) includes familial relationships and family dynamics within prevention strategies, as appropriate "

I am deleting Provision 10 because it does not provide sufficient flexibility to measure the full range of process and outcome evaluation criteria which the department may wish to consider in its evaluation of programs funded with Federal Anti-Drug Act Funds

"10. In conducting its evaluation of programs funded with federal Anti-Drug Abuse Act funds, the department shall include in its evaluation criteria an assessment of whether counties have used the funds to support an adequate prevention effort The adequacy of the prevention effort shall be assessed using the criteria detailed above "

Item 4260-001-001—For support of Department of Health Services I reduce this item from $135,175,100 to $132,146,100 by reducing

(a) 100000-Personal Services from $156,064,650 to $154,235,636

(b) 300000-Operating expenses and equipment from $120,977,250 to $118,956,864

(d) Reimbursements from —$10,966,000 to —$8,850,600

(o) Amount Payable from Federal Trust Fund (Item 4260-001-890) from —$88,941,800 to —$87,941,800, and by adding

(t) Unallocated Reduction —$2,295,000, and

by revising Provision 5 and deleting Provisions 8, 9, 11, and 12

I am reducing $1,295,000 of the $2,135,000 legislative augmentation for the Licensing and Certification Division This augmentation was provided to reflect a change in General Fund and federal fund billing practices The Department has recently estimated that federal funding ratios should be 41.6 percent for Division activities instead of the 53 8 percent currently reflected in the budget While an accurate reflection of the change in the federal fund share would require a reduction of $3,135,000 in federal funds with a corresponding increase to the General Fund, the Legislature provided an increase of only $2,135,000 based on the Department's ability to absorb $1,000,000 in the existing base budget I believe that the Department is capable of absorbing $2,295,000 of the increased cost to the General Fund during 1987–88 as it has been absorbing similar funding imbalances for several years It is appropriate to retain an augmentation of $840,000 which corrects the funding ratio for the Licensing and Certification Division staffing standards augmentation which I proposed With the $840,000 augmentation, the Licensing and Certification Division's General Fund budget is increased by 8 percent when compared to 1986–87

I am also reducing Item 4260-001-890 by $1,000,000 to conform with the above action This reduction is in addition to the federal fund reduction of $2,135,000 proposed by the Legislature This additional decrease is necessary to properly reflect the change in the ratio of federal funds to General Fund

To effect these two actions, I am making an unallocated reduction of $2,295,000 in this item

I am deleting the $232,000 (General Fund) and 3.8 personnel year legislative augmentation for the Hazard Evaluation System and Information Service (HESIS) The Legislature added these funds and language to direct the HESIS program to assess 100 chemicals and their adverse reproductive effects My budget already contains funds for similar reproductive effects' studies as part of the implementation of Proposition 65 The Office of Environmental Health Hazard Assessment will perform these studies Therefore, this augmentation is duplicative of funding contained elsewhere in this budget

I am deleting Provision 9 to conform with this action.

"9 Of the amount appropriated in this item, $232,000 shall be available for a study of adverse reproductive effects of chemicals only if AB 2433 of the 1987–88 Regular Session of the Legislature is enacted

The Department of Health Services shall direct the Hazards Evaluation System and Information Service (HESIS) to assess 100 chemicals, according to criteria of volume and/or concentration, identified in California's hazardous waste stream in accordance to data collected by the department's Toxics Reduction Analysis Project HESIS shall evaluate 100 waste stream chemicals identified by the Department of Health Services' Toxics Reduction Analysis Project to accomplish each of the following tasks no later than December 31, 1989. (a) to list those tests which are necessary to assess

reproductive effects; (b) to identify what tests and information are available from all literature sources; (c) to determine whether each chemical contains valid, complete, and adequate studies to assess reproductive effects; and (d) to determine whether available studies indicate adverse reproductive effects."

I am reducing $950,000 of the $1,000,000 (General Fund) legislative augmentation for a Spinal Cord Injury Task Force. I believe that funding for the support of research is premature. However, in order to explore the need for additional research in this area, I will sign SB 1026 of the 1987–88 Regular Session of the Legislature. SB 1026 creates the Spinal Cord Injury Task Force.

I am revising Provision 12 to conform with this action.

"12. Of the amount appropriated in this item, ~~$1,000,000~~ *$50,000* shall be available for the ~~promotion of spinal cord injury research, which funds shall be distributed only upon the recommendation and direction of the~~ Spinal Cord Injury Task Force ~~, regarding the distribution of spinal cord research funds to designated and defined spinal cord research projects, and~~ only if SB 1026 of the 1987–88 Regular Session of the Legislature is enacted."

I am deleting the $552,000 (General Fund) legislative augmentation for the Hazard Evaluation System and Information Service (HESIS). Elsewhere in this budget I have deleted funding for the Cal-OSHA program in order to return this activity to federal jurisdiction. I am also reducing 4.4 personnel years from the HESIS program as a result of this action. In the absence of Cal-OSHA, the workload for the Cal-OSHA-related activity in the HESIS program no longer exists.

Therefore, there is no justification for the proposed General Fund augmentation. Additionally, I am reducing scheduled reimbursements by $552,000 and 4.4 personnel years. This action conforms to the action I have taken to return the occupational safety and health responsibility to the federal government in Item 8350-001-001.

I am deleting Provision 11 to conform with this action.

"11. Notwithstanding any other provision of law, of the amount appropriated in this item, $552,000 shall be available to (a) supplant any federal funds budgeted in Item 8350-001-890 for support of Cal-OSHA activities in the Department of Health Services performed pursuant to the interagency agreements executed in satisfaction of Section 147.2 of the Labor Code, or (b) replace federal fund support for HESIS in the event that such support is not forthcoming."

I am reducing the scheduled reimbursements in this item by $1,563,400 and 27.3 personnel years to reflect the reduction of reimbursements to the Laboratories Division resulting from the return of the Occupational Safety and Health Administration responsibilities to the federal government. This action conforms to the action I have taken in Item 8350-001-001.

I am revising Provision 5 because this provision duplicates Provision 7 of Item 5180-001-001 and Provision 8 of Item 5180-141-001 for the Department of Social Services. The inclusion of this language in this item is redundant. I have retained appropriate portions of the language in the Department of Social Services' budget which also apply to the Department of Health Services. I am supporting the effort to develop a work measurement based methodology for county eligibility cost control.

In addition, the adjustment to the fee increase pursuant to Health and Safety Code Section 115 is based on the increase of the budget year General Fund appropriation for the Licensing and Certification Division compared to the current year General Fund budget for the Division. Subdivision (7), as adopted by the Legislature, includes the Legislature's augmentation of $2,135,000 for the Division. I have reduced the Division's augmentation to $840,000. Therefore, to reflect the corrected fee increase, I am reducing the Legislature's proposed fee increase from 31.9 percent to 19.5 percent. Additionally, I am reducing a portion of the fee increase subject to Health and Safety Code Sections 113 and 114. The Legislature proposed an additional 4.3 percent fee increase due to an increase in operating expenses and equipment expenditures. Due to my overall veto action affecting the Department's General Fund appropriation, which reduces these expenditures below the Legislature's proposed level of funding, I am reducing the related fee increase for operating expenses and

equipment to 3 4 percent for Sections 113 and 114.

~~5. The Department of Social Services (DSS) and Department of Health Services (DHS) in conjunction with the County Welfare Directors' Association (CWDA) shall develop a timetable for conducting county work measurement studies of the intake and continuing eligibility work activities in the Aid to Families with Dependent Children (AFDC), Nonassistance Food Stamps, and Medi/Cal programs. The intent of the Legislature is that work measurement studies be conducted in time for consideration of the results during the deliberations for the budget for fiscal year 1989/90. The timetable shall set out the steps necessary to do the following:~~

~~(1) Group the 40 largest counties into no more than three groups. Counties may be grouped before or after work measurement studies are conducted and a survey may be used to collect data for grouping counties as the departments and CWDA determine necessary;~~

~~(2) Identify representative counties for work measurement;~~

~~(3) Develop the methodology for work measurement including the projected cost of conducting the studies;~~

~~(4) Complete work measurement studies.~~

~~The DSS and DHS in conjunction with CWDA shall report to the Joint Legislative Budget of Committee on the timetable developed by February 1, 1988.~~

~~By March 1, 1989, the DSS and DHS shall submit a joint report to the Legislature regarding the findings of work measurement studies on a county/specific basis. The report shall include the following:~~

~~(1) An analysis of the fiscal impact on the federal, state, and county governments should the budget process for eligibility worker caseloads be based upon the findings of the work measurement studies;~~

~~(2) A description of the methodology that would be used to set county targets utilizing the results of the studies;~~

~~(3) An estimate of the cost of fully implementing the findings of the studies taking into account: salary expenditures (direct salary, fringe benefits, and overhead); actual total caseload size or projections; eligibility supervisors; and appropriate isolated supportive eligibility functions.~~

~~(4) Other options for implementing the study findings and the fiscal impacts related to each option.~~

~~(5) The alternatives that could be used to address the unique special circumstances which may exist in some counties that would be adversely affected by the transferability of the work measurement data.~~

~~It is the intent of the Legislature that county welfare departments which have unique circumstances which would adversely affect the transferability of work measurement data shall have those unique circumstances considered and alternatives shall be developed by the departments to address those unique circumstances.~~

~~The DSS and DHS shall consult with the County Welfare Directors Association (CWDA) and the Service Employees International Union (SEIU) on the design, findings, and implementation recommendations of the study. It is the intent of the Legislature that, for fiscal year 1988/89, the DSS shall utilize the lowest two of the most recent three years for which there is data to set the targets for the AFDC and Food Stamp programs. The department shall implement no more than 25% of the target change based upon the new methodology in fiscal year 1988/89 from the level budgeted in fiscal year 1987/88. The targets for the Medi/Cal program shall not be changed in the 1988/89 fiscal year from the level budgeted in the 1987/88 fiscal year.~~

~~Of the amounts appropriated under Item 4260/001/001 for support of the DHS, $100,000 shall be appropriated for department costs associated with the work measurement study of eligibility casework activities in the Medi/Cal program.~~

~~The DSS and the DHS shall make those administrative changes necessary to permit fund transfers effective January 1, 1988, between the local assistance~~

~~budget items for county eligibility work activities (Item 5180/141/001 and Item 4260/101/001) in the 18 counties in California with the smallest caseloads.~~

(7) Effective July 1, 1987, the annual fee for a general acute care hospital, acute psychiatric hospital, special hospital, general acute care rehabilitation hospital, psychiatric health facility, and chemical dependency recovery hospital shall be $16.99 per bed. Effective July 1, 1987, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $79.01 per bed.

Department of Health Services fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 115 of the Health and Safety Code, added by Chapter 327 of the Statutes of 1982, shall be increased by ~~31.9~~ *19 5* percent effective January 1, 1988.

Departmental fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 116 of the Health and Safety Code, as added by Chapter 327 of the Statutes of 1982, shall be increased by 5.9 percent effective January 1, 1988

Departmental 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 shall be increased ~~4.3~~ *3.4* percent plus 0.56 percent for each 1 percent increase in employee compensation granted in the 1987 Budget Act.

The Director of Finance shall propose language to implement fee adjustments in the 1988 Budget Bill."

I am deleting Provision 8 because this provision would have required the Department to assign a staff member to oversee all budget and fiscal matters and to monitor all cancer contracts. This language creates redundant responsibilities and costs as the activity is already part of the normal on-going work of the Department's Budget Office and existing program personnel

"8. The Department of Health Services shall ensure that a staff member from an appropriate civil service classification is assigned to oversee all budget and fiscal matters relating to the initiation, implementation, and ongoing management of the statewide cancer registry program The duties of this staff shall include, but not be limited to, (a) reviewing budget documents prepared by the contractor or subcontractors for consistency with state budgeting practices and (b) defining, in conjunction with program and contractor staff, appropriate interim target dates for implementation of each of the regional appropriate interim target dates for implementation of each of the regional registries, and periodic review of progress in complying with these dates."

Item 4260-001-890—For support of Department of Health Services. I reduce this item from $88,941,800 to $87,941,800

I am reducing $1,000,000 to reflect the full amount of the revised estimate of the federal share of the support of the Licensing and Certification Division This conforms to action I have taken in Item 4260-001-001

Item 4260-011-014—For support of Department of Health Services (Toxic Substances Control Division). I reduce this item from $27,654,000 to $27,604,000 by reducing:

(b) 300000—Operating Expenses and Equipment from $34,229,000 to $34,179,000, and deleting Provision 9.

I am deleting the legislative augmentation of $50,000 from the Hazardous Waste Control Account to increase the contract with the University of California, Davis, for data analysis of hazardous waste generator reports. The Division's baseline budget already contains sufficient resources to fund this contract at the higher level if the Division believes this is the appropriate level. Therefore, additional funds are not warranted

I am also deleting Provision 9 because the Toxics Division already has the ability to compute and adopt the fees by emergency regulations as often as deemed necessary. Therefore, this language is not necessary

"9. The department shall, on or before January 15, 1988, review the fee rates

established pursuant to Sections 25174, 25174.6, and 25205.5 of the Health and Safety Code to determine if adjustments shall be necessary to the rates to ensure funding at the level appropriated in the Budget Act of 1987 and in subsequent legislation The department shall pursue any necessary adjustment of fees through the process set forth in Section 25174 9 of the Health and Safety Code "

Item 4260-101-001—For local assistance, Department of Health Services. I reduce this item from $2.770.422,000 to $2.683,094.000 by reducing:

(a) 30 11-Benefits (Medical Care and Services) from $5,383.611,000 to $5 229,029,000 and

(c) Amount payable from the Federal Trust Fund (Item 4260-101-890) from -$2 812.254.000 to —$2.745.000.000,

and by deleting Provisions 16, 17, 18, 20, 21 and 22 and by revising Provision 30.

I am reducing this item by $142,000 and taking a corresponding action in Item 4260-101-890 by reducing $142,000 in federal funds to reflect deletion of the augmentation to provide a $150 rate differential to providers of comprehensive perinatal services It has not been determined whether such a rate increase is necessary to provide adequate access or whether the comprehensive perinatal program can be justified on a cost-effectiveness basis at the higher cost levels proposed . A need for this rate increase cannot be demonstrated at this time

I am deleting Provision 18 to conform with this action

"18 The State Department of Health Services shall increase by $150 the rate for prenatal care provided by comprehensive perinatal care providers if the providers have initiated care for the pregnant woman during the first trimester of pregnancy and have provided at least nine prenatal visits."

I am reducing this item by $36,014,000 and taking a corresponding action in Item 4260-101-890 by reducing $36,020,000 in federal funds to reflect reduction of the legislative augmentation which eliminated the savings projected for the Program Restructuring proposal. This action reflects the current estimate of net savings I continue to support Program Restructuring and am directing the Department of Health Services to expeditiously proceed with implementation of Patterns of Treatment and other elements which do not require legislation. I remain firm in my commitment to achieving the changes in law necessary to implement the remaining elements in my Program Restructuring proposal I have adopted the policy of deferring all program enhancements until legislation and detailed budget proposals for implementing the remaining elements of the Program Restructuring proposal are adopted by the Legislature

I am reducing this item by $31,172,000 and taking a corresponding action in Item 4260-101-890 by reducing $31,092,000 in federal funds to the legislative augmentation which eliminated the savings due to the ten percent reimbursement rate reductions implemented pursuant to Welfare and Institutions Code Section 14120 I continue to believe in the appropriateness and necessity of the provider rate reductions I proposed in order to respond to the substantial deficiency in the Medi-Cal budget and have advised the Department of Health Services to actively defend the proposed reductions

I am deleting $20,000,000 in this item which I proposed in the May Revision to fund the settlement of outstanding audit issues reached between the Department of Health Services and the County of Los Angeles. In light of the needs of priority areas such as school district and community college apportionments, corrections, AIDS and toxic wastes, I am deferring payment of the settlement at this time

I am deleting Provision 16 because there appears to be a stronger correlation between statewide unemployment rates and nursing home employee turnover rates than between wages and nursing home employee turnover rates Therefore, I believe that wage pass through requirements increase costs without significantly relieving high employee turnover rate problems

"16 (a) Long-term care facilities with labor costs below medians established for each reimbursement category by the State Department of Health Services shall pass through to nonadministrative employees a portion of the payment rate increase attributable to the salaries, wages, and

benefits component of the Medi-Cal cost-of-living adjustment for skilled nursing facilities, intermediate care facilities, intermediate care facilities/developmentally disabled, and intermediate care facilities/developmentally disabled-habilitative, as defined in Section 1250 of the Health and Safety Code. It is the intent of this section to provide increases to nonadministrative employees, exclusive of administrators or administrators-in-training.

(b) The department shall adopt regulations setting forth a median nonadministrative labor cost base per patient day calculated on the basis of actual facility labor costs within each reimbursement category. The median established for each category shall reflect all data reported by facilities, provided that the data base includes a statistically valid number of facility certifications which capture facility spending pursuant to Chapters 10 and 11 and 111 of the Statutes of 1985 for the period of August 1, 1986, through July 31, 1987. Both free-standing and hospital-based facilities shall file certifications for this period with the department before September 15, 1987, and the department shall use these certifications to publish medians by reimbursement category before November 1, 1987.

(c) Each long-term health care facility shall compare its actual nonadministrative labor costs per patient day, including nurse registry and contract labor expenses in an amount consistent with wages paid employees performing similar duties, during the August 1, 1986, through July 31, 1987, base period to the median labor cost base established for its category. Facilities with actual labor costs below the median shall increase labor costs by an amount sufficient to reach the median, or a specific percentage of the rate increase attributable to labor costs as follows:

(1) Facilities with labor costs in the 26th through 49th labor cost percentiles must increase these costs by 75 percent of the rate increase attributable labor.

(2) Facilities with labor costs in the first through 25 labor costs percentiles must increase these costs by 87.5 percent of the increase attributable to labor.

Facilities with labor costs equal to or greater than the median labor cost base established for their category shall not be subject to this requirement

(d) The Cost-of-Living Adjustment (COLA) median labor cost base process established in this section represents a consolidated requirement which encompasses facility spending requirements associated with the wage pass-through provisions of Chapter 10 and 11 of the Statutes of 1985 and Chapter 19 of the Statutes of 1978. With the exception of the specific wage levels required under Section 1439.7 of the Health and Safety Code, this process shall be used exclusively by the department to monitor facility compliance with all previous pass-through requirements in lieu of existing monitoring mechanisms after the effective date of this act.

(e) Long-term care facilities shall document, in a certification submitted to the department by September 15, 1987, their Cost-of-Living Adjustment (COLA) pass-through obligation and compliance with the requirements of this section. The department shall audit these certifications to ensure that facilities subject to these requirements increase labor cost per patient day by the appropriate amount during the period of August 1, 1987, through July 31, 1988. In assessing facility compliance, the department shall compare facility labor costs per patient day during this period to those reported for the base period described in subdivision (c) above. The department shall also consider documented operational efficiencies which impact overall labor costs in this comparison.

(f) Effective with facility certifications filed for the July 1, 1985, through July

31, 1986, period, facilities shall be allowed to carryover any excess or shortage within 25 percent of their pass-through obligation from one certification period to another, provided that this carryover is spent in addition to any new labor cost increase required during the second certification period. Shortages in excess of 25 percent in the first facility fiscal period, or any shortages which remain at the end of the second fiscal period, shall be distributed by the facility with a 10 percent penalty through a one-time payment to all employees within 60 days of the end of the certification period or the date of final post-appeal audit findings. Facilities which do not meet their pass-through obligation, except as specified above, shall be subject to recovery of that portion of the Medi-Cal Cost-of-Living Adjustment (COLA) pertinent to the compliance period not distributed to employees and other actions pursuant to Section 14017.4 of the Welfare and Institutions Code. Money recovered pursuant to this section shall revert to the General Fund.

(g) The department shall provide a waiver to the Cost-of-Living Adjustment (COLA) pass-through requirements when it determines that a facility will be unable to provide adequate care for patients or maintain financial stability without diverting these funds from labor to other costs. Waiver requests shall be submitted by December 1, 1987, and decisions rendered by February 1, 1988. Life threatening/emergency situations will be processed by the department on an individual case/situation basis. Waivers shall only be granted on a prospective basis, retroactive adjustments shall be handled through the existing audit/appeal process.

(h) The department shall develop the specific methodology and procedures necessary to implement this act with consultation from labor, providers, and legislative committee representatives Prior to implementation of these provisions, the Department of Health Services shall advise the fiscal committee of each house of the Legislature. Facilities shall be provided with complete instructions and monitoring guidelines prior to implementation of these procedures.

(i) The department shall report with input from the parties identified in (a) above to the Legislature by May 1, 1989, on the effectivenesss of this section in ensuring the required pass-through of wages, including a report on the number of facilities and the dollar amounts involved in compliance audits resulting in the imposition of penalties required by this section. In conjunction with this report, the department shall also implement a plan for integration of these procedures with the standard Medi-Cal and disclosure report process by December 1, 1989 "

I am deleting Provision 17 because this language is unnecessary and could potentially reduce the possibility of obtaining a federal waiver to provide these services. The Department of Health Services currently has the authority to request federal waivers. However, federal waivers are only granted if it has been established that such a waiver is cost-beneficial. Currently, the Department of Health Services is in the process of determining which home and community-based services would be deemed cost-beneficial. A federal waiver request will be sent for those services. The language adopted by the Legislature requires that the waiver request must include case management, home health attendant aid, homemaker, adult day care, and respite care whether or not the services are cost beneficial. If this language were to remain in the Budget Act, it could result in the Department committing scarce resources to pursuing a federal waiver which will not be approved.

"17. The State Department of Health Services shall seek from the federal Department of Health and Human Services a waiver from existing Medicaid regulations for the purpose of obtaining federal financial participation in funding home and community-based services to Medi-Cal eligible individuals with AIDS or with AIDS-related conditions who would have to receive inpatient or nursing home care but for the provision of home and community-based services. Home and community-based services that shall

be included in the waiver application include, but are not limited to, case management, home health attendant aid, homemaker, adult day care, and respite care. Room and board shall be specifically excluded from the waiver application. The department shall submit the waiver request no later than September 1, 1987."

I am deleting Provisions 20 and 21 which add Motrin and pentoxifylline to the Medi-Cal Drug Formulary. Current policy places the responsibility for adding or deleting drugs from the Medi-Cal Drug Formulary with the Department of Health Services subject to review by the Medical Therapeutic and Drug Advisory Committee and in depth study by the pharmacists and physicians within the Department of Health Services. I believe that the budget process is an inappropriate means of adding drugs to the Formulary.

In the case of Motrin, efficacious alternative drugs are currently on the Formulary and both drugs are available on a prior authorization basis to Medi-Cal patients. Significantly increased costs would result from the addition of these drugs to the Formulary without any substantial therapeutic benefit.

"20. The State Department of Health Services shall add Motrin 800-milligram to the Medi-Cal Drug Formulary, and immediately promulgate emergency regulations for this purpose."

"21. The State Department of Health Services shall add pentoxifylline to the Medi-Cal Drug Formulary, to be used for treatment of intermittent claudication. The department shall immediately promulgate emergency regulations for this purpose."

I am deleting Provision 22 because expenditures are primarily controlled by eligibility and utilization and not by providers. I believe that the exemption created by this provision is unwarranted. Any rate reductions implemented pursuant to Welfare and Institutions Code Section 14120 should be applied to all providers except where prohibited by federal law or in cases where access may be affected.

"22. The Director of the State Department of Health Services shall not impose rate reductions pursuant to Section 14120 of the Welfare and Institutions Code on Medi-Cal services that do not exceed their allocations in the period in which the proposed rate reduction determination is made."

I am revising Provision 30 because the California Medical Assistance Commission does not have the necessary data to establish which hospitals are disproportionate share providers on the basis of "patients not covered by third party payors." Determination of disproportionate share hospitals for Medi-Cal reimbursement purposes should be based on services to Medi-Cal patients. It would be inappropriate to use all patients with no third party coverage for this purpose. The current negotiating procedure clearly allows for "contracts at rates above a facility's costs," making this phrase redundant and potentially confusing.

"30. (a) The $25,000,000 appropriation provided in Schedule (ax), Program 50.12, Special Adjustment-(Contracts with Disproportionate Share Hospitals), shall be to fund rate increases negotiated after June 30, 1987, by the California Medical Assistance Commission for hospitals serving a disproportionate share of Medi-Cal patients. The Commission shall allocate $2,000,000, $1,000,000 from the General Fund and $1,000,000 from federal funds, for rural, distressed safety-net providers and county-operated hospitals with less than 100 acute care beds which serve a preponderance of persons residing in rural areas.

(b) Amounts shall be allocated from Schedule (ax) to Schedule (a) of this item in the appropriate fiscal years to cover the annualized cost for each rate increase provided from these funds, by executive order of the Department of Finance, based on the estimate of annualized cost and fiscal year costs made by the commission. Any rate increases resulting from these funds shall be in addition to any other rate increases which hospitals would have received.

(c) Disproportionate share hospitals are hospitals which serve a disproportionate number of Medi-Cal beneficiaries. ~~or patients not covered by other third party payors~~ as referenced in subdivision (k) of

Section 14083 of the Welfare and Institutions Code and as determined by the California Medical Assistance Commission. ~~The commission may contract at rates above a facility's costs if the financial viability of that facility is threatened.~~

(d) The aggregate cost of these rate increases shall not exceed an annualized cost of $25,000,000. Furthermore, notwithstanding Section 2.00 of this act, the funds provided in this schedule shall be available for expenditure for the 1987–88, 1988–89, and 1989–1990 fiscal years. Funds in this schedule shall be appropriated in Item 4260-101-001 and 4260-101-890.

Item 4260-101-890—For local assistance, Department of Health Services. I reduce this item from $2,812,254,000 to $2,745,000,000,

and revise Provision 1.

I am deleting the $142,000 legislative augmentation for a $150 rate differential to providers of comprehensive perinatal services to correspond to my action in Item 4260-101-001.

I am deleting the $36,020,000 legislative augmentation which eliminated the savings projected for my Medi-Cal Program Restructuring Proposal to correspond to my action in Item 4260-101-001.

I am deleting the $31,092,000 legislative augmentation which eliminated the savings from the ten percent provider rate reductions proposed in 1986–87 pursuant to Welfare and Institutions Code Section 14120 to correspond to my action in Item 4260-101-001.

I am revising Provision 1 to conform with this action.

"1. The amount payable from this item is scheduled as follows:

(a) 50.10 Eligibility (County Administration)	73,849,000
(b) 50.11 Benefits (Medical Care and Services)	~~2,690,118,000~~ *2,622,864,000*
(bx) 50.12 Special Adjustment—Contracts with Disproportionate Share Hospitals	12,500,000
(c) 50.50 Fiscal Intermediary Management	33,787,000"

Item 4260-106-001—For cost-of-living increases, Department of Health Services. I reduce this item from $23,179,000 to $4,934,000 by reducing

(a) 50.11-Benefits (Medical Care and Services) from $46,358,000 to $9,868,000 and

(b) Amount payable from the Federal Trust Fund (Item 4260-106-890) from −$23,179,000 to −$4,934,000,

and revising Provision 1 and deleting Provisions 2 and 3.

I am reducing $374,000 in this item and taking corresponding action in Item 4260-106-890 by reducing $374,000 in federal funds added by the Legislature to increase adult day health care rates. I am retaining $193,000 in this item and a corresponding amount in Item 4260-106-890 to provide a cost-of-living adjustment consistent with the increase provided to skilled nursing facilities. The rate increase proposed by the Legislature would bring adult day health care daily rates to about 94 percent of current skilled nursing facility 24-hour care rates. This is contrary to one of the original purposes of adult day health care which was to provide an economical alternative to skilled nursing care.

I am revising Provision 1 to conform with this action.

"1. The department shall reimburse for adult day health care services at a daily rate of ~~$42.97~~ *$39.45*."

I am deleting $10,000,000 in this item and taking corresponding action in Item 4260-106-890 by deleting $10,000,000 in federal funds added by the Legislature to increase hospital rates to take into consideration the special circumstances of hospitals serving a disproportionate share of Medi-Cal and other low income patients on an outpatient basis.

Currently, outpatient services are funded under the Medi-Cal program based on a uniform fee schedule. This augmentation would provide reimbursement rates in excess of those currently offered pursuant to the Schedule of Maximum Allowances, establishing preferential treatment for hospitals compared to all other outpatient providers. It is possible that this action would not qualify for federal financial

participation. In addition, the language defines disproportionate share on the basis of both Medi-Cal billings and "other" outpatient deductions from revenue It is inappropriate to base Medi-Cal reimbursements on "other" deductions for bad debt and charity care not related to Medi-Cal

I am providing $25 million for increased rates for disproportionate share hospitals' inpatient rates in Items 4260-101-001 and 4260-101-890. These funds will be provided within the hospital contracting process in recognition of the unique financial problems of many institutions serving large numbers of Medi-Cal patients.

I am also deleting Provision 2 to conform to this action

"2. Of the amounts appropriated in this item, $10,000,000 transferred from Item 4260-106-890 and $10,000,000 from the General Fund are for rate increases to hospitals that the Director of the State Department of Health Services determines to be disproportionate outpatient providers. For the purposes of this provision, a disproportionate outpatient provider is a hospital that exceeds the mean value of the disproportionate provider factor for all hospitals as determined by the director based on the most recent annual disclosure data administered by the Office of Statewide Health Planning and Development In making this determination, the director may give special consideration to hospitals that previously had not submitted necessary data elements and that certify to changes in relevant data subsequent to the most recent state report

This factor shall be the proportion of total outpatient gross revenue attributable to Medi-Cal gross revenue and "Other" outpatient deductions from revenue. Medi-Cal gross revenue shall include Medi-Cal revenue from eligible persons who are members of prepaid health plans, as defined in Section 14251 of the Welfare and Institutions Code.

The rate increases shall be effective August 1, 1987, and shall be in amounts that (1) are in proportion to the degree by which each hospital's disproportionate outpatient factor exceeds the mean, and (2) shall be calculated by the director based on his or her most recent estimate of Medi-Cal outpatient utilization in such a way as to cost $20,000,000 ($10,000,000, General Fund) during fiscal year 1987–88."

I am deleting $3,646,000 in this item and taking corresponding action in Item 4260-106-890 by deleting $3,646,000 in federal funds added by the Legislature to provide a one percent discretionary rate increase to Medi-Cal non-hospital providers with the exception of long-term care and physician services. Because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS and toxic wastes I am unable to provide cost-of-living adjustments for programs such as this one. Even with this reduction, I am providing over $100 million for statutory COLAs in Health and Welfare programs during 1987–88.

I am deleting $4,225,000 in this item and taking corresponding action in Item 4260-106-890 by deleting $4,225,000 in federal funds added by the Legislature to provide a discretionary COLA amounting to an 18.6 percent rate increase to providers of obstetrical/gynecological (OB/GYN) services I believe that the 26.5 percent rate increase provided in the 1986–87 Budget is adequate in that it brings obstetrical providers to parity with Medi-Cal providers of other critical primary care services and is adequate to ensure access to obstetrical services. In addition, as noted above, because of the need for funds in high priority areas, I am unable to provide cost-of-living adjustments for programs such as this one

I am also deleting Provision 3 to conform with this action.

"3. Of the amount appropriated in this item, $8,450,000 ($4,225,000 General Fund and $4,225,000 Federal funds) shall be for providers of Obstetrical/Gynecological (OB/GYN) services for purposes of providing a 18 6 percent rate increase. All other Medi-Cal fee-for-service, non-hospital providers, except long-term care and physician services, shall receive a rate increase of one percent."

Item 4260-106-890—For local assistance, Department of Health Services I reduce this item from $23,179,000 to $4,934,000

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I am reducing this item by $374,000 and retaining $193,000 of the legislative augmentation for adult day health care rate increases to correspond to the action I have taken in Item 4260-106-001.

I am deleting the $10,000,000 legislative augmentation for rate increases to hospitals serving a disproportionate number of Medi-Cal or other low income patients on an outpatient basis to correspond to the action I have taken in Item 4260-106-001.

I am deleting the $4,225,000 legislative augmentation to provide an 18.6 percent rate increase to providers of obstetrical/gynecological (OB/GYN) services to correspond to the action I have taken in Item 4260-106-001.

I am deleting the $3,646,000 legislative augmentation for a one percent discretionary rate increase to Medi-Cal non-hospital providers with the exception of long-term care and physician services to correspond to the action I have taken in Item 4260-106-001.

Item 4260-111-001—For local assistance, Department of Health Services I reduce this item from $1,243,268,000 to $1,135,452,000 by reducing

(a) 11-Preventive Medical Services from $18,503,000 to $9,016,000

(b) 15-AIDS from $18,873,000 to $18,777,000

(c) 20-Family Health Services from $138,601,000 to $130,119,000 and

(d) 40-Rural and Community Health from $1,067,291,000 to $977,540,000,

and revising Provisions 1, 1.5, 2, and 3.

I am reducing $9,190,000 of the $10,000,000 legislative augmentation for the Alzheimer's Diagnostic and Treatment Centers. I am retaining $810,000 for Alzheimer's Diagnostic and Treatment Centers. This amount will provide, on the average, for an increase from $115,000 to $250,000 per center for the existing six centers. My budget contains a total allocation for Alzheimer's Diagnostic and Treatment Centers of $1.5 million; over twice the amount allocated in 1986–87 I am deleting Provision 1 (c) to conform to this action.

I am deleting the $215,000 legislative augmentation for the Medication Education Program for Seniors In 1987–88, funds for this program are available through Special Needs and Priorities (SNAP) funding in the County Health Services budget which is specified in Subdivision (c) of Provision 3 of this item. Welfare and Institutions Code Section 16707 allows the SNAP fund to total up to $2,450,000 in 1987–88. The Medication Education Program is ranked seventh in terms of priority, and funding, if available, would be administered under the established SNAP grant program. I have not seen any justification which supports the proposed augmentation or which warrants changing SNAP funding program priorities I am deleting Provision 1(d) to conform to this action.

I am reducing this item by $1,000,000 to reflect the deletion of the legislative augmentation for the testing and treatment of Chlamydia. My budget includes $34.2 million for contracts with various agencies to provide family planning services. These funds are available for various services, including testing for and treatment of sexually transmitted diseases such as Chlamydia. I am deleting Provision 2(d) to conform to this action.

I am deleting the $3,000,000 legislative augmentation for family planning contracts My budget contains $34,155,000 for this program which represents a 21.5 percent increase over the 1983–84 budget for this program. I am deleting Provision 2 (e) to conform to this action.

I am deleting a legislative augmentation of $750,000 added to fund school-based health clinics. The progam is being proposed in SB 717. Any funding for the program should be included in the bill and considered along with the program policy There is no demonstrated statewide need for school-based clinics. To the extent that they are a local priority, existing public and private funds should be used. In addition to Medi-Cal, which provides services to eligible low-income citizens, the Department of Health Services provides funding for several other programs which make services available to adolescents. The Office of Family Planning contracts statewide with various private, non-profit agencies for family planning education and clinical services. In addition, subventions are provided for county health services (AB 8), including outpatient services, and for health services to the medically indigent (Medically Indigent Services Program). I am deleting Provision 2 (f) to conform to this action

I am deleting the $1,000,000 legislative augmentation for the Women, Infants, and Children program This is a $166,195,000 federal program, not separately authorized under State law It is inappropriate and unnecessary to provide State funding for this federal program. I am deleting Provision 2 (1) to conform to this action

I am deleting the $1,830,000 legislative augmentation for community based perinatal programs, the diabetes in pregnancy program, and perinatal regionalization programs In 1986–87, I added $7,511,000 to the budget for Maternal and Child Health Services to replace federal funds that were no longer available These funds continue into 1987–88. My budget, therefore, already contains in excess of $25 million for various perinatal programs. I am deleting Provision 2 (h), (i), and (j) to conform to this action

I am deleting a legislative augmentation in the amount of $500,000 to provide funding for the California Health Services Corps The National Health Services Corps has been provided 133 health personnel in California However, the federal government has proposed a cutback in the program which will result in a net loss of 20 physicians for California. Funds are currently available through contracts to clinics in underserved areas under the same legislation that authorizes the California Health Services Corps. Nothing precludes the clinics from utilizing contract funds for physician salaries

I am deleting the $69,000,000 legislative augmentation for the Medically Indigent Services program. Although I proposed to increase the funding for this program by $12,500,000 in May, I believe that the Legislature's proposal to provide block grant funding to counties, contained in Section 32 50, provides a better approach to address individual county needs. Because the funds provided in Section 32 50 will be allocated to the counties as general revenue, counties will have the discretion to utilize the funding for the highest priority programs within each county, including medical services and trauma care. The amount of funding for the Medically Indigent Services program will continue at the 1986–87 level of $498,435,000. I am deleting the first subdivision (c) of Provision 3 to conform to this action

I am deleting a $20,000,000 legislative augmentation for reimbursement of physicians and hospitals for uncollected charges for providing emergency medical services The problem of providing funding for medical care for the uninsured, nonindigent population is nationwide in scope and cannot be efficiently and fairly resolved by this sort of piecemeal approach In addition, public reimbursement to physicians and hospitals for services rendered to patients who do not pay would reduce incentives to actively collect money owed them since prorated reimbursement can be received regardless of the reasons for non-payment. I am deleting the first subdivision (d) of Provision 3 to conform to this action

I am deleting the $40,000 legislative augmentation to provide funding for a half-time physician for the South County Community Clinic in San Juan Capistrano This clinic currently receives a primary health care grant in the amount of $20,000. I believe that the clinic should be required to continue to compete for State funding with the many other small and rural clinics.

I am deleting the $1,291,000 legislative augmentation for discretionary cost-of-living adjustments (COLA) for public health categorical programs These increases were to be distributed to programs as follows: $82,000 for Preventive Medical Services; $96,000 for AIDS; $902,000 for Family Health Services; and $211,000 for Rural and Community Health Services I have addressed the critical growth needs of these programs through the May Revision process by adding $4,297,000 for the Child Health and Disability Prevention program, $7,129,000 for California Children's Services and $915,000 for the Genetically Handicapped Persons program. In addition, over $24 3 million of new funds have been included for the Department of Health Services for AIDS programs. In light of other budgetary priorities I believe that across the board augmentations are not justified.

I am deleting Subdivision (a) of Provision 1.5 which requires that $1 million of the amount budgeted for the AIDS alternative test site program be redirected to fund an early diagnostic treatment program and to support mobile anonymous testing programs. The alternative test site program is a critical program designed to anonymously test individuals to find out if they are infected with the AIDS retrovirus (HIV) to eliminate the use of blood banks by individuals wishing to test for AIDS To

the extent any funds are redirected from HIV antibody testing, the State would be unable to meet the demand (currently estimated at 11,000 persons per month) for testing Clearly, the early diagnostic and treatment activities would redirect critical resources away from testing To the extent that mobile testing is more costly than testing in the alternative test sites, this proposed activity would also effectively decrease the resources available. Since the utilization of the alternative test site program has more than doubled since 1986, I am opposed to any redirection of funds which would limit the number of tests that could be provided in 1987–88

I am deleting Provision 2(k) which requires the Department of Health Services to request federal financial participation for county costs incurred in the new Medi-Cal comprehensive perinatal program The counties perform provider recruitment for perinatal programs other than the comprehensive perinatal services program. Increased county costs cannot be estimated or demonstrated for this new program since no data currently exists It is clear that a waiver would currently be denied and, as such, this language is not warranted.

I am revising Provisions 1, 1.5, 2, and 3 to conform with these actions.

"1 Program 11-Preventive Medical Services:

(a) 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.

(b) The State Department of Health Services shall redirect $200,000 of the funds appropriated for lupus erythematosus to fund studies of transfusion-related AIDS or hepatitis. The department shall contract with up to three university medical schools or medical schools affiliated with university medical schools to conduct the studies The contracts shall be approved by that body which approves contracts for research into lupus erythematosus

The studies shall compare results in three categories (1) patients receiving pooled, random platelet transfusions of 6 to 10 platelet packs, (2) patients receiving platelet pheresis concentrates from volunteer donors; and (3) patients receiving platelet pheresis concentrate from compensated donors

Both voluntary and compensated donors whose platelet pheresis products are screened for potential transfusion purposes at these medical schools and clinics shall also receive donor and platelet product laboratory testing Laboratory tests to be included in this survey are those associated with patient safety from transfusion-related infectious diseases and include all of the following tests: hepatitis surface antigen, antibody to hepatitis core antigen, HTLV-III antibody, and ALT test for elevated liver enzymes.

~~(c) Of the additional funds for Alzheimer's programs contained in the 1987/88 budget for the State Department of Health Services, $1.5 million shall be allocated to existing centers, $3.5 million shall be allocated for up to 10 new centers, $69,000 shall be allocated to state support, $70,000 shall be allocated to evaluation, and $4,870,000 shall be spent for additional Alzheimer's research projects.~~

~~(d) Of the funds appropriated in this item, $215,000 shall be used to support existing senior medication education programs which have demonstrated the ability to provide a comprehensive array of educational services through a cost/efficient, collaborative regional approach. An evaluation report shall be submitted to the State Department of Health Services and the Legislature by April 15, 1988. Participating counties shall be required to provide 50% matching funds, or an equal value in in/kind staff and materials.~~

1.5. Program 15-AIDS:

~~(a) Of the funds provided for the alternative test site program, the department shall allocate $1,039,000 to (1) establish an early diagnostic treatment program in the test sites, and (2) support mobile anonymous~~

~~testing programs.~~

(b) The department shall create a reserve of $125,000 from the amount appropriated in this item for AIDS programs. The reserve may be allocated for special local assistance projects identified during the year which were not anticipated during the budget process. Funds allocated from this reserve are subject to the provisions of Section 28.00.

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 by CCS in excess of $750,000 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) There shall be allocated $1,000,000 to the Office of Family Planning to fund the testing and treatment of Chlamydia for individuals who are eligible for services pursuant to Section 14503 of the Welfare and Institutions Code.~~

~~(e) There shall be allocated $3,000,000 to the Office of Family Planning to fund family planning services pursuant to Section 14501 of the Welfare and Institutions Code.~~

~~(f) The sum of $750,000 is hereby appropriated from the General Fund to the Maternal and Child Health Program in the State Department of Health Services for allocation for the establishment and operation of school/based health clinics.~~

~~These funds shall not be appropriated for this purpose unless SB 717 of the 1987/88 Regular Session is chaptered.~~

(g) By October 1, 1987, the Superintendent of Public Instruction and the Departments of Health Services and Mental Health shall submit for public comment the proposed regulations implementing Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 2 of the Government Code, concerning interagency responsibilities for providing services to handicapped children.

By November 1, 1987, the Departments of Developmental Services and Health Services (including representation from California Childen's Services and Medi-Cal) shall negotiate an interagency agreement concerning clients concurrently eligible for services. The interagency agreement shall delineate the service responsibilities of each agency as it relates to mutual clients. The Department of Education shall provide technical assistance pursuant to Section 300.600 of Title 34 of the Code of Federal Regulations to ensure that the agreement is written in compliance with all applicable federal laws concerning delivery of services to handicapped children.

~~(h) The State Department of Health Services shall increase by $1,000,000 funds for communitybased perinatal programs. The department shall allocate the funds through a request/for/proposal to counties in which low/income women are experiencing problems in accessing prenatal care.~~

~~(i) The State Department of Health Services shall increase by $320,000 funds for diabetes in pregnancy programs. The department shall use the funds to fully fund four programs which are partially funded and to establish two additional programs at $60,000 each.~~

~~(j) The State Department of Health Services shall increase by $510,000 funds for perinatal regionalization programs. The department shall use the funds~~

~~to fully fund those regions in Fresno and Los Angeles Counties which presently are unfunded or underfunded.~~

~~(k) The State Department of Health Services shall submit by September 1, 1987, a request to the federal government for federal financial participation for implementing county costs incurred in comprehensive perinatal services.~~

~~(l) Of the funds appropriated in this item, one million dollars ($1,000,000) shall be allocated to the Department of Health Services to administer the California Special Supplemental Food Program for Women, Infants, and Children for the purpose of providing the department with the means to fully use existing federal funds. These funds shall ensure that enough money is allocated locally to expend the entire federal grant for food, administrative and direct nutrition services in the same proportion as set forth in the state special project existing on January 1, 1986. It is expected that all or most of the appropriation shall revert to the General Fund on June 30, 1988, and that subsequent appropriations shall be set aside through the annual Budget Act.~~

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

~~(c) Of the amount appropriated in this Item for the Medically Indigent Services Program, Los Angeles County shall use at least $9,000,000 from its allocation to expand its support of emergency medical and trauma services.~~

~~(d) Of the amount appropriated in this item, $20,030,000 shall be allocated to reimburse physicians and hospitals for a percentage of the losses they incur in providing emergency medical services. These funds shall be available for allocation upon enactment of legislation specifying the procedures for reimbursement of these providers.~~

(c) 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	535,000
(5) County-Clinic Linkages	130,000
(6) Elder Care Projects	505,000
(7) Medication Education Program for Seniors	250,000

If the funding applications of local jurisdictions request fewer funds from one 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 or priorities listed above.

(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 State 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."

Item 4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers. I reduce this item from $404,440,000 to $398,709,000 by reducing:

10.10-Regional Centers

(a) 10.10.010-Operations from $118,110,000 to $117,177,000,

(b) 10.10.020-Purchase of services from $288,898,000 to $284,101,000,

and

(d) 10.20.030-Cultural Center for the Handicapped from $147,000 to $146,000.

I am deleting the $3,998,000 legislative augmentation for a one percent cost-of-living increase for out-of-home, day, and the other service programs in the Regional Centers' purchase of service budget. The final budget will provide an additional $29,754,000, which represents an increase of 11.7 percent, to provide additional support services for persons with developmental disabilities

I am also deleting the $800,000 legislative augmentation for a rate adjustment for day programs which would partially fund the lag between allowable costs and the current reimbursement levels. This augmentation would provide preferential treatment for one provider type. There is no evidence to indicate that rates paid for day programs are inequitable in comparison to providers of services in other major program areas.

I am also reducing $933,000 of the $1,400,000 legislative augmentation for the cost-of-living increase for regional center employees. I am retaining $467,000 of the augmentation, which, when added to the amount originally proposed, will provide up to a 4 percent general compensation increase package effective January 1, 1988 This is consistent with my action in Item 9800-001-001 regarding the employee compensation increase for State employees.

Item 4300-111-001—For local assistance, Department of Developmental Services, for State Hospitals. I reduce this item from $34,354,000 to $34,298,000 by reducing·

(a) 20-State Hospital Services Program from $468,506,000 to $468,450,000, and deleting Provision 5.

I am deleting the $56,000 legislative augmentation for the one percent cost-of-living adjustment for the Developmental Center county education contracts. Because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes, I am unable to provide cost-of-living adjustments for programs such as this one. Even with this reduction, $5.6 million is available to contract for these services.

I am also deleting Provision 5 because it does not allow sufficient flexibility to provide for a continuity of laundry services to the State Hospitals. Although I support maximizing work programs for prisoners, it is important that the State Hospitals maintain the flexibility to revise PIA laundry service contracts when situations arise due to circumstances beyond their control Furthermore, I am concerned that this language could create additional costs to the State for additional staffing and for repair of State Hospital laundry equipment which is old and in poor condition

"5. The Prison Industries Authority (PIA) is prohibited from subcontracting Department of Developmental Services' contracted services to private firms where the PIA cannot complete the work itself. In determining its ability to complete the work, PIA shall consider the feasibility of additional prisoner worktime, including voluntary overtime. When the PIA cannot complete the work itself, state civil servants shall be employed for the work originally contracted to the PIA."

Item 4440-101-001—For local assistance, Department of Mental Health.

I am deleting Provision 13. This Provision would require Los Angeles County to allocate funds received from this item to Service Area 5 to correct unmet service needs identified in a June, 1987 Los Angeles County Grand Jury report. It is this Administration's policy that counties utilize their Short-Doyle local assistance funds based on their local priorities. Consistent with this policy, since this is a local problem,

it should be addressed at the local level

"13 Funds received by Los Angeles County under this item shall first be allocated to Service Area 5 to correct the unmet service needs identified in the June 1987 report of the Social and Human Services Mental Health Subcommittee of the 1986–87 Los Angeles County Grand Jury."

Item 4440-111-001—For local assistance, Department of Mental Health, for services to brain damaged adults. I reduce this item from $6,683,000 to $3,257,000, and delete Provision 1.

I am deleting the $120,000 legislative augmentation for the Statewide Resources Consultant for day activity programs and/or supported employment projects for brain damaged adults. My budget already provides $445,000 for this Consultant. An augmentation for this purpose is premature as the Department has requested that the Statewide Resources Consultant conduct a study to determine the appropriate level of programmatic and fiscal needs.

I am deleting Provision 1 to conform with this action

"1. Of the amount appropriated in this item, $120,000 shall be made available to the Statewide Resources Consultant under Chapter 1658 of the Statutes of 1984, as a "sole source contract" for no more than two demonstration projects which will be contracts with community-based, non-profit corporations which have experience in developing and operating day activity or supported employment projects for adults with acquired head injuries.

In making determinations of contractors, the Statewide Resources Consultant, in consultation with the department, shall give highest priority to proposed projects which will maximize federal funding for recipients of services from the Federal Rehabilitation Act of 1973, as amended, and which will involve a community college and other local resources in a collaborative venture "

I am deleting the $31,000 legislative augmentation for a one percent discretionary cost-of-living adjustment for this item Because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes, I am unable to provide cost-of-living adjustments for programs such as this one.

I am deleting the $275,000 legislative augmentation to expand services for brain damaged adults. The intent of this augmentation was to provide an additional five months funding for four new Regional Resource Centers. My budget provides $3,257,000 for support of seven existing and four new Regional Resource Centers. This budgeted level meets the statutory requirement for statewide implementation by September, 1988 pursuant to Chapter 1658, Statutes of 1984

I am also deleting the $3,000,000 legislative augmentation for the Department of Mental Health Brain Damaged Local Assistance Item This augmentation consists of (1) $2,300,000 for service to brain damaged adults, (2) $500,000 for the Statewide Resources Consultant, and (3) $200,000 for an evaluation contract. This $3,000,000 expansion has not been justified. The $500,000 would more than double the current $445,000 budgeted for the Statewide Resources Consultant and, as indicated above, is premature. My budget already includes $60,000 for an evaluation contract to be let in 1987–88; thus an additional $200,000 is not warranted.

Item 4440-131-001—For local assistance, Department of Mental Health. I reduce this item from $18,700,000 to $8,200,000 by reducing:

(a) 10.80-Assessments, treatment and case management of special education pupils pursuant to Chapter 1747 of the Statutes of 1984 and Chapter 1274 of the Statutes of 1985, from $19,375,000 to $8,875,000 and

deleting Provision 4.

I am reducing the $14,000,000 legislative augmentation to this item by $10,500,000. I am retaining $3,500,000 of the augmentation, which, when added to the $6,000,000 reappropriation in Item 4440-491, will provide a total increase of $9,500,000 for services to special education pupils. This represents a 177 percent increase in funding over the 1986–87 program level. With these augmentations, my budget provides a total of $14,875,000 for these services. When added to the estimated maintenance of effort counties report spending on services to special education pupils, an amount in excess

of $20,000,000 is available for this program.

I am deleting Provision 4 because the 1986 Budget Act provided a waiver of the county match for one year. Beginning in 1987–88, counties were expected to provide a match, consistent with other mental health services. If adopted, this language would result in a reduction of available service dollars of as much as $1,487,500.

"4. Notwithstanding any other provision of law, counties shall not be required to match funds in this item for services provided pursuant to Chapter 1747 of the Statutes of 1984 and Chapter 1274 of the Statutes of 1985."

Item 4440-491—Reappropriation, Department of Mental Health. I delete Provision 3.

I am deleting this provision because its intention is to provide another means by which counties could cover their State hospital overuse. The effect of this language would be to take funds which would otherwise revert to the General Fund and give them to counties who have not managed their resources to live within their State hospital day allocation. Current Administration policy precludes the use of rollover/savings from one county to another. This language is inconsistent with this policy. Furthermore, I am concerned that adoption of this language would establish a precedent for "bailing out" counties who do not live within their allocations.

"(3) Item 4440-101-001 (b)-Community Services-Other Treatment, Budget Act of 1986, for local assistance, provided that upon completion of final costs settlements, all available unexpended funds not approved for rollover appropriated to the Department of Mental Health are reappropriated and shall be applied to the costs of state hospital services in counties who have exceeded their allocations due to lack of alternative mental health services."

Item 5100-001-185—For support of Employment Development Department. I reduce this item from $20,854,000 to $20,264,000,
and delete Provision 4.

I am reducing this item by $590,000, payable from this fund to Item 5100-001-870, to conform with my actions in Item 5100-001-870 as follows:

I am deleting a $250,000 legislative augmentation that would have provided funding for a work procedures and performance standards study.

I am deleting Provision 4 to conform with this action.

"4. An amount not to exceed $250,000 is provided for purposes of EDD contracting with an independent consultant to develop a work management system for the Unemployment Insurance and the Disability Insurance Programs. This system shall accomplish all of the following objectives.

(a) Evaluate work activities and identify measurable and nonmeasurable activities.

(b) Identify and document operational improvement opportunities

(c) Develop work standards for measurable work tasks.

(d) Develop effectiveness/quality measures.

(e) Develop a workload forecasting procedure to document staffing needs and support future budget requests.

(f) Formulate new budgeting procedures utilizing the work standards and workload forecasts."

I am deleting a $100,000 legislative augmentation that would have provided funding for the Genesis Project.

I am also deleting a $240,000 legislative augmentation that would have provided additional funding for the Deaf and Hearing Impaired Program.

Item 5100-001-514—For support of Employment Development Department. I delete Provision 5.

I am deleting this Provision because the additional appropriation of interest income earned by the Employment Training Fund is not needed for job training in 1987–88. I am sustaining new legislative language contained in Provision 4 which appropriates prior years' disencumbered funds. The effect of Provision 4 will be to provide an additional $22 million for job training contracts. In total, the Employment Training Panel will have $104,000,000 available in 1987–88 for training contracts. Furthermore, I do not believe that Legislative intervention is necessary in the approval of individual job training contracts and would only result in unnecessary delays in worthwhile

training

"5 Interest income earned from investments of the Employment Training Fund during fiscal year 1987–88 is hereby appropriated for transfer to and in augmentation of this item for allocation by the Employment Training Panel for job training contracts. The panel shall not expend any of this allocation for training contracts 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."

Item 5100-001-870—For support of Employment Development Department. I revise this item by reducing:

(a) 10-Employment and Employment Related Services from $144,324,000 to $143,984,000

(b) 20-Tax Collection and Benefit Payments from $323,447,000 to $323,197,000

(i) Amount Payable from the Employment Development Contingent Fund (Item 5100-001-185) from −$21,854,000 to −$21,264,000.

I am deleting a $250,000 legislative augmentation, payable from Item 5100-001-185, that would have provided funding for a work procedure and performance standards study of the Unemployment Insurance and the Disability Insurance programs. Performance standards are collective bargaining issues. As such, related studies are already ongoing activities within the Department. In addition, in regard to the Unemployment Insurance Program, work measurements are tied to Federal Department of Labor standards thus limiting the Department's flexibility in implementing a new methodology in this area.

I am deleting a $240,000 legislative augmentation, payable from Item 5100-001-185, that would have augmented the Deaf and Hearing Impaired program. Even with this elimination, my budget includes $859,000 for this program, an increase of 56 percent over the 1986–87 level of funding.

I am also deleting a $100,000 legislative augmentation, payable from Item 5100-001-185, that would have provided funding for the Genesis Project. This project would encourage students to do well in school by obtaining employment for them. I do not believe that the Contingent Fund is an appropriate funding source. However, because the project appears to have merit, I am instructing the Employment Development Department to make every effort to finance the project from 10 percent Wagner-Peyser funding which is available for such innovative training projects.

Item 5100-101-185—For local assistance, Employment Development Department. I delete this item.

I am deleting the $400,000 legislative augmentation for child care services to participants in Job Training Partnership Act programs because the Employment Development Contingent Fund, which is derived from penalties and assessments for the Disability Insurance, Unemployment Insurance and Employment Training programs, is an inappropriate funding source.

Moreover, the Employment Development Department has taken steps to provide $500,000 for this program in 1987–88 from discretionary fund sources. That amount, along with anticipated savings in Federal Title XX funds available for the program, will provide a total Job Training Partnership Act Child Care program level of $1,000,000 in the budget year.

Item 5100-301-870—For capital outlay, Employment Development Department. I delete Provision 1.

I am deleting Provision 1. I concur with the concept of correcting all accessibility deficiencies on a priority basis, however, funds are not included for correcting known deficiencies at the Indio field office because the alteration project proposed for that office was judged to be infeasible and, subsequently, funds were deleted from the budget. At this time, it is not known if sufficient savings of budgeted funds for other projects will be available to address these deficiencies in a technically feasible manner during the budget year.

"1 The first priority use of funds appropriated under this item for minor capital outlay shall be to provide handicapped accessibility to all facilities within Employment Development Department-owned field offices. The

Employment Development Department shall initiate construction of, or enter into construction contracts for, all these handicapped accessibility projects during the 1987–88 fiscal year."

Item 5160-001-001—For support of Department of Rehabilitation. I am revising this item by reducing:

(a) 10-Vocational Rehabilitation Services from $129,131,000 to $129,089,000, and

(g) Amount payable from the Federal Trust Fund (Item 5160-001-890) from −$112,713,000 to −$112,671,000.

I am revising this item to reflect the $42,000 reduction of the one percent cost-of-living adjustment for the Supported Employment Program. The final budget will provide an additional $6,695,000, or a 253 percent increase over the 1986–87 program level, to fund anticipated caseload associated with the individual placement component of the Supported Employment Program

Item 5160-001-890—For support of Department of Rehabilitation I reduce this item from $112,713,000 to $112,671,000.

I am reducing this item by $42,000 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.

Item 5160-101-001—For local assistance, Department of Rehabilitation. I reduce this item from $74,829,000 to $73,989,000 by reducing:

(a) 10-Vocational Rehabilitation Services from $512,000 to $507,000,

(b) 20-Habilitation Services from $69,042,000 to $68,358,000,

(1) 20.10 Work Activity Program from $56,865,000 to $56,302,000,

(2) 20.30 Counselor-Teacher and Reader Services from $103,000 to $102,000,

(3) 20.40 Supported Employment Services from $12,074,000 to $11,954,000, and

(c) 30-Support of Community Facilities from $5,275,000 to $5,124,000,

and deleting Provision 3.

I am reducing this item by $740,000 to reflect the elimination of the one percent cost-of-living adjustment for the Department of Rehabilitation local assistance programs. My budget will still provide an increase of $9,988,000, or 15.6 percent over the 1986–87 level, for additional services to the disabled.

I am also deleting the legislative augmentation of $100,000 to hold Independent Living Centers harmless from any funding reductions that could result from the revised allocation criteria adopted by the Legislature. While I agree with the need to provide for a more simplified, equitable process for funding Independent Living Centers, the hold harmless provision would result in some centers receiving more than is justified under the formula. In addition, it would be more appropriate to pursue a permanent solution to this problem via regulatory changes rather than addressing this issue in the Budget Act. The Department of Rehabilitation is currently in the process of revising regulations to reflect the formula contained in Provision 3, absent the hold harmless provision. Therefore, this augmentation and Provision 3 are not warranted.

I am deleting Provision 3 to conform with this action.

"3. For purposes of the 1987–88 fiscal year, the allocation of available General Fund moneys by the department to eligible independent living centers (ILC) shall be in accordance with the following criteria.

(a) Each ILC shall receive a $150,000 base grant.

(b) The allocation of these funds for the "population" factor shall be based upon the percentage of the general population in an ILC's catchment area as it relates to the total population of all ILC catchment areas.

(c) No ILC shall receive fewer combined base grant and population funds than it received in the 1986–87 fiscal year.

(d) The "base year" for purposes of state matching funds for private funds raised by the new ILCs funded in the 1986–87 fiscal year shall be their first full year of operation with Department of Rehabilitation/Independent Living Center funding The base amount for matching purposes shall be either 10% of the ILC grant for that period or the actual private fundraising amount, whichever is greater."

Item 5180-001-001—For support of Department of Social Services. I delete Provision 7.

I am deleting Provision 7 because this language is unnecessary since the individual Budget Act appropriations for County Administration in the Departments of Health Services and Social Services are sufficient to accommodate justified costs in the county eligibility work activities in the 18 smallest counties. Furthermore, this language could create administrative accounting difficulties which would outweigh any benefit from such funding transfers.

"7. The Department of Social Services and the Department of Health Services shall make those administrative changes necessary to permit fund transfers effective January 1, 1988, between the local assistance budget items for county eligibility work activities (Items 5180-141-000 and 4260-101-001) in the 18 counties in California with the smallest caseloads."

Item 5180-141-001—For local assistance, Department of Social Services. I revise Provision 8.

While I believe it is imperative for the Department to continue to work with the counties to develop an appropriate method of measuring county intake and eligibility functions, I have specific concerns with paragraphs (d) and (e) of Provision 8.

I am deleting paragraph (d) because it is inconsistent with the Administration's intent to deal with exceptions through the development of uniform work measurement data. Second, I am deleting paragraph (e) because the involvement of the Service Employees' International Union in the design and implementation of the workload study findings may result in conflicts between county welfare departments and local union organizations in future labor contract negotiations. Nonetheless, county welfare directors have sufficient flexibility to obtain input from labor organizations regarding the design, findings and implementation recommendations of the workload study.

"8. (a) The Department of Social Services and the Department of Health Services, in conjunction with the County Welfare Directors' Association, shall develop a timetable for conducting county work measurement studies of the intake and continuing eligibility work activities in the AFDC, Nonassistance Food Stamps, and Medi-Cal programs. The intent of the Legislature is that work measurement studies shall be conducted in time for consideration of the results during the deliberations for the fiscal year 1989–90 budget. The timetable shall set out the steps necessary to:

(1) Group the 40 largest counties into no more than three groups. Counties may be grouped before or after work measurement studies are conducted, and a survey may be used to collect data for grouping counties as the Department of Social Services, the Department of Health Services, and the County Welfare Directors' Association determine necessary.

(2) Identify representative counties for work measurements

(3) Develop the methodology for work measurement, including the projected cost of conducting the studies

(4) Complete work measurement studies.

(b) The Department of Social Services and the Department of Health Services, in conjunction with the County Welfare Directors' Association, shall report to the Joint Legislative Budget Committee on the timetable developed pursuant to subdivision (a) by February 1, 1988

(c) By March 1, 1989, the Department of Social Services and the Department of Health Services shall submit a joint report to the Legislature regarding the findings of the work measurement study on a county-specific basis. The report shall include:

(1) An analysis of the fiscal impact on the federal, state, and county governments should the budget process for eligibility worker caseloads be based upon the findings of the work measurement study.

(2) A description of the methodology that would be used to set county

targets utilizing the results of the study.

(3) An estimate of the cost of fully implementing the findings of the study taking into account: salary expenditures (direct salary, fringe benefits, and overhead); actual total caseload size or projections; eligibility supervisors; and appropriate isolated supportive eligibility functions.

(4) Other options for implementing the study findings and the fiscal impacts related to each option.

(5) The alternatives that could be used to address the unique special circumstances which may exist in some counties that would be adversely affected by the transferability of the work measurement data

~~(d) It is the intent of the Legislature that county welfare departments which have unique special circumstances that would adversely affect the transferability of work measurement data shall have those special circumstances considered. Alternatives shall be developed by the departments to address those unique circumstances.~~

~~(e) The Department of Social Services and the Department of Health Services shall consult with the County Welfare Directors' Association and the Service Employees International Union on the design, findings, and implementation recommendations of the study.~~

(f) It is the intent of the Legislature that, for the 1988–89 fiscal year, the Department of Social Services shall utilize the lowest two of the most recent three years for which there is data to set the targets for the AFDC and Food Stamps programs. The Department of Social Services shall implement no more than 25 percent of the target change based upon the new methodology in the 1988–89 fiscal year The targets for the Medi-Cal program shall not be changed in the 1988–89 fiscal year from the level budgeted in the 1987–88 fiscal year."

Item 5180-151-001—For local assistance, Department of Social Services I delete Provision 18.

I recently signed SB 1567, Chapter 1490, Statutes of 1986, that authorized the Department of Social Services to redesign the Emergency Assistance Program to correct both the State and county noncompliance activities which have resulted in federal funding disallowances and deferrals. The Department of Social Services is in the process of implementing these provisions and is assuming that federal funding deferrals will not continue into the 1987–88 fiscal year However, in the event that Emergency Assistance Program federal funding deferrals do continue into the 1987–88, I feel this language could limit the Administration's ability to examine various alternatives to address such an occurrence

"18 In the event that the federal government reduces or eliminates Emergency Assistance Program funding because of noncompliance with current federal Emergency Assistance Program requirements, 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 1987–88 fiscal year No county shall be held financially liable for any Emergency Assistance costs incurred in fiscal year 1987–88 which are claimed in accordance with state policies and procedures that are in effect in 1987–88 but which are disallowed by the federal government"

Item 5180-181-001—For local assistance, Department of Social Services. I reduce this item from $122,475,000 to $118,692,000 by reducing·

(b) 20-Social Services Program (for transfer to Item 5180-151-001) from $4,527,000 to $744,000

I am deleting the $3,783,000 legislative augmentation to provide a one percent discretionary cost-of-living adjustment to the In-Home Supportive Services, Access Assistance for the Deaf, Maternity Care and Child Abuse Prevention programs I believe the critical growth needs in this area have been addressed by increasing 1987–88 funding in the In-Home Supportive Services program by 38.8 percent and in the Child Welfare Services program by 18 6 percent

Item 5240-001-001—For support of Department of Corrections. I reduce this item from $1,267,602,000 to $1,267,392,000 by reducing:

(a) 21-Institution Program from $1,234,320,000 to $1,234,110,000,

and by deleting Provision 8.

I am deleting the legislative augmentation of $160,000 for the Friends Outside organization I recognize the valuable services this organization provides to inmates and their families. However, the budget includes $479,000 for this organization, an increase of $150,000 over 1986–87, which will permit expansion of these services to institutions which are not now served.

I am reducing the augmentation for the M-2 Sponsors program by $50,000. I am approving the remaining $50,000 augmentation, together with the $827,000 continued in the budget for this purpose. This will be adequate to extend the M-2 Sponsors program to all institutions

I am deleting Provision 8 because it inappropriately restricts the Department's use of funds authorized for inmate education and training. The Department should have the opportunity to evaluate the recently completed pilot project with the Vital Issues company without the requirement to contract for ongoing inmate counseling services with a specific vendor.

"8. Of the amount appropriated in category (a), $200,000 is provided to continue the Personal Development and Life Management Training programs operated by Vital Issues."

In addition to these actions, I have reduced other General Fund areas of the budget by $38 million. I am setting these funds aside to pay for the deficiencies in the Department of Corrections' budget, which will result from the actions of the Legislative Budget Conference Committee.

Item 5240-011-001—For support, Community Return-to-Custody Facilities with Per Capita Costs of $17,000 or less, Department of Corrections, Program 31. I revise this item and delete Provision 1

I am revising the language in this item because it inappropriately and unreasonably restricts the Department's efforts to obtain community-based housing facilities for minimum security inmates as alternatives to further prison overcrowding.

"5240-011-001—For support, Community Return-to-Custody Facilities ~~with Per Capita Costs of $17,000 or less~~, Department of Corrections, Program 31 ..... 3,000,000".

I am deleting Provision 1 to conform with this action.

"1. If the average per capita costs of community return-to-custody facilities funded in Item 5240-001-001 is equal to or less than $17,000 (including Department of Corrections staff), funds provided in this item may be used to support additional community return-to-custody facilities at a per capita cost of $17,000 or less If the average per capita costs exceed $17,000, funds provided in this item may instead be used to support replacement overcrowding beds in existing prison facilities at an average per capita rate of $10,400."

Item 5240-301-746—For capital outlay, Department of Corrections. I delete Provisions 3 and 6.

I am deleting Provision 3 because this provision would limit flexibility and could increase costs by requiring the Department to renovate San Quentin's Neumiller Hospital to meet acute care licensing standards if a court agreement is not reached by October 1, 1987, even though the final court settlement may not require an acute care facility

"3. Unless the Marin v. Rushen settlement agreement is modified and approved by the court by October 1, 1987, so that Neumiller Hospital is not required to operate as an acute care hospital, then all funds appropriated under Item 5240-301-746 or reappropriated under Item 5240-491 for Neumiller Hospital shall be used to prepare preliminary plans and working drawings for an acute care hospital at San Quentin."

I am deleting Provision 6 because funds for preliminary plan preparation for the projects to remodel the hospitals at California Institution for Men, California Medical Facility and California Men's Colony have already been transferred to the Office of

the State Architect and to make a change at this time could delay the project and increase the costs.

"6. Notwithstanding any other provision of law, the department may contract for development of preliminary plans/working drawings and for construction that is directly related to hospital remodeling required to meet licensing standards at the California Institution for Men (Chino), the California Medical Facility (Vacaville), and the California Men's Colony (San Luis Obispo)."

Item 5440-011-001—For Expansion of the Inmate Work/Training Incentive Program to All Parole Violators, Board of Prison Terms.

I revise this item and delete Provision 1.

I am revising the language in this item and deleting Provision 1 because the legislative restrictions on this item are an inappropriate intrusion on the statutory authority of the Board of Prison Terms to determine the reconfinement terms to be served by parole violators.

"5440-011-001—For ~~Expansion of the Inmate Work/Training Incentive Program to All Parole Violators,~~ Board of Prison Terms ..... 850,000"

"1. The amount appropriated in this item shall be available to support the Board of Prison Terms if the board adopts a policy to allow technical parole violators to earn work credits during the budget year in the same manner and to the same extent that inmates earn credits under the existing Inmate Work/Training Incentive program. The board may exempt a limited number of technical parole violators from this policy who are charged with violent criminal conduct while on parole."

Item 5450-001-001—For support of Youthful Offender Parole Board, Program 10. I delete Provision 1.

I am deleting Provision 1 because it 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

"1. Notwithstanding any other provision of law, the Youthful Offender Parole Board shall not administratively adopt, amend, or repeal any regulation, including any emergency regulation, relating to parole consideration dates for wards of the Department of the Youth Authority, which would result in a net increase in cost to the department. Any such parole consideration date changes may be considered only as statutory proposals subject to review and approval by the Legislature."

Item 5460-001-001—For support of Department of the Youth Authority. I reduce this item from $262,274,000 to $261,680,000 by reducing:

(b) 20-Institutions and Camps from $246,701,200 to $246,440,200,

and

(c) 30-Parole Services from $27,121,900 to $26,788,900.

I am deleting the legislative augmentation of $235,000 and 2.8 personnel years for a gang violence reduction program for the Boyle Heights area in Northeast Los Angeles While I am supportive of efforts to reduce gang violence, a project for this specific area has not been justified on a priority basis. My budget includes $349,000 for gang violence reduction, which will continue to serve a more critical area in East Los Angeles.

I am reducing 9.5 personnel years and $98,000 of a $580,000 Legislative augmentation for additional bed savings alternatives related to Re-Entry Furlough and Disciplinary Work Crews. The budget already contains $1 6 million for bed savings alternatives designed to avoid the need for up to 294 institution beds. Additionally, the bed savings attributed to the Re-Entry Furlough effort are marginal and the savings for the Disciplinary Work Crews may materialize without the need for any augmentation. This reduction will leave a net amount of $482,000 and 12 6 personnel years to restore the Legislature's unallocated reduction of $482,000 and related personnel years; thereby, avoiding a potential 1987–88 deficiency.

I am also reducing this item by $261,000 to eliminate the Legislative augmentation for the provision of mental health services to the Youth Authority wards by the Department of Mental Health. The budget provides $3,748,000, which is sufficient to

meet the current needs of the Department's wards and provide a slight increase in the level of services on a priority basis.

Item 5770-001-001—For support of the Robert Presley Corrections Research and Training Institute I delete this item

Chapter 1288, Statutes of 1986, appropriated $150,000 for Institute start-up purposes and only minor costs have been incurred to date The carryover funds of this appropriation should be sufficient to provide funding for the 1987–88 fiscal year on a priority basis

Item 6100-001-001—For support of Department of Education. I reduce this item from $38,551,000 to $37,135,000 by reducing

(a) 10-Instruction from $29,220,000 to $29,103,000,

(b) 20-Instructional Support from $29,577,000 to $23,397,000,

(d) 41.00-Executive Management and Special Services from $8,085,000 to $6,842,000,

(h) Amount payable from Federal Trust Fund (Item 6100-001-890) from −$38,174,000 to −$32,050,000,

and deleting Provisions 10, 11, 12, 13, 14 and 15

I am reducing this item by $38,000 from the General Fund because additional unrestricted Federal Chapter II grant funds in this amount are now available for the support of the Department of Education This action will not affect the total support funding I have proposed for the Department of Education.

I am deleting the $25,000 augmentation to fund a pilot bilingual teacher training program I have provided $50,000 in Item 6100-191-001 for a Department of Education study to assess existing State and local bilingual teacher training programs and to develop alternative training methods. This study is to be completed by December 1, 1987 It is premature to fund a new training program before the department completes the ongoing study.

The Legislature added language which directed the study of the State Compensatory Education Program, the Miller-Unruh Reading Program, and the Native American Indian Education Program. Presumably, such a study would reinforce the concept of maintaining these programs as individual entities rather than providing districts with a source of funds that they could use to address their highest priorities, such as smaller class sizes. I am pursuing legislation which would give such flexibility to school districts Furthermore, I do not believe that a redirection of funding for an evaluation of Specialized Secondary Programs is warranted at this time. During 1986, the State Department of Education published two evaluation reports on these programs Redirecting funds available for start-up of new programs to conduct yet another study should not be a priority for the 1987–88 fiscal year.

I am deleting Provisions 10, 11, 12, 13, 14 and 15 to conform with this action

"10 Of the funds transferred from Item 6100-121-001, an amount not to exceed $250,000 shall be available only for the State Department of Education to contract for an independent study of the Economic Impact Aid/State Compensatory Education program. The State Department of Education may use up to $12,500 of the funds allocated for the purposes of this contract for necessary administrative costs.

11 Of the funds transferred from Item 6100-117-001, an amount not to exceed $100,000 shall be available only for the State Department of Education to contract for an independent study of the Miller-Unruh Reading program. The State Department of Education may use up to $5,000 of the funds allocated for the purposes of this contract for necessary administrative costs.

12. Of the funds transferred from Item 6100-117-001, an amount not to exceed $30,000 shall be available only for the State Department of Education to conduct an evaluation of the Native American Indian Early Childhood Education program.

13 Of the funds transferred from category (b) of Item 6100-119-001, an amount not to exceed $50,000 shall be available only for the State Department of Education to conduct an evaluation of Specialized Secondary Schools.

14 The following provision applies to the evaluations required to be conducted by provisions 12 and 13.

The State Department of Education shall establish an advisory committee which shall: (1) assist the department in developing a proposed workplan, and (2) advise the department during all phases of the study. The advisory committee shall be composed of representatives from all of the following: the educational policy and fiscal committees of the Assembly and the Senate; the Office of the Legislative Analyst; the Department of Finance; and the State Department of Education. A majority of the advisory committee members shall consist of representatives from the educational policy and fiscal committees of the Assembly and the Senate and the Office of the Legislative Analyst.

15 The following provisions apply to the studies specified in provisions 10 and 11.

Notwithstanding Section 1213 of the State Administrative Manual or any other provision of law, the State Department of Education shall convene an advisory committee to develop the Request for Proposals (RFP) and to evaluate the proposals submitted. The advisory committee shall be composed of representatives from the education policy and fiscal committees of the Assembly and the Senate; the Office of the Legislative Analyst, the Department of Finance; and the State Department of Education A majority of the advisory committee members shall consist of representatives of the Assembly and the Senate and the Office of the Legislative Analyst.

Notwithstanding Section 1213 of the State Administrative Manual or any other provision of law, cost shall not be considered in evaluating proposals; instead, the State Department of Education shall select, from among the proposals submitted, the proposal which displays the most technical merit within the amount of funds specified Nothing in this provision shall be construed to prevent utilization of the preference points which may be allowed for certain categories of contractors, as specified in the State Administrative Manual (commencing with Section 1200). The final decision regarding selection of a contractor shall rest solely with the State Department of Education."

Since the submission of my budget in January several activities budgeted for 1987–88 have been completed. On that basis, I am making the following baseline budget reductions·

I am making a reduction of $117,000 and 1.4 positions by deleting the Driver Training Unit because continued program staff support for driver training is unnecessary. The current activities of the staff assigned to this unit include completion of rules and regulations required by statute and assisting districts in establishing driver training for the first time. Essentially, all districts operate driver training and the regulations are almost final. Any remaining work that may be necessary on rules and regulations can be completed by the legal staff. To the extent that field reviews of the program become desirable, they can be accomplished by the Compliance Division field audit staff of the department.

I am making a reduction of $273,000 by reducing funds budgeted for the acquisition of personal computers. In March 1987, the Department of Education advanced the timeline for personal computer purchases authorized in its Information Management Annual Plan so that the target of 450 machines has now been reached. Therefore, these funds will not be needed for such purchases in 1987–88.

I am reducing $191,000 and 3 positions for support of the Dropout Prevention Program. Six positions were provided to the department in 1986–87 to develop and implement the program. Because of my veto of $7,500,000 in Item 6100-120-001 for expansion of this program, the development and implementation activities have been completed. Therefore 3 of the positions no longer are necessary. I am retaining $244,000 and 3 positions to provide technical assistance and ongoing monitoring and evaluation of the program.

I am reducing this item by $158,000 budgeted for one-time automation projects, for which funding was provided in 1985–86. Because the department has completed the projects, these funds no longer are needed.

I am also making a reduction of $614,000 and 15 positions by deleting the Regional Services Division. The Regional Services Division was created in my 1984–85 budget to act as a clearinghouse for questions from school districts about implementation of SB 813 reforms and to foster the creation of networks among the districts to support the SB 813 reforms. The Superintendent of Public Instruction has redirected the positions that were budgeted for this division for 1987–88 despite the submittal by the Department of Education of a staffing plan calling for the continuation of the division. Although implementation of SB 813 is essentially complete and the responsibilities of the division no longer exist, the Superintendent is required by law to submit a reorganization plan to the Department of Finance prior to redirecting positions to other activities. To date, the Department of Finance has not seen such a reorganization plan, and no workload data have been submitted to justify continuation of these positions.

Item 6100-001-344—For support of Department of Education I reduce this item from $1,250,000 to $1,070,000 and delete Provision 2.

I am reducing the legislative augmentation of $160,000 and two positions in the School Facilities Planning Unit to $80,000 and one position based on workload needs. The Department of Finance, in its review of this budget, found no justification for the addition of a supervisory position in this Unit.

I am also making a reduction of $100,000 in consulting services because the unit will now be authorized a total of 14.5 personnel years of in-house staffing The position added by the budget subcommittees will allow the Department to provide the necessary field assistance to school districts, thereby eliminating the need for the external contract funding I proposed in January.

I am deleting Provision 2 to conform to this action.

"2. Of the funds appropriated in this item, up to $100,000 may be used for consultant and professional services to assist the Department in reviewing and approving school sites and school plans."

Item 6100-001-890—For the support of Department of Education I reduce this item from $38,174,000 to $32,050,000.

Consistent with my action in Item 6100-001-001, I am making a budget reduction of $587,000 by deleting the Regional Services Division. The positions budgeted for this division in January have since been redirected and no workload justification exists for continuing the positions Item 6100-001-001 has been adjusted to conform to this action.

Consistent with my action in Item 6100-001-001, I am making a budget reduction of $268,000 in federal funding by reducing funds budgeted for the acquisition of personal computers. The Department of Education has now purchased the total number of personal computers planned for the department and funding for this purpose in 1987–88 is no longer needed. Item 6100-001-001 has been adjusted to conform to this action

I am concerned that an excessive amount of Federal Economic and Improvement Act funding (ECIA Chapter II), which is intended to meet the needs of local education agencies, is being used for the administration of the Department of Education. It is my desire that the maximum amount of such funding be allocated for the use of, and at the discretion of, our school districts. The Superintendent has allocated 17 4 percent of the total Chapter II grant to departmental administration for 1987–88, while local education agencies must hold administrative costs, by State law, to 15 percent of State categorical aid funds. To limit the administrative expenses associated with the Chapter II grant to no more than 15 percent, I am making a budget reduction of $1,000,000 in federal departmental support funding These funds should be allocated to local school districts.

I am also making budget reductions of $100,000 in out-of-state travel and $3,369,000 in consultant and professional services to reflect the historical spending patterns of the department. I believe that the remaining authorizations of $138,000 and $8,410,000, respectively, provide sufficient allotments to carry out the planned tasks for the 1987–88 fiscal year

I am also reducing the in-state travel authorization for the Department of Education by $800,000. The remaining allotment of $2,704,000 provides a more reasonable level of funding as compared to the allotments provided in my budget for departments of

a similar size.

It is my desire that the funding released by these actions be made available to local education agencies for their high priority needs, within the constraints of the federal grants.

Item 6100-101-001—For local assistance, Department of Education. I delete Provisions 11 and 12.5.

Provision 11 would authorize the Superintendent of Public Instruction, with the approval of the Director of Finance, to transfer funds between the K–12 district revenue limit budget and the county office of education budget in the event of a deficiency in either item. In addition, the provision would require the Superintendent to apply the same deficit factor to the two budgets so that entitlements could be reduced in line with any deficiencies

I am deleting this language because the normal budgetary process provides the full opportunity to review any deficits in the K–12 budget. There is no valid reason for circumventing this normal budgetary process and authorizing the Superintendent to treat the two budgets as essentially one item when a deficiency exists.

"11. In the event of a deficiency in the appropriation made in Schedule (a) of this item, or in Item 6100-106-001, the Superintendent of Public Instruction may transfer funds between this item and Item 6100-106-001 with the approval of the Director of Finance. The superintendent shall adjust the apportionments made from funds appropriated for the purposes specified in Schedule (a) of this item and in Item 6100-106-001 so that the deficit factor applied to the funding entitlements is the same for each of the programs funded by such appropriations."

Provision 12.5 would guarantee school districts 1987–88 funding equivalent to the greater of either their 1986–87 Base Revenue Limit or 1986–87 unrestricted local general fund income. I am deleting this provision because it attempts to restrict the Governor's constitutional powers of line item veto by requiring that programs such as Urban Impact Aid and Meade Act be fully funded in 1987–88. In addition, the Legislature's failure to fund the impact of this language and my vetoes of legislative augmentations for both Urban Impact Aid and Meade Aid in Item 6100-117-001, could result in a $115.8 million deficiency. This deficiency inappropriately would result in reduced apportionments to *all* school districts so that those districts which benefit from the Urban Impact and Meade Aid programs can continue to be funded at their current year levels.

"12.5. 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 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 of the Budget Act of 1986, plus the amount computed pursuant to subdivision (f) of Section 42238 of the Education Code, plus the amount computed pursuant to Provision 20 of Item 6100-101-001 of the Budget Act of 1986, plus the amount provided pursuant to Section 42238.8 of the Education Code.

(b) For the 1986–87 fiscal year, the sum of the following, per unit of ADA as computed pursuant to Section 42238.5 of the Education Code for the 1986–87 fiscal year: (1) the amount of total allocation entitlements that can be applied by the district as unrestricted local general fund income, including base revenue limits but excluding (A) amounts received for purposes of Sections 8153, 42238 10, 42239, 42243.7, and Article 10.5 (commencing with Section 49550) of Chapter 9 of Part 27 and (B) any adjustments made to revenue limits as the result of changes in the employer contribution rate to the Public Employees' Retirement System; and (2) the amount subtracted from the apportionment of state funds pursuant to subdivision (h) of Section 42238 of the Education Code for the 1986–87 fiscal year.

(c) For the 1987–88 fiscal year, the amount computed pursuant to

subdivision (c) or (d), as appropriate, of Section 42238 of the Education Code utilizing the inflation adjustment received by the district for purposes of paragraph (1) of subdivision (b) of Section 42238 of the Education Code plus the amount computed pursuant to subdivision (f) of Section 42238 of the Education Code.

(d) For the 1987–88 fiscal year, the amount of total unrestricted local general fund income received by the district, per unit of ADA as computed pursuant to Section 42238.5 of the Education Code the amount of total unrestricted general fund income shall be adjusted as follows:

(1) By excluding (a) amounts received for purposes of Sections 8153, 42238.10, 42239, 42243.7 and Article 10 5 (commencing with Section 49550) of Chapter 9 of Part 27 and (b), any adjustments made to revenue limits as the result of changes in the employer contribution rate to the Public Employees' Retirement System;

(2) By adding the amount subtracted from the apportionment of state funds to the district pursuant to subdivision (h) of Section 42238 of the Education Code for the 1987–88 fiscal year; and

(3) By excluding the cost-of-living adjustments received by the district as unrestricted general fund income in 1987–88.

(e) Subtract the amount determined in subdivision (c) of this Provision from the amount determined in subdivision (a) of this Provision

(f) Subtract the amount determined in subdivision (d) of this Provision from the amount determined in subdivision (b) of this Provision, and multiply the result by the total ADA computed pursuant to Section 42238 5 of the Education Code for the 1987–88 fiscal year.

(g) If either of the amounts determined in subdivision (e) or (f) of this Provision is greater than zero, the Superintendent of Public Instruction shall add the greater of these amounts to the amount computed pursuant to Section 42238 of the Education Code for the 1987–88 fiscal year "

Item 6100-106-001—For local assistance, Department of Education I delete Provision 3.5.

Provision 3 5 would authorize the Superintendent of Public Instruction, with the approval of the Director of Finance, to transfer funds between the county office of education budget and the K–12 district revenue limit budget in the event of a deficiency in either item. In addition, the provision would require the Superintendent to apply the same deficit factor to the two budgets so that entitlements could be reduced in line with any deficiencies.

I am deleting this language because the normal budgetary process provides the full opportunity to review any deficits in the K–12 budget There is no valid reason for circumventing this normal budgetary process and authorizing the Superintendent to treat the two budgets as essentially one item when a deficiency exists.

"3.5. In the event of a deficiency in the appropriation made in Schedule (a) of Item 6100-101-001, or in this item, the Superintendent of Public Instruction may transfer funds between Item 6100-101-001 and this item with the approval of the Director of Finance. The superintendent shall adjust the apportionments made from funds appropriated for the purposes specified in Schedule (a) of Item 6100-101-001 and in this item, so that the deficit factor applied to the funding entitlements is the same for each of the programs funded by these appropriations."

Item 6100-117-001—For local assistance, Department of Education. I reduce this item from $238,990,000 to $152,355,000, revise Provision 1, and delete Provisions 3 and 4.

I am reducing this item by $86,635,000 to eliminate the augmentation for the Urban Impact Aid and Meade Aid Programs I do not believe that there is a sufficient analytical basis for continuing these programs in the 1987–88 fiscal year. The data on which these programs are funded is over 10 years old and available data have not confirmed that those districts eligible for these funds have higher educational costs

than those districts which are not eligible I am revising Provision 1 to conform to this action.

"1. Funds appropriated by this item are in lieu of the amounts that otherwise would be provided for purposes of the Economic Impact Aid Program—State Compensatory Education pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code, the Gifted and Talented Program pursuant to Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code, the Miller-Unruh Reading Program pursuant to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code, the Native American Indian Education Program pursuant to Chapter 6.5 (commencing with Section 52063) of Part 28 of the Education Code, ~~the Urban Impact Aid and Meade Aid programs pursuant to Chapter 1.5 (commencing with Section 54060) of Part 29 of the Education Code,~~ and Small School District Transportation Aid pursuant to Sections 42240 and 42240.1 of the Education Code, and shall be allocated to each of these programs in proportion to the total amounts appropriated for each program in the 1985–86 fiscal year, increased by the cost-of-living adjustments provided for each program in the 1986–87 fiscal year. For purposes of this section, the amount appropriated for the Economic Impact Aid Program—State Compensatory Education program in the 1985–86 fiscal year shall be deemed to be $89,896,000. Funds appropriated in this item for Economic Impact Aid are in augmentation of the amount provided in Item 6100-121-001. All other funds appropriated in this item shall be allocated in proportion to the allowances received by school districts for each of these programs in the 1985–86 fiscal year, increased by the cost-of-living adjustment provided for each program in the 1986–87 fiscal year, except that in the event that the eligibility of any school district to receive funds pursuant to any program has been reduced below the level provided in 1985–86, or in the event that a district has terminated its participation in any program, these funds shall be reallocated within that program pursuant to the provisions of current law."

I am deleting Provisions 3 and 4 because they would require the Department to contract for a study of the Miller-Unruh Reading Program and conduct a study of the Native American Indian Education Program. Conducting studies of these individual programs would reinforce the concept of maintaining the programs as individual entities rather than providing districts with a source of funds that they could use to address their highest priorities, such as reducing class sizes. I am pursuing legislation that would give such flexibility to school districts

"3. Of the amount appropriated in this item, an amount not to exceed $100,000 shall be for transfer to Item 6100-001-001 for the State Department of Education to contract for an independent study of the Miller-Unruh Reading Program.

4. Of the amount appropriated in this item, an amount not to exceed $30,000 shall be for transfer to Item 6100-001-001 for the State Department of Education to conduct an evaluation of the Native American Indian Education Program."

Item 6100-118-001—For local assistance, Department of Education.

I am retaining the $50,000 legislative augmentation for the California Association of Student Councils to continue the current program level because I support the activities of such student organizations. However, I believe that any subsequent growth in this program should be funded by private sources and not be an obligation of the State.

Item 6100-119-001—For local assistance, Department of Education. I delete Provision 3.

I am deleting Provision 3 because I do not believe that a redirection of funding for an evaluation of Specialized Secondary Programs is warranted at this time During 1986, the State Department of Education published two evaluation reports on these programs. Redirecting funds available for start-up of new programs to conduct yet another study should not be a priority for the 1987–88 fiscal year

"3. Of the funds appropriated in category (b) of this item, an amount not to

exceed $50,000 shall be for transfer to Item 6100-001-001 and utilized by the State Department of Education to conduct an evaluation of specialized secondary schools."

Item 6100-120-001—For local assistance, Department of Education. I reduce this item from $19,750,000 to $12,250,000, and revise Provisions 1, 2 and 5.

I am reducing this item by $5 million to delete the augmentation for expansion of dropout prevention programs established pursuant to Chapter 1431, Statutes of 1985. Since these programs became operational only this year and their effectiveness is not yet known, I do not believe that expansion is warranted. Furthermore, because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes, I am further reducing this item by $2,500,000. After this veto, there will still be $10 million included for 1987–88 to fund outreach consultants for dropout prevention and recovery programs in 200 schools and 50 districts at the levels provided in 1986–87.

I am revising Provisions 1, 2 and 5 to conform to this action.

"1. Of the amount appropriated in this item, ~~$13,084,000~~ *$8,000,000* shall be available for the funding of outreach consultants by up to ~~350~~ *200* schools with motivation and maintenance program plans developed in accordance with Chapter 1431, Statutes of 1985

2. Of the amount appropriated in this item, ~~3,496,000~~ *$2,000,000* shall be available for the funding of outreach consultants by up to ~~87~~ *50* school districts with dropout recovery program plans developed in accordance with Chapter 1431, Statutes of 1985.

5. Of the amount appropriated in this item, ~~$370,000~~ *$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."

Item 6100-121-001—For local assistance, Department of Education I delete Provisions 2 and 3.

Provision 2 would require the Department of Education to contract for a study of the Economic Impact Aid—State Compensatory Education Program Conducting a study of this program would reinforce the concept of maintaining this program as a separate entity rather than providing districts with a source of funds that they may use to address their highest educational priorities such as reducing class size. I am pursuing legislation which would give such flexibility to school districts. Therefore, I am deleting Provision 2

"2. Of the amount appropriated in this item, an amount not to exceed $250,000 shall be for transfer to Item 6100-001-001 and utilization by the State Department of Education to contract for an independent study of the Economic Impact Aid/State Compensatory Education Program."

I am deleting Provision 3 because this provision would extend the sunset date for the bilingual education program and would represent a substantive change to current law. Extension of the sunset date should be addressed through separate legislation.

"3. Notwithstanding Section 62000 of the Education Code, as a condition of receiving funds appropriated in this item or in Item 6100-117-001, local education agencies shall comply with Chapter 7 (commencing with Section 52130) of Part 28 of the Education Code as those provisions were operative prior to June 30, 1987 "

Item 6100-156-001—For local assistance, Department of Education. I revise Provision 4.

My 1987–88 budget proposal included an additional $6 million for K–12 school districts to fund more classes for adults in English-as-a-second language (ESL). By requiring $1 million of this augmentation to be reallocated to community colleges, K–12 programs would receive less than the estimated need. In addition, this budget includes $200,000 specifically for additional ESL classes at community colleges and $58.1 million to fund regular community college ADA growth and growth in basic skills areas, which includes ESL instruction.

"4. Notwithstanding any other provision of law to the contrary, $6,000,000 of the funds appropriated in this item are for allocation to school districts in the

1987–88 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 shall allocate the funds to applicant districts on the basis of the proportionate share of the total count of pupils of limited-English proficiency in all participating districts.

~~(c) Of the funds allocated in this provision, $1,000,000 shall be transferred by the Superintendent of Public Instruction to Item 6870/101/001 for the purpose of funding extraordinary needs in adult education programs in English as a second language provided by community colleges. As a condition of receiving funds allocated in this provision, community college districts shall certify to the Chancellor of the California Community Colleges that levels of annual average daily attendance in the 1987/88 fiscal year in English as a second language programs which are used to compute entitlements shall be maintained at or above levels funded in either the 1985/86 or the 1986/87 fiscal year, whichever levels are higher.~~

~~The Chancellor shall reduce funding by the corresponding amount to any district receiving funds under this provision which fails to generate certified levels of average daily attendance.~~ "

Item 6100-156-890—For local assistance, Department of Education. I delete Provision 1

I have convened a special task force, led by the Secretary of the Health and Welfare Agency, to prepare a service and expenditure plan for federal funds received to implement the Immigration Reform and Control Act (IRCA) of 1986. This plan will be developed with the input of the Superintendent of Public Instruction and the Legislature and will allocate federal funds to public and private agencies providing educational services to eligible immigrants. Control Section 14 further provides that the Director of Finance may authorize expenditure of these funds upon specified notification of the Legislature. Provision 1 in this item, therefore, is unnecessary and contrary to the established process for the program as a whole.

"1. From federal funds provided pursuant to the Immigration Reform and Control Act of 1986, the Superintendent of Public Instruction shall allocate funds, pursuant to the applicable provisions of federal law, to local education agencies, the Chancellor of the California Community Colleges, and other public or private organizations eligible to receive these funds, for the purpose of providing appropriate educational services to immigrants newly legalized under the provisions of that act."

Item 6100-161-001—For local assistance, Department of Education. I reduce this item from $1,026,892,000 to $1,022,492,000.

As a result of my action to reduce the amount of federal discretionary funds in Item 6100-161-890, an additional $7 million of federal funds will be allocated to school districts for special education local entitlements. Under the statutory formula for funding special education, the amount of the General Fund appropriation in Item 6100-161-001 should be reduced by $7 million. However, I am reducing this item by only $4,400,000 because the Legislature did not fully fund the special education program as I had proposed doing. With my action on this item and Item 6100-161-890, the statutory special education entitlements will be fully funded in 1987–88. In addition, this budget provides an increase of $66 million for special education program enhancements Altogether, local assistance entitlements for the special education program will increase by 5.5 percent in 1987–88.

Item 6100-161-890—For local assistance, Department of Education I reduce this item from $140,157,000 to $133,157,000 by reducing

(b) 10.60 050 020-PL 94-142, direct and indirect instructional services approved in the State Plan, from $13,381,000 to $6,381,000,

and by deleting Provisions 2, 5, and 7.

I am reducing this item by $7 million in discretionary projects in order to allow these federal funds to be used for local entitlements, which offset General Fund needs. This action is necessary because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes These funds should be allocated to school districts for special education local entitlements

I am deleting Provisions 2 and 5 to conform to this action

"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.

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 through age 21 "

I am deleting Provision 7 because this provision inappropriately restricts implementation of the new federal preschool grant program for handicapped children to the enactment of AB 2666. I believe that implementation of the program should be based upon enactment of legislation generally, not specifically

"7. The funds appropriated in category (c) shall not be expended unless and until Assembly Bill No 2666 of the 1987–88 Regular Session is chaptered "

Item 6100-181-001—For local assistance, Department of Education. I reduce this item from $26,155,000 to $13,055,000.

Because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes, I am reducing funding for the Educational Technology Program by $13,100,000.

Even with this reduction, the General Fund appropriation for Educational Technology will be $13,055,000. I believe this will allow the program to continue its effort to introduce computer technology to unserved school districts and to continue the dissemination of curriculum through the Institute for Computer Technology.

Item 6100-191-001—For local assistance, Department of Education I reduce this item from $88,522,000 to $56,241,000 by reducing

(d) 20.60.060 002-Teacher Instructional Improvement Grants, from $16,000,000 to $50,000,

by deleting

(c) 20 60.060 001-School Personnel Staff Development ($3,645,000),

(f) 20.60 090-Teacher Education and Computer Centers ($12,586,000), and

(k) 20.60.150—Regional Science Resource Centers (100,000),

and by revising Provision 5 and deleting Provision 11

I am deleting $100,000 for the Regional Science Resource Center program (Exploratorium Museum). While I believe that the museum provides a worthwhile service to the local community, I also believe that the program should be supported by those districts which benefit from the service

In addition, I am deleting funding for Teacher Instructional Improvement Grants More than $68 million has been appropriated over the past four years for this program. I have asked the Department of Finance to review this program for its effectiveness in improving the quality of instruction in the classroom. Before additional funds are provided for the program, its effectiveness must be clearly demonstrated. I have retained $50,000 in this item to conduct a study on bilingual teacher training programs, consistent with my proposed budget.

I am also deleting funding for the School Personnel Staff Development and Teacher Education and Computer Centers programs because of the need for funds in higher priority areas such as school district and community college apportionments,

corrections, AIDS, and toxic wastes. Consideration of funding in the future for this program will be based on the CPEC staff development study scheduled for completion in December 1987.

I am revising Provision 5 and deleting Provision 11 to conform to these actions.

"5 Notwithstanding any other provision of law to the contrary, of the amount appropriated in subschedule (d) of this item, $50,000 shall be used to study the cost-effectiveness and characteristics of the different types of state and school district bilingual teacher training programs and, based on the findings, to develop alternative strategies for training teachers on bilingual waiver The superintendent shall submit the report to the Legislature on or before December 1, 1988. ~~The amount remaining shall be the maximum amount allocated for the purposes of Chapter 3.3 (Classroom Teacher Instructional Improvement Program (commencing with Section 44700) of Part 25 of the Education Code.~~

"11. The amount appropriated in Schedule (k) shall be available for a grant to the Exploratorium in San Francisco for exhibit-based teacher training."

Item 6100-211-001—For local assistance, Department of Education, California State Library, Program 50.20-Statewide Library Support and Development. I reduce this item from $12,708,000 to $12,108,000.

I am reducing the legislative augmentation of $1,100,000 for the California Literacy Campaign by $600,000. I am, however, retaining $500,000 of the augmentation so that, when combined with existing resources, 14 new Literacy Programs may be created during 1987–88.

I believe that this program provides a needed stimulus for the creation and maintenance of literacy projects by our local libraries. However, I believe that too rapid an expansion of this program may result in a loss of continuity in the provision of services because of local funding constraints

Even with this reduction, the General Fund appropriation for the California Literacy Campaign will be $4,535,000, an increase of 12.4 percent above the 1986–87 level.

Item 6100-226-001—For local assistance, Department of Education I reduce this item from $391,143,000 to $373,466,000 by deleting:

(2.5) 10.10.001 003—Instruction-School apportionments, revenue limits, district transportation ($201,000),

(3.3) 10 10 001 005—Instruction-School apportionments, revenue limits, apprentice programs ($69,000),

(3.5) 10.10.004—Instruction-School apportionments, ROC/P ($2,121,000),

(4.3) 10.10.006—Instruction—School Apportionments, transportation ($2,900,000),

(4.5) 10.10.008—Bus replacement ($32,000),

(7.2) 10 30.040—Other compensatory programs—demonstration program in reading and mathematics ($44,000),

(7.4) 10.30.050—Instruction—American Indian Education Centers ($9,000),

(7 6) 10.30.051—Native American Indian Education ($4,000),

(7 8) 10.30.070—Instruction—Economic Impact Aid ($1,970,000),

(dd) 20.10—Educational Technology and Instructional Support:

(1) 20 10.025—Educational Technology ($262,000),

(2) 20.10.035—Instructional Support—Miller-Unruh ($199,000),

(2) 20.20 020.002—Instructional materials for grades 9 through 12 ($224,000),

(f) 20.40—Instructional Support:

(1) 20.40.060—Instructional Support—foster youth ($8,000),

(2) 20.40.090—Specialized Secondary programs ($21,000),

(g) 20.60—Staff Development and Counseling.

(1) 20.60.010.001—Staff development—administrative training and evaluation ($42,000),

(2) 20.60.020.002—Tenth-grade counseling program ($76,000),

(2) 20.60.030.002—School Improvement—grades 7 through 12 ($325,000),

(3) 20.60 060.001—Staff development—school personnel ($36,000),

(4) 20 60.070—Staff development-bilingual teacher training ($8,000),

(5) 20.60.090—Staff development-teacher education and computer centers

($126,000),
(6) International studies centers ($5,000),
(i) 30.10—Miscellaneous Programs.
(1) 30 10 010—Special programs—preschool education ($910,000),
(2) 30 10 020.001—General child development programs ($5,098,000),
(3) 30.10.020 002—Campus children's centers ($158,000),
(4) 30 10.020 003—High-school age parenting and infant development ($169,000),
(5) 30.10 020 004—Migrant day care ($168,000),
(6) 30 10 020 005—Special allowances for rent ($11,000),
(7) 30.10 020.006—Special allowances for handicapped ($18,000),
(8) 30 10 020 007—Alternative payment program ($815,000),
(9) 30 10.020 008—Resource and referral ($186,000),
(10) 30 10 020 009—Campus child care tax bailout ($102,000),
(11) 30 10 020 010—Protective services ($26,000),
(12) 30 10 020.015—Extended day care ($393,000),
(k) 30 40—Urban Impact Aid and Meade Aid
(1) 30 40 001 001—Special programs—Urban Impact Aid—unified school districts ($665,000),
(2) 30.40 001 002—Special programs—Urban Impact Aid—nonunified school districts ($97,000),
(3) 30.40 002—Meade Aid ($104,000),
(*l*) 50 20—Library Services—Statewide Library Support and Development ($75,000)

I am deleting the $17,677,000 legislative augmentation for discretionary COLAs Because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes, I am unable to provide cost-of-living adjustments for programs such as this one Even with this reduction, I am providing $373 5 million to fully fund all statutory COLAs during 1987–88

Item 6100-490—Reappropriation, Department of Education I delete the reappropriations made in Schedules 2 and 8 of this item for the Classroom Teacher Instructional Improvement Program (CTIIP)

Consistent with my action in Item 6100-191-001, I am deleting Provisions 2 and 8 until the program has been evaluated and has demonstrated a positive impact on the quality of education provided in the classroom

"(2) Item 6100-191-001(f), Budget Act of 1984, for the purposes of funding the Classroom Teacher Instructional Improvement Program
(8) Item 6100-191-001(d), Budget Act of 1986, for the purpose of funding the Classroom Teacher Instructional Improvement Program"

Item 6440-001-001—For support of University of California I reduce this item from $1,803,186,000 to $1,794,461,000 by reducing

(a) Support from $1,784,274,500 to $1,775,549,500,

and deleting Provision 11

I am deleting the legislative augmentation of $250,000 for the Teaching Assistants Training Program The Budget, as presented on January 10, 1987, included $500,000 for this program which is sufficient until more is known about what training programs are successful

I am deleting the legislative augmentation of $1,000,000 and 38 personnel years for janitors. My budget includes an augmentation of $5,230,000 for the maintenance of new State-funded facilities, including 32 personnel years for janitors The University will retain $41,494,000 and 1,312 personnel years to support a continuation of the existing level of service for State-funded facilities Any changes in this level of service will be guided by a management study which will be available for the 1988–89 budget preparation.

I am deleting the legislative augmentation of $250,000 for Neural Injury Research Although this project appears to have merit, it was not among the highest priority uses for State funds in 1987–88. If the Regents deem the project to be a high priority, the University has the option to fund it from the $189,300,000 appropriated in the 1987–88 Budget Act for research

I am retaining $150,000 of the $300,000 legislative augmentation for Sustainable Agriculture Research. These funds, together with the amount the Regents now are spending for this research, will provide a 50 percent increase in the amount available for this purpose

I am retaining $1,500,000 of the $7,500,000 budgeted for computer equipment and $839,000 of the $1,414,000 budgeted for UC's library equipment. I am making this reduction of $6,575,000 due to the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes.

I am deleting the legislative augmentation of $500,000 for Cardiac Disease Research Although this project appears to have merit, it has not received internal University review or prioritization among the University's programs.

I am also deleting Provision 11 to conform to this action

"11 Of the amount provided in this item, $500,000 is available only for research on heart disease prevention strategies and alternatives to medication and surgery The research shall be conducted by a research institute affiliated with the University of California, San Francisco, which shows the most promise for developing innovative and effective treatments to reverse heart disease through life-style changes These funds shall be allocated by the regent only to the extent that federal or private funds, in excess of those already provided for this purpose, are not received "

As a result of my actions, the total General Fund budget for the University of California will be $112 million higher than the 1986–87 fiscal year, which is a 6 2 percent increase

Item 6440-011-001—For support of University of California I reduce this item from $49,285,000 to $43,285,000 by reducing

(b) Nonfaculty Compensation Increase from $18,000,000 to $12,000,000,

and by revising Provision 1

I am reducing the increase for nonfaculty compensation by $6,000,000 Even with this reduction, the augmentation for non-faculty compensation increases is sufficient to provide, subject to collective bargaining, up to a four percent general compensation increase package commencing January 1, 1988, plus costs of estimated health and dental benefit rate increases

I am also revising Provision 1 relating to the percentage and effective date of nonfaculty compensation increases This language would contravene the Higher Education Employer-Employee Relations Act (HEERA) regarding the rights of the higher education employer and employees to determine wages, hours and other terms and conditions of employment through collective bargaining.

"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 employee of the University of California whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided ~~commencing January 1, 1988,~~ by the Regents of the University of California. ~~Compensation increase funds shall be for an average 6.0 percent salary increase for nonfaculty employees and for an average 5.7 percent salary increase for faculty employees commencing January 1, 1988~~ "

Item 6440-016-001—For support of University of California teaching hospitals at Irvine, San Diego and Sacramento I reduce this item from $7,425,000 to $3,000,000.

I am reducing this item by $4,425,000 because the income of the hospital system appears to be better than anticipated and UC may not require all of the subsidy proposed during 1987–88

Item 6600-011-001—For support of Hastings College of the Law I reduce this item from $331,000 to $285,000,

and revise Provision 1.

I am reducing the increase for nonfaculty compensation by $46,000 Even with this reduction, the augmentation for non-faculty compensation increases is sufficient to provide, subject to collective bargaining, up to a four percent general compensation increase package commencing January 1, 1988, plus costs of estimated health and dental benefit rate increases

I am revising Provision 1 relating to the percentage and effective date of nonfaculty compensation increases. This language would contravene the Higher Education Employer-Employee Relations Act (HEERA) regarding the rights of the higher education employer and employees to determine wages, hours and other terms and conditions of employment through collective bargaining.

"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 and non-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 ~~commencing January 1, 1988,~~ by the Directors of Hastings College of the Law ~~Compensation increase funds shall be for an average 6.0 percent salary increase for nonfaculty employees and for an average 5.7 percent salary increase for faculty employees commencing January 1, 1988.~~ "

Item 6610-001-001—For support of California State University. I reduce this item from $1,379,719,000 to $1,378,385,000 by reducing:

(c) 04-Academic Support from $182,697,000 to $182,173,000,

(d) 05-Student Services from $130,964,000 to $130,154,000,

and deleting Provision 9.

I am reducing this item by the $500,000 augmented by the Legislature to implement a joint research project between CSU Fresno and the Ben Gurion University, of the Negev in Israel. The project is designed to conduct research into water quality and agricultural management The primary mission of CSU, as defined by the Master Plan for Higher Education, is instruction and not research. According to the Master Plan, the University of California has been designated as the primary research institution of California and, as such, is the responsible and appropriate entity to conduct research endeavors affecting California.

I am deleting the conforming Budget Act language in Provision 9 to conform with this action.

"9. Of the funds appropriated by this item, $500,000 shall be used by the Trustees of the California State University to implement a joint research project between California State University at Fresno and Ben-Gurion University of the Negev in Israel. The project includes research into water quality and agricultural management These funds shall be allocated to the extent that the trustees receive a matching amount of $500,000 from federal or private sources "

I am further reducing this item by $24,000 which would have provided additional resources to purchase instructional equipment for the California Ocean Consortium's research vessel CSU has available, from its formula-driven equipment allotment, over $9 0 million to purchase new equipment in 1987–88 Moreover, I have provided CSU with an additional $14 million in 1987–88 to purchase and replace instructional equipment. I believe that in light of the resources CSU has available to purchase equipment, $24,000 is well within its ability to fund and fully equip the research vessel for instructional purposes

I am also reducing by $810,000, the $1,000,000 augmentation for Student Services to subsidize child day care centers operated by CSU auxiliary organizations In recognition of some of the cost increases that these centers have experienced recently, I am retaining in this budget $10,000 for each of the 19 day care centers, for a total cost of $190,000 While some information is available on the problems facing day care centers, the need for the full amount of the legislative augmentation has not been documented. Continuing my desire to make higher education available to every student, I have requested, and the Legislature has concurred, that an additional $300,000 should be appropriated to CSU to conduct an extensive evaluation of the need for child day care services. This evaluation should address the relationship between the availability of these services and students' access to all of higher education, child day care admission standards and criteria that exist across segments, and the level of care that is provided by each segment and how this compares to the level of care provided and made available to the population generally Future support for child day care services will be considered pursuant to the findings and outcome of this

evaluation.

As a result of my actions, the total General Fund budget for the California State University will be $112 million higher than the 1986–87 fiscal year, which is a 6.9 percent increase.

Item 6610-031-001—For support of California State University. I reduce this item from $75,889,000 to $42,309,000 by reducing:

(a) 97 20-Faculty Compensation Increase from $53,979,000 to $26,979,000,

(b) 97.20-Nonfaculty Compensation Increase from $17,476,000 to $10,896,000,

revising Provision 1 and deleting Provision 4.

I am reducing this item by the $27,000,000 augmentation provided by the Legislature to provide CSU faculty with a 6.9 percent salary increase effective July 1, 1987. I have provided sufficient funds to provide faculty with an average 6.9 percent salary increase effective January 1, 1988. This funding will enable CSU to recruit and retain qualified faculty, as well as provide salaries that are at parity with the 20 comparison institutions reviewed to arrive at appropriate salary increases for CSU faculty.

I am reducing the increase for nonfaculty compensation by $5,448,000. Even with this reduction, the augmentation for nonfaculty compensation increases is sufficient to provide, subject to collective bargaining, up to a four percent general compensation increase package commencing January 1, 1988, plus costs of estimated health and dental benefit rate increases

Further, I am revising Provision 1 relating to the percentage and effective date of nonfaculty compensation increases. This language would contravene the Higher Education Employer-Employee Relations Act (HEERA) regarding the rights of the higher education employer and employees to determine wages, hours and other terms and conditions of employment through collective bargaining.

"1. The funds herein appropriated are for compensation increases, increases in benefits related thereto, and other benefits, 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 state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided by the Trustees of the California State University ~~Nonfaculty compensation increase funds shall be for an average 6.0 percent salary increase commencing January 1, 1988, and faculty compensation increase funds shall be for an average 6.9 percent salary increase commencing July 1, 1987.~~ "

I am also reducing this item by $1,132,000, which provides additional compensation monies for CSU Trades Unit No. 6 Pursuant to the provisions of HEERA, compensation issues are subject to negotiation between CSU and the union organizations Inherent within the collective bargaining process is the understanding that negotiated agreements must be funded out of compensation funds appropriated to CSU. Providing additional funds for compensation via the legislative process circumvents collective bargaining procedures and establishes a precedent that could have far-reaching statewide ramifications for all collective bargaining discussions

I am deleting the Budget Act language in Provision 4 to conform to this action.

"4. Of the amount appropriated in category (b) of this item, $1,132,000 is available for equity adjustments for Skilled Trades Unit No. 6 "

I am requesting the Trustees to disregard the broader authority which the Legislature has provided by excluding CSU from provisions that prohibit a salary setting authority from using, for employee compensation increases, monies other than what is specifically appropriated for compensation increases I do not believe the action of the Legislature reflects sound fiscal policy. The Legislature did not extend this same authority to the University of California, Hastings College of Law or to Civil Service and Related employees. If CSU Trustees decide to use this broader authority, I am requesting they report back to me and the Legislature for concurrence prior to the expenditure of any funds other than those specifically appropriated for compensation purposes.

Item 6610-490—Reappropriation, California State University I am reducing this

expenditure authority by $10,000,000

The 1987–88 Budget authorizes the reappropriation of any 1986–87 savings from CSU's main support item. Because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes, I am requiring the first $10,000,000 in reappropriated savings to revert to the General Fund. Consistent with provisional language in this item, the remainder of any reappropriated savings may be used to fund deferred maintenance and special repairs, replacement of instructional equipment and the On-Line Public Access (OLPAC) system

Item 6870-101-001—For local assistance, Board of Governors of the California Community Colleges I reduce this item from $1,291,787,000 to $1,280,037,000 by reducing:

(a) 10-Apportionments from $1,185,089,000 to $1,173,339,000,

and by deleting Provisions 24, 25, 32, 34 and 35, and by revising Provision 26.

I am deleting the $11,600,000 legislative augmentation for aid to districts which had declines in average daily attendance (ADA) in 1985–86 and 1986–87 Now that the community colleges' ADA declines have ended and ADA is beginning to increase, funding for growth appears to be a higher priority than funding for previous ADA declines. For this reason, I have provided $56 million for ADA growth in 1987–88

I am deleting Provision 35 to conform with this action.

"35 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 $11,600,000 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 1985–86 and 1986–87 fiscal years.

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 1988–89 fiscal year "

I am deleting the $150,000 legislative augmentation for a community archive program. These funds would be for facility renovations, staff and curriculum development. This proposed program has not undergone review through the budget process.

I am revising Provision 26, dealing with the $11,000,000 provided for excess growth beyond the statewide ADA limit. It was my intention to provide these additional funds only for instruction in basic skills, that is, for remedial English and mathematics and English-as-a-second language. Instructional needs in these areas are increasing, both as a result of the increased emphasis on academic standards in the community colleges and the changing needs of the community college student body. Now that the community colleges are growing again, it is important that growth serve our State's high priority needs. Thus, I am deleting wording in Provision 26 that would allow the $11,000,000 to be used for ADA in areas other than basic skills. I am also deleting wording which would allow this funding to be incorporated into the subsequent year's base budget in order to insure that the funds will continue to be used for the purposes intended.

"26 Notwithstanding any other provision of law, $11,000,000 of the funds appropriated in schedule (a) shall be for allocation to community college districts in the 1987–88 fiscal year for the purposes of funding, beyond the statutory ADA growth limit, needs in basic skills ~~and ADA growth in other areas~~. The chancellor shall develop criteria for allocating funds for instruction in basic skills ~~and other areas~~. ~~This funding shall be considered as part of the base revenues for community college districts in computing the subsequent year's funding.~~ "

I am deleting Provision 34, which would alter the State-to-local funds matching requirement in the deferred maintenance program from 1-to-1 to 2-to-1. This legislative change would have reduced the total amount of funding for deferred maintenance and slowed the pace of badly needed repairs. It is appropriate that

districts maintain their efforts in the contribution of State apportionment funds for this program. Furthermore, this change is unnecessary, as districts which can meet the matching requirements would be given unneeded relief, and the Chancellor currently has the authority to waive the match in cases of district hardship.

"34.. Notwithstanding any other provision of law, the chancellor shall allocate funds in Schedule (b) for deferred maintenance so that, for every $2.00 of funds allocated from this item, the districts shall provide $1 00 of matching funds "

I am deleting Provision 25, which would require the State to fund remedial math courses above a district's growth cap if the courses are conducted for students currently enrolled in the University of California or California State University. This language could result in expenditures of over $1 2 million for these students who may currently receive this instruction at UC or CSU Furthermore, I have already provided an additional $11 million for growth above the ADA caps in basic skills Thus, there is no need for this requirement.

"25. A community college district may exceed its average daily attendance (ADA) limit for any ADA generated by students who are enrolled in a remedial mathematics course (if a UC or California State University requirement) conducted by the community college district for students who are concurrently enrolled at UC or at the California State University.

ADA which is credited above a district's limit for these specified purposes shall be funded by the state at a rate equal to the current-year rate for noncredit ADA specified in subdivision (d) of Section 84701 of the Education Code or for credit ADA specified in subdivision (e) of Section 84701 of the Education Code, whichever is applicable. Any community college district which receives an apportionment under this provision shall establish a separate categorical account for the receipt of revenues and disbursement of expenditures for the authorized classes "

I am deleting Provision 24, which would constrain local districts in operating auxiliary organizations, and Provision 32, which would prohibit Los Angeles district from implementing reforms and receiving $2 million of its apportionments allocation Management of community college districts is a local responsibility Districts must have the flexibility to determine the programs and courses offered, and to make difficult decisions to maintain fiscal integrity 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.

"24 Any community college district which establishes an auxiliary organization pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45 of the Education Code and which operates on property which it does not own or on property which the district has not leased as of July 1, 1987, shall not receive an apportionment under this item unless the Chancellor of the Community Colleges submits a written memorandum to the local district governing board stating that the chancellor's office has made both of the following findings

(a) The proposed auxiliary activity conforms with apprenticeship programs approved by the chancellor's office if the activity for students is similar to, or closely allied with, apprenticeship training.

(b) The proposed auxiliary activity has not displaced noncommunity college district employees unless an agreement to do so has been reached between the local district and representatives of employees in the private sector if a private business is involved "

"32. The Los Angeles Community College District shall maintain its nursing programs at the 1986–87 level. This action shall include the reestablishment of a nursing program at Los Angeles City College which shall enroll at least 45 students by the spring semester of the 1987–88 academic year. A total of $2,000,000 shall be withheld from apportionments unless the district complies with the provisions of this section and submits a report to the chancellor on its district reform plan.

0 28 10 0

The report shall assess the effect of the district's reform plan on student access and the continued availability of vocational training programs for occupations where there is a shortage of trained workers and where student demand for entry into those training programs exceeds available class space The chancellor shall review the study to determine whether the proposed plan will cause a decline in student access and whether the district is maintaining its nursing program at current levels If the chancellor determines that there will be a decline in student access or the district is not maintaining its nursing program, the district will not become eligible for the amount withheld from apportionments pursuant to this item

The chancellor shall certify to the Director of Finance and the Joint Legislative Budget Committee whether funds should be allocated to the Los Angeles Community College District The funds shall not be released without the approval of the Chairperson of the Joint Legislative Budget Committee."

As a result of my actions, the total General Fund budget for community colleges will be $88 1 million higher than for the 1986–87 fiscal year, which is a 7 1 percent increase

Item 6870-106-001—For local assistance, Board of Governors of the California Community Colleges I reduce this item from $15,000,000 to $11,862,000, and revise Provision 1

I am deleting the $3,138,000 legislative augmentation for instructional equipment replacement and library materials. The Administration has already considered and determined the level of funding that the State can provide for this program, and has provided $17,000,000 from the General Fund for this purpose, in addition to $35,000,000 of bond funds which were reappropriated from 1986–87

I am also revising Provision 1 to delete language added by the legislature granting authority to the Chancellor to waive the 3-to-1 State-to-local matching fund requirement in this program. It is presumed that community college districts have historically allocated a portion of their apportionments funding for instructional equipment and library materials It is appropriate that the districts maintain this effort With maintenance of effort, the additional State funding will enable districts to quadruple their resources for instructional equipment and library materials This incentive should encourage districts to fund this high priority program This matching requirement is consistent with community college matching requirements for deferred maintenance (1-to-1) and capital outlay (9-to-1) It is also consistent with the Administration's program for K–12 school construction, which includes an estimated 3-to-1 match

"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 and for purchase of library materials. The chancellor shall allocate these funds to the districts such that for every $3 00 (three dollars) of funds allocated from this item, the districts shall provide $1 00 (one dollar) of matching funds. ~~The Chancellor may waive the matching requirements for districts which cannot provide the matching funds without financial hardship. The Chancellor shall develop criteria for determining whether compliance with the matching requirement would cause financial hardship to a district.~~"

Item 6870-301-782—For capital outlay, Board of Governors of the California Community Colleges. I reduce this item from $31,869,000 to $31,746,000 by deleting

Los Angeles City College,
Southwest
(14.1) 40.26.603-Working drawings,
Physical Education Facilities Core (123,000)

This item already contains $31,746,000 for 40 projects which were included on a priority basis for the community college system. This project, which did not fall within that priority range, is being deferred because a physical education facility already exists on this campus. The project may be resubmitted for consideration in the 1988–89 Governor's Budget if it is deemed a high priority

Item 8100-101-001—For local assistance, Office of Criminal Justice Planning. I delete

Provision 5

I am deleting Provision 5 because this provision would restrict the allocation of funds for the Community Crime Resistance Program only to recipients who are located in cities I believe that this language, added by the Legislature, was inadvertently restricted to recipients who are located in cities In fairness to recipients who are located outside of city limits, I am deleting this language However, I support using the crime index as a factor in allocating the funds, and I will direct the Office of Criminal Justice Planning to use this factor in their administration of the program.

"5 The funds appropriated in category (c) of this item shall be allocated to recipients located in cities officially ranked as having the highest crime rates in the state. "Crime rate" means the level of incidence of crimes per 100,000 population."

Item 8260-001-001—For support of California Arts Council I reduce this item from $2,699,000 to $2,599,000 by reducing:

(e) 50.01-Administration from $1,554,000 to $1,454,000

I am reducing $100,000 from the legislative augmentation of $150,000 which was to provide additional administrative support for various local assistance programs I have retained $50,000 and one position to provide the necessary administrative support related to the $1,000,000 augmentation for the local assistance, grants and subventions This conforms to the actions I have taken in Item 8260-101-001.

Item 8260-101-001—For local assistance, California Arts Council for grants and subventions. I reduce this item from $12,961,997 to $11,000,000 by reducing·

(a) 10-Artists in Residence from $2,078,218 to $1,827,000,

(b) 20-Organizational Grants from $7,811,000 to $6,880,000,

(d) 40-Statewide Projects from $2,475,779 to $1,696,000,

and deleting Provisions 2 and 3

I am reducing $1,961,997 from the legislative augmentation of $2,961,997 to various local assistance programs. These funds were requested to provide additional grants to local artists. I have retained $1,000,000, which is a 10 percent increase above my January 10 budget proposal. This will provide a $385,000 increase to the Artists in Residence Program, $569,000 to the Performing Arts Touring/Presenting Program and $46,000 to the Statewide Projects.

I am deleting Provisions 2 and 3 to conform with this action

"2. The California Arts Council shall utilize $15,000 of the augmentation for the Interagency Arts Program to fund an Arts/Tourism Pilot Project through an interagency agreement with the Department of Commerce, Office of Tourism."

"3. The California Arts Council shall utilize $500,000 of the augmentation for the Multi-Cultural Arts Program."

Item 8290-001-001—For support of California Public Broadcasting Commission I delete this item, and accompanying provisions.

The California Public Broadcasting Commission is no longer in operation and is not included in the 1987–88 Governor's Budget I continue to believe that public broadcasting should be supported by viewers, foundations, and other private sources

Item 8350-001-001—For support of Department of Industrial Relations I reduce this item from $102,382,000 to $94,219,000 by reducing

(ax) Program operations from $140,247,000 to $120,775,000, and

(u) Amount payable from the Federal Trust Fund (Item 8350-001-890) from −$17,633,000 to −$6,324,000

and deleting Provisions 2, 3 5, 4, and 5

I am deleting the $547,000 and 8 positions augmented by the Legislature to reinstate the Mine Safety Program which would allow for inspections of employment conditions related to the mine safety law This augmentation will constitute a program duplication because California's mines are already regulated and inspected by the Federal Mine Safety and Health Administration and the State program constitutes duplicative activities. A court ruling has also determined that the State also has no jurisdiction where mines are inspected by the Federal Mine Safety and Health Administration.

I am deleting Provision 2 to conform to this action.

"2 Notwithstanding subdivision (a) of Section 6303 of the Labor Code, the Governor and the Director of the of Industrial Relations shall enforce the full scope of Part 9 (commencing with Section 7950) of Division 5 of the Labor Code."

I am deleting 357.8 personnel years and reducing $7,000,000 of the $8,000,000 legislative augmentation to reinstate the Cal/OSHA Program in the private sector The Department of Labor resumed enforcement of federal job safety and health standards in the private sector worksites effective July 1, 1987. California will continue to provide the necessary public sector responsibilities and consultation services for employees in both the public and private sectors. I believe California employers and employees can be assured that the Federal Government will continue to deliver appropriate services to provide safety in the workplace. I am retaining $1,000,000 of the augmentation to provide funding for the Appeals Board to handle the existing open cases on appeal and continue processing the public sector appeals and to fund the Standards Board to carry out its public sector responsibilities I am reducing the amount payable to this item from the Federal Trust Fund item by $11,309,000 to correspond to my action taken in Item 8350-001-890.

I am deleting the $300,000 legislative augmentation for a consultant study of the current system for processing workers' compensation cases The current budget of $45,526,000 and 768.6 personnel years provides an adequate level of funding to address the workload. I am deleting Provision 5 to conform to this action

"5. Of the funds appropriated in this item, $300,000 shall be available solely for a consultant study of the current system for processing workers' compensation cases. Any study authorized by the director shall: (a) consider the efficiency of current clerical procedures, the need for improved use of automation, the reasons for delays in the current system, the reasons for variations in productivity of judges in the 22 local offices; and (b) make recommendations with respect to the need for additional staff, the introduction of better management procedures, the need for an improved management reporting system, and standards for the timely issuance of decisions "

I am deleting $316,000 and 6 positions augmented by the Legislature to expedite wage claims. The current budget provides sufficient resources to accomplish the workload

I am deleting Provision 3 5 because this language is unnecessarily restrictive since the current administrative process already requires public hearings whenever regulations are to be amended.

"3.5. No modification of regulations as they existed on January 1, 1987, affecting eligibility for, the amount of, or procedures governing the determination of, workers' compensation rehabilitation or permanent disability benefits shall be adopted until 30 days after the proposed changes have been reviewed in public hearings by any appropriate fiscal or policy committee of the Legislature which schedules a hearing on the proposed regulations prior to the final adoption of the regulations."

I am also deleting Provision 4 because I believe the establishment of this reporting requirement is duplicative of administrative policies and procedures already in effect

"4. The Labor Commissioner shall provide the appropriate policy committees (a) timelapse data on all significant elements of the wage-claim collection process and (b) a quarterly breakdown by field office of active wage claims which require a hearing under subdivision (a) of Section 98 of the Labor Code and for which no hearing has been held within 75 days of the filing of the claim "

Item 8350-001-890—For support of Department of Industrial Relations I reduce this item from $17,633,000 to $6,324,000

I am reducing $11,309,000 of the legislative augmentation to reinstate the Cal/OSHA program in the private sector. I am retaining $2,400,000 of the augmentation to provide funding for a contract to facilitate the transition to the federal OSHA program. I am also retaining $450,000 to provide spending authority for the federal contribution to the first quarter of the public sector program. This conforms to the

action I have taken in Item 8350-001-001 ·

Item 8570-001-001—For support of Department of Food and Agriculture. I revise this item by reducing

(b) 20-Plant Pest and Disease Prevention from $27,074,000 to $27,003,000,

(g) 60-Financial and Administrative assistance to local fairs from $1,277,000 to $1,227,000 and,

(lx) Amount payable from the Environmental License Plate Fund (Item 8570-001-140) from $-371,000 to $-300,000

and by deleting

(kx) Amount payable from Special Account for Capital Outlay (Item 8570-001-036) (-$50,000),

and Provision 3.

I am deleting a legislative augmentation of $71,000 from the Environmental License Plate Fund that was intended for Imperial County for its hydrilla control program Based on an established departmental priority system which considers the magnitude of the problem, the potential for control or eradication, and the ability of local entities to deal with the problem, it has been determined that the current levels of State funding provided to Imperial County are sufficient.

I am deleting a legislative augmentation of $50,000 from the Special Account for Capital Outlay funds for a study concerning the feasibility of relocating the Sacramento County Fair Although I support local fairs, this is an inappropriate use of SAFCO funds. A study of this nature, if it is of sufficiently high priority, should be funded from the Fair and Exposition Fund.

I am also deleting Provision 3 because this provision would have required the Department of Food and Agriculture to determine who is an "interested party" for notification purposes prior to the issuance of a special agricultural products move permit. This process would add unnecessary administrative workload and costs to the department In addition, failure to recognize and notify all "interested parties" could result in costly lawsuits

"3. The Director of Food and Agriculture shall not issue special permits pursuant to Section 3154 of Title 3 of the California Administrative Code without first giving all interested parties formal notice of this action Any special permits issued in 1987 without such notice shall be immediately rescinded by the director "

Item 8570-001-036—For support of Department of Food and Agriculture I delete this item.

I am deleting this item to conform to the action I have taken in Item 8570-001-001

Item 8570-001-140—For support of Department of Food and Agriculture. I reduce this item from $371,000 to $300,000

I am reducing this item to conform to the action I have taken in Item 8570-001-001.

Item 8570-101-001—For local assistance, Department of Food and Agriculture. I revise this item by reducing:

(d) 60-Financial and Administrative Assistance to local fairs from $6,640,000 to $4,690,000, and

(g) Payable from the Fair and Exposition Fund (Item 8570-101-191) from -$6,640,000 to -$4,690,000.

I am reducing the schedule in this item by $1,950,000 to reflect the deletion of funds designated for the construction of a display building for the San Fernando Valley Fair This Fair does not have a permanent site as yet, nor is it known what facilities or alterations may be needed once a permanent site is acquired. Allocation of funds for a display building at this time is premature.

Item 8570-101-191—For local assistance, Department of Food and Agriculture. I reduce this item from $6,640,000 to $4,690,000 by reducing·

(c) Other local fair projects from $2,690,000 to $740,000,

deleting Provision 7 and revising Provision 6.

I am reducing this item by $1,950,000 to conform with the action I have taken in Item 8570-101-001

I am deleting Provision 7 to conform to this action.

"7. The Department of Food and Agriculture shall allocate up to $1,950,000 of category (c) to the 51st District Agricultural Association upon the acquisition of a permanent site for the San Fernando Valley Fair for the construction of a display building. Funds appropriated by this provision shall be available for encumbrance for three years."

In addition, I am revising Provision 6 to delete the requirement that the department notify the Legislature of any expenditure over $50,000. I believe this reporting requirement is duplicative. The department is currently required to submit a report to the Legislature detailing expenditure plans for three years. That report will fulfill the requirements of the deleted portion of Provision 6.

"6. All funds that would otherwise be available for allocation pursuant to Section 19630 of the Business and Professions Code and which are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. ~~The department shall submit a written notification to the chair of the Senate Select Committee on Fairs and Rural Issues, the chair of the Assembly Subcommittee on Fairs and Expositions, and the chairs of the respective Senate and Assembly Fiscal Committees prior to any expenditure over $50,000 from this augmentation, explaining the nature and use of the expenditure.~~ "

Item 8570-301-036—For capital outlay, Department of Food and Agriculture. I delete Provision 1

I am deleting Provision 1 because this language is ineffective since current administrative procedures would allow the department to augment the project pursuant to existing statutory authority.

"1. Notwithstanding any other provision of law, on June 30, 1988, the Controller shall transfer from the funds appropriated under category (1) of this item a sum equal to 10 percent of all unspent funds in category (1) to the Special Account for Capital Outlay in the General Fund "

Item 8570-490—Reappropriation, Department of Food and Agriculture I delete this item.

I am deleting this reappropriation which was added by the Legislature for the eradication of yellow primrose and parrots feather in San Joaquin County. Based on 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 plants, it has been determined this the project does not require additional State funding. The Department of Food and Agriculture will, instead, utilize funds 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 9800-001-001—For augmentation for Employee Compensation I reduce this item from $107,575,000 to $77,582,000 by reducing:

(a) 10.01-Civil Service Employees-Represented from $76,592,000 to $53,939,000,

(b) 10.02-Civil Service Employees-Nonrepresented from $19,031,000 to $13,402,000,

(c) 20-Exempt/Excluded and Other Employees from $5,623,000 to $3,912,000,

and deleting Provisions 3 and 4.

I am reducing the amount available for employee compensation increases by $29,993,000. Even with this reduction, the augmentation for employee compensation is sufficient to provide, subject to collective bargaining, up to a four percent general compensation increase package commencing January 1, 1988, plus costs of estimated health and dental benefit rate increases.

I am also deleting Provisions 3 and 4 because these provisions would contravene the Ralph C. Dills Act regarding the rights of the State employer and employees to determine wages, hours and other terms and conditions of employment through collective bargaining

"3. Where memoranda of understanding have not been approved prior to passage of this act, the current provisions of existing memoranda of understanding, including compensation and benefit levels, shall remain in effect until superseded by approved memoranda of understanding

4. The funds provided in this item, except for those amounts necessary for health

and dental benefit rate increases, shall be used to provide a general compensation increase of 6 percent commencing January 1, 1988."

Item 9800-001-494—For augmentation for Employee Compensation. I reduce this item from $53,345,000 to $37,635,000 by reducing:

(a) 10.01-Civil Service Employees-Represented from $42,246,000 to $29,804,000,

(b) 10 02-Civil Service Employees-Nonrepresented from $10,496,000 to $7,405,000,

(c) 20-Exempt/Excluded and Other Employees from $603,000 to $426,000,

and deletmg Provisions 3 and 4.

I am reducing this item by $15,710,000 and deleting Provisions 3 and 4 to conform to my action taken in Item 9800-001-001

"3. Where memoranda of understanding have not been approved prior to passage of this act, the current provisions of existing memoranda of understanding, including compensation and benefit levels, shall remain in effect until superseded by approved memoranda of understanding.

4. The funds provided in this item, except for those amounts necessary for health and dental benefit rate increases, shall be used to provide a general compensation increase of 6 percent commencing January 1, 1988"

Item 9800-001-988—For augmentation for Employee Compensation I reduce this item from $35,357,000 to $24,944,000 by reducing

(a) 10 01-Civil Service Employees-Represented from $28,001,000 to $19,755,000,

(b) 10.02-Civil Service Employees-Nonrepresented from $6,956,000 to $4,907,000,

(c) 20-Exempt/Excluded and Other Employees from $400,000 to $282,000,

and deleting Provisions 3 and 4.

I am reducing this item by $10,413,000 and deleting Provisions 3 and 4 to conform to my action taken in Item 9800-001-001.

"3. Where memoranda of understanding have not been approved prior to passage of this act, the current provisions of existing memoranda of understanding, including compensation and benefit levels, shall remain in effect until superseded by approved memoranda of understanding

4. The funds provided in this item, except for those amounts necessary for health and dental benefit rate increases, shall be used to provide a general compensation increase of 6 percent commencing January 1, 1988."

Section 3.80—Allocation of one percent General Fund restoration. I reduce this section from $69,521,000 to $32,331,000.

I am reducing this section by $37,190,000 because of the need for funds in high priority areas. With this reduction the remaining $32,331,000 will be allocated to higher education programs

"SEC. 3.80 *The sum of* ~~sixty/nine million five hundred twenty/one thousand dollars ($69,521,000)~~ *thirty-two million three hundred thirty-one thousand dollars ($32,331,000)* is hereby appropriated from the General Fund to restore ~~the one percent (1%)~~ 1987–88 General Fund reductions that were implemented in the January 10 version of the Governor's Budget. These funds shall be allocated by the Department of Finance ~~to the several state offices, departments, boards, bureaus, commissions, and other state agencies,~~ in augmentation of ~~their respective~~ support appropriations."

Section 11.50—Distribution of Tidelands Oil Revenues.

I am approving Section 11.50 which includes the allocation of $86.4 million of Tidelands Oil revenues to the General Fund. However, I am particularly concerned about the $18 million reduction which was made to the Rural Renaissance Program to achieve this General Fund transfer. I believe that this reduction should be restored for this important program Therefore, I will support Senator Nielsen's bill as a legislative vehicle to provide $18 million from the Special Account for Capital Outlay since there will be sufficient resources in the Account for this purpose.

Section 11.60—For transfer of to the Disaster Response-Emergency Operations Account in the Special Fund for Economic Uncertainties.

I am revising this section by reducing the transfer from $14,960,000 to $9,960,000 because of the need for funds in high priority areas such as school district and community college apportionments, corrections, AIDS, and toxic wastes Even with

this reduction, the Disaster Response-Emergency Operations Account will contain $15,000,000.

"SEC. 11.60. On July 1, 1987, the State Controller shall transfer the amount of ~~fourteen million nine hundred sixty thousand dollars ($14,960,000)~~ *nine million nine hundred sixth thousand dollars ($9,960,000)* from the General Fund to the Disaster Response-Emergency Operations Account in the Special Fund for Economic Uncertainties."

Section 12.00—Appropriations Limit. I am approving Section 12.00.

I have directed that the renters' tax credit program be excluded from the computation of the amount of appropriations subject to the limit and the appropriations limit for the 1987–88 fiscal year. Proposed adjustment of the appropriations limit for the 1986–87 fiscal year, related to the renter credit program, is not acceptable as it attempts to reconstruct the limit retroactively.

Section 15.00—For allocation to various departments for AIDS related activities. I reduce this section from $39,068,000 to $16,500,000,
and revise its provisions.

I have more than doubled California's commitment to AIDS programs over the amount budgeted in 1986–87. This increases the State's AIDS budget to $63,033,000, in addition to funding available in other programs, such as Medi-Cal. In my action on this section, I have preserved the priorities of this Administration and the Legislature with respect to AIDS funding. The funding level which I have sustained is both significant and appropriate and it continues to show California as a leader in its effort to combat AIDS.

I am deleting language allocating funds for information and education, providing the Department of Health Services the flexibility to expend funds on projects determined to address the greatest needs of those population groups that would benefit most from additional information and education activities. In addition, I have not provided funds for payment of AFDC-Foster Care grants for infants and children diagnosed as having AIDS, ARC, or HIV infection in this section. Because the Foster Care program is an entitlement program, funding for the placement of children with special needs, such as these, is already accounted for as part of the caseload development for the Foster Care Program. Therefore, funding is already included in the Department of Social Services' budget.

I am sustaining the $5.7 million augmentation for construction of the multidisciplinary AIDS research center at the San Francisco General Hospital. However, I believe a more appropriate funding source is the Special Account for Capital Outlay (SAFCO). Since there are sufficient resources in this Account, I would sign a bill to use SAFCO in lieu of the General Fund augmentation provided in this section.

"SEC. 15.00. (a) The sum of ~~thirty-nine million sixty-eight thousand dollars ($39,068,000)~~ *sixteen million five hundred thousand dollars ($16,500,000)* is hereby appropriated from the General Fund to the Controller.

(b) The amount appropriated by this section shall be transferred by the Controller, upon the order of the Director of Finance, to fund AIDS-related programs during the 1987–88 fiscal year, in accordance with the following schedule:

~~(1) State Health and Welfare Agency~~	~~450,000~~
~~(2) Department of Housing and Community Development~~	~~50,000~~
~~(3) Department of Alcohol and Drug Programs~~	~~1,000,000~~
(4) State Department of Health Services	~~30,518,000~~ *15,300,000*
(5) Department of Mental Health	~~3,250,000~~ *700,000*
(6) Department of Corrections	300,000
(7) California Youth Authority	200,000
~~(8) State Department of Education~~	~~1,000,000~~
~~(9) California State University~~	~~220,000~~
~~(10) University of California~~	~~100,000~~
~~(11) California Community Colleges~~	~~0,000~~

0 32 20 0

~~(12) Department of Social Services (AFDC/FC) ..... 1,300,000~~

(bx) Each agency listed in subdivision (b) shall prepare expenditure plans for the funds transferred to it pursuant to this section. These expenditure plans shall be submitted to the appropriate legislative policy and fiscal committees and the to Joint Legislative Budget Committee no later than September 1, 1987

~~(c) The Health and Welfare Agency shall allocate the amount transferred to it pursuant to paragraph (1) of subdivision (b) for use by the California Commission on AIDS as established in Chapter 1.17 (commencing with Section 199.95) of Part 1 of Division 1 of the Health and Safety Code as contained in AB 87 of the 1987/88 Regular Session if that bill is enacted.~~

~~(d) The Department of Housing and Community Development shall allocate the amount transferred to it pursuant to paragraph (2) of subdivision (b) to provide technical assistance to organizations which are developing housing for persons with HIV infection.~~

~~(e) The Department of Alcohol and Drug Programs shall allocate the amount transferred to it pursuant to paragraph (3) of subdvision (b) to counties to increase treatment programs related to IV drug use. The department shall allocate 80 percent of the funds to the 20 counties with the highest AIDS caseloads, based upon reported IV drug abuse cases. The director shall allocate the remaining 20 percent of these funds to counties in accordance with their needs for addressing the AIDS epidemic.~~

(f) The State Department of Health Services shall allocate the amount transferred to it pursuant to paragraph (4) of subdivision (b) for use as follows

(1) ~~$130,000~~ *$100,000* to maintain funding for statewide education programs which have demonstrated effectiveness in educating and informing health care workers, emergency service workers, and hemophiliacs about AIDS. The department may enter into sole source contracts with the contractors who received funding in 1986–87 The department shall ensure that the contracts address the needs of minorities in the target populations.

(2) To adopt a goal of spending 25% of funds provided for information to and education of minority populations

(3) (A) *$5,000,000* to increase state efforts during the 1987–88 fiscal year to educate ~~specified~~ target populations on AIDS ~~as follows: (i) $638,000 for persons attending sexually transmitted disease clinics and other public health clinics; (ii) $3,830,000 for men who have sex with men; (iii) $2,220,000 for sexually active heterosexuals; (iv) $2,261,000 for minority populations; (v) $2,553,000 for IV drug users; (vi) $192,000 for prostitutes; (vii) $638,000 for health professionals with special emphasis on education of black and hispanic health care networks; (viii) $209,000 to support English and Spanish language hotlines in Southern and Northern California; (ix) $319,000 for inmates and employees of county jails; and (x) $160,000 for health professionals responsible for education of diagnosing pediatric AIDS.~~

(B) In allocating funds pursuant to this paragraph, the department shall give first priority to those contractors who were determined to have high-quality proposals for funding during the 1987–88 fiscal year, but whose requests were reduced or denied because of insufficient funds ~~During the 1988/89 fiscal year, these amounts shall be increased by 33 percent to reflect annualized funding.~~

~~(C) The department may reallocate up to 14% of the increased funds provided herein to educate men who have sex with men, sexually active heterosexuals, and minority populations to programs which, instead, educate the general population if the department does not receive a sufficient number of high quality proposals in those categories. In no event shall the reallocation exceed $2,000,000.~~

~~(1) $1,000,000 to establish four resource centers./ two in the south and two in the north./ to provide service to provider counties, schools, colleges, and the public with the most recent information on AIDS on the effective intervention for controlling the epidemic. These centers shall include information on all target groups affected by AIDS, including men who have sex with men, sexually active heterosexuals, IV drug users, and minorities. In allocating the funds, the department shall give consideration to those entities experienced in acting as a~~

~~resource center.~~

~~(5)~~ ~~$750,000~~ *$500,000* to evaluate the effectiveness of the prevention and intervention of AIDS through information and education grants.

(6) ~~$5,856,000~~ *$1,500,000* to support activities and programs designed to care for HIV infected people in nonhospital settings These funds may be used for case management services, home health care, attendant care, housing costs, food, and for subsidizing rates paid to skilled nursing facility distinct parts.

~~(7) $250,000 to support programs to encourage private sector providers to offer the HIV antibody test.~~

~~(8) To encourage publicly funded clinics to provide the HIV antibody test and to allocate $250,000 to reimburse costs incurred by the clinics in providing the test.~~

(9) To provide that alternate test sites may refer persons with HIV infection to mental health services, as appropriate.

(10) ~~$1,162,000~~ *$1,000,000* for counties for their AIDS programs. These funds may be used for serologic monitoring, active case monitoring, monitoring of sexually transmitted diseases, county epidemiology planning, evaluation of data collective efforts, and coordination of AIDS activities.

(11) $5,700,000 for construction of a multidisciplinary AIDS research center at San Francisco General Hospital. The department shall only allocate the funds to the City and County of San Francisco after the department submits a Section 28.00 notification, which includes the projects' preliminary plans, to the Joint Legislative Budget Committee and the legislative fiscal committees for review. The Joint Legislative Budget Committee shall report on the adequacy of the plans within 30 days of receipt of the Section 28.00 request. After approval of the preliminary plans, changes affecting the scope or cost of the project shall be submitted under the review process set forth above to the Chair of the Joint Legislative Budget Committee and the chair of the fiscal committee in each house prior to implementing the proposed change The department shall ensure that the City and County of San Francisco shall expedite the development of preliminary plans for this project. It is the intent of the Legislature that this project shall be expedited to make possible the start of the construction in the 1987–88 fiscal year.

It is the intent of the Legislature that the remaining $4,800,000 in construction costs for this project shall be funded in the Budget Act of 1988 The Legislature requests the City and County of San Francisco to let a single contract for the project which provides for phased construction award and phased construction.

(12) ~~$539,000~~ *$400,000* to establish ~~13~~ 7 positions to administer the additional funds provided in this subdivision ~~for information and education activities~~.

(13) The department shall ensure that HIV-infected children are eligible for California Children Services (CCS). ~~CCS shall coordinate with county welfare departments to facilitate appropriate foster placements for these children.~~

(14) ~~$1,599,000~~ *$1,100,000* to fund health care costs of HIV-infected infants and children. ~~Of~~ this amount, ~~$1,099,000~~ shall be transferred to California Children Services to fund health care costs of HIV-infected infants and children, ~~and $500,000 shall be contracted through the RFP process to fund clinical treatment centers within existing health care facilities for infants and children diagnosed as having AIDS, ARC, or HIV infection. In awarding these grants, the department shall ensure that the centers are located in, or in close proximity to, the communities with the highest concentration of HIV/infected infants and children~~

(g) The Department of Mental Health shall allocate the amount transferred to it pursuant to paragraph (5) of subdivision (b) for use as follows:

(1) ~~$789,000~~ *$200,000* for community services ~~as follows: (i) $250,000 for promotion of mental health; (ii) $250,000 for training of volunteers and peer counselors; and (iii) $289,000~~ for counseling of hemophiliacs with regard to AIDS-related mental health issues.

~~(2) To prepare a report regarding state hospital issues related to AIDS which shall include, but not be limited to, all of the following with regard to patients with AIDS, ARC, or who test positive for the AIDS antibody; (i) state policy regarding~~

~~admission to the state hospitals; (ii) issues relating to confidentiality, testing, and treatment including the need for data collection; (iii) the number of patients currently in the state hospitals and, to the extent possible, the projected unmet need for hospital beds; (iv) projections regarding appropriate treatment programs; and (v) mechanisms for improving coordination between the state hospitals and community mental health programs.~~

~~The report shall be submitted by November 1, 1987, to the Assembly Ways and Means Committee and the Senate Budget and Fiscal Review Committee.~~

(3) ~~$2,550,000~~ *$500,000* to provide critical mental health treatment service to people with AIDS-related mental health needs These funds shall not be expended for any other mental health program and shall be used to provide services to the following populations: (i) people with AIDS; (ii) people with ARC; (iii) people who test antibody positive for exposure to the AIDS virus; (iv) significant others of any of those in the above groups; (v) those suffering from AIDS-related depression, anxiety, or somatization disorders; and (vi) people whose work brings them in contact with anyone identified in groups (i) through (v) above.

The department shall develop a request for proposals for allocation of funds pursuant to paragraph (3) Both county mental health departments and private, nonprofit agencies shall be eligible for funding However, priority shall be given to proposals from county mental health departments which propose to make use of appropriate private provider expertise.

(h) The Department of Corrections shall allocate $300,000 of the amount transferred to it pursuant to paragraph (6) of subdivision (b) to inform and educate inmates and employees of the state's prisons on AIDS.

(i) The California Youth Authority shall allocate the amount transferred to it pursuant to paragraph (7) of subdivision (b) to inform and educate wards and department employees on AIDS

~~(j) The Superintendent of Public Instruction shall allocate the amount transferred to the State Department of Education pursuant to paragraph (8) of subdivision (b) to local school districts to: (i) train teachers and staff to provide classroom instruction on AIDS; (ii) purchase AIDS instructional materials, including videos; and (iii) develop AIDS curricula and teaching guidelines.~~

~~(k) The Board of Trustees shall allocate the amount transferred to the California State Universities the amount pursuant to paragraph (9) of subdivision (b) to (i) train health personnel to provide AIDS education to students and staff; (ii) purchase AIDS instructional materials; (iii) develop AIDS curricula; and (iv) coordinate campus AIDS education programs.~~

(l) In allocating funds appropriated for *AIDS* research in Item 6440-001-001, the university shall increase its emphasis on social and behavioral science and policy research which identifies effective ways to combat the spread of AIDS by: (i) funding more research on issues such as effective prevention and education strategies, local AIDS policy directions, and the quality of health care; and (ii) diversifying its task force to include researchers in disciplines such as health education and policy, medical anthropology, or other social sciences.

~~Of the amount allocated to the University of California, the Regents of the University of California shall allocate $100,000 to the eight general campuses to: (i) train health personnel to provide AIDS education to students and staff; (ii) purchase AIDS instructional materials; (iii) develop AIDS curricula; and (iv) coordinate campus AIDS education programs.~~

~~(m) (1) The Chancellor of the California Community Colleges shall develop and distribute a program which shall do both of the following.~~

~~(A) Train health personnel to provide AIDS education.~~

~~(B) Develop AIDS curricula and instructional materials for use in community colleges.~~

~~(2) The Chancellor shall further allocate up to $680,000 from the amount transferred to it pursuant to paragraph (11) of subdivision (b) to community college districts in order to do both of the following.~~

~~(A) Provide direct instruction and information to community college staff and~~

~~students.~~

~~(B) Coordinate community college campus AIDS education programs.~~

~~(n) The amount appropriated in paragraph (12) of subdivision (b) shall be transferred to the Department of Social Services for payment of AFDC/FC grants for infants and children in foster care placement diagnosed as having AIDS, ARC, or HIV infection. The department is authorized to pay any supplemental rate that may be approved.~~"

Section 22 00—Greater Avenues for Independence (GAIN) Program Implementation. I am approving Control Section 22 00

The Legislature took action to reduce the amount of funds available in this section based on the assumption that, due to implementation delays that counties are experiencing, additional resources are not warranted at this time I, too, recognize that this is a very complex program to implement. However, I am committed to implementing the GAIN program in a timely fashion, based upon the plan approval process designed by the Department of Social Services. Therefore, should additional funding be required during 1987–88, I would support such a request.

Section 23.00—For implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986. I reduce this section from $13,146,000 to $12,127,000 by reducing the General Fund from $7,715,000 to $6,696,000

I am reducing the legislative augmentation of $133,000 (General Fund) for the Department of Health Services for allocation to the Hazard Evaluation System and Information Service for technical assistance relating to occupational exposures The augmentation I proposed which is included in this control section totals $1,777,000 for the Office of Environmental Health Hazard Assessments in the Department of Health Services. This amount includes $254,000 and 4.8 personnel years to enable the Department to develop a protocol for the identification of use patterns and the likelihood of significant exposures for substances in commercial use in the State. Additionally, this funding will enable the Department to identify chemicals that are in use in California, particularly in the workplace Therefore, the augmentation proposed by the Legislature is duplicative of funding which is already included in this section for implementation of Proposition 65 I have seen no justification or evidence to support an additional and parallel activity.

I am reducing $295,000 of the $554,000 (General Fund) legislative augmentation for the Department of Justice. The total amount of this augmentation is premature given that it is not expected that significant legal enforcement workload will exist in 1987–88. The $259,000 I am retaining will provide legal representation of the lead agency and legal advice to implementing departments. I am providing these funds by reducing related expenditures in other departments as follows: Health and Welfare Agency by $100,000, Department of Health Services by $54,000, State Water Resources Control Board by $50,000 and Department of Food and Agriculture by $55,000.

I am reducing the $266,000 (General Fund) legislative augmentation for the Department of Industrial Relations because the department has no separate, unique responsibilities under the Proposition. Therefore, no significant increase in workload should be experienced by the Department of Industrial Relations as a result of the passage of Proposition 65 Funding for this department would duplicate funding provided elsewhere in this section.

I am deleting the $66,000 (General Fund) legislative augmentation for the Air Resources Board for technical assistance. These funds are not justified as the Board indicates that the activity for which they are intended can be absorbed within existing resources in 1987–88. The long term needs of the Board related to this activity should be assessed in the next budget cycle when the Board will have sufficient experience to project its needs.

The $11,683,000 which I have provided to implement the Safe Drinking Water and Toxic Enforcement Act of 1986 will ensure that the projected workload for Fiscal Year 1987–88 will be adequately addressed. The agencies for which I have provided funding are appropriate and necessary for effective implementation of the Proposition Although there may be some peripheral impact upon other agencies, the departments which will receive funding have been determined as the responsible entities by the Health and Welfare Agency and the funding level which I have proposed provides a

full spectrum of implementation and enforcement activities.

I am revising language in Section 23.00 to conform to these actions as follows:

"SEC. 23.00. (a) The sum of ~~thirteen million one hundred forty-six thousand dollars ($13,146,000)~~ *twelve million one hundred twenty-seven thousand dollars ($12,127,000)* is hereby appropriated to the Controller in accordance with the following schedule:

(1) ~~$7,715,000~~ *$6,696,000* from the General Fund.

(2) $1,270,000 from the Hazardous Waste Control Account.

(3) $4,161,000 from fees (reimbursements)

(b) Of the funds appropriated from the Hazardous Waste Control Account, $444,000 shall be transferred by the Controller to Item 4260-011-014 for support of state and local hazardous waste management planning. These funds shall not be available for expenditure until after 30 days' notice to the legislative fiscal committees and to the Joint Legislative Budget Committee of the Department of Health Services' intention to encumber the funds.

(c) ~~Twelve million seven hundred two thousand dollars ($12,702,000)~~ *Eleven million six hundred eighty-three thousand dollars ($11,683,000)*, which is the balance of the amount appropriated by this section, shall be allocated by the Controller upon order of the Director of Finance, for the purpose of implementing the Safe Drinking Water and Toxic Enforcement Act of 1986 and in accordance with the schedules set forth in subdivisions (d), (e), (f), (g), and (h) to complete activities as identified. The amounts appropriated from the Hazardous Waste Control Account and fee reimbursements shall be allocated according to the schedules identified in the Department of Finance letter dated May 19, 1987.

(d) Scientific Functions. The sum of six million six hundred twenty-two thousand dollars ($6,622,000) shall be allocated in this category according to the following schedule:

Air Resources Board	$279,000
Department of Food and Agriculture	1,929,000
Department of Health Services	3,387,000
Health and Welfare Agency	253,000
State Water Resources Control Board	774,000

This allocation shall be consistent with the following priorities:

(1) Priority 1: Policies and Guidelines. The first priority under this subdivision shall be for the Department of Health Services to update existing policies and guidelines to be used for assessing risks posed by cancer-causing substances; to develop policies and guidelines to be used for assessing risks posed by reproductive toxicants; and to develop policies and guidelines to be used for exposure assessment protocols. These policies and guidelines shall, to the extent appropriate, incorporate procedures to assess risks from multiple routes of exposure from individual sources. These policies and guidelines shall be updated and developed under the direct supervision, and with the active participation, of staff with direct experience in such policy and guideline development, and who possess knowledge and expertise in the areas of carcinogenesis, reproductive toxicology, epidemiology, and the identification of exposures in the workplace and the environment.

(2) Priority 2: Listing of Chemicals (Scientific Advisory Panel). The second priority under this subdivision shall be for support of the activities of the Scientific Advisory Panel for the purpose of listing chemicals subject to the prohibitions of the Safe Drinking Water and Toxic Enforcement Act of 1986

(3) Priority 3: Health Hazard Assessment. The third priority under this subdivision shall be for the Department of Health Services to develop chemical-specific health hazard assessments to be used for implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986. The development of these health hazard assessments shall be based on the policies and guidelines updated or developed pursuant to Priority 1.

(4) Priority 4: Permit and Pesticide Registration Review and Modification. The fourth priority under this subdivision shall be to review and revise permits

and registrations relating to waste discharges, air emissions, and pesticide labeling requirements and use, consistent with the policies and guidelines updated or developed pursuant to Priority 1, with actions taken to list chemicals subject to the prohibitions of the Safe Drinking Water and Toxic Enforcement Act of 1986, and with the health hazard assessments developed pursuant to Priority 3.

(5) Priority 5: Safe Use Determinations. The last priority under this subdivision shall be the review and approval or denial of individual Safe Use Determinations based on regulations or guidelines consistent with policies and guidelines developed pursuant to Priority 1 and health hazard assessments developed pursuant to Priority 3

(e) Technical Assistance. The sum of ~~one million six hundred sixty/one thousand dollars ($1,661,000)~~ *one million four hundred sixty-two thousand dollars ($1,462,000)* is allocated for the purpose of providing technical assistance to the general public, employees, chemical users, and local governmental entities in implementing the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986. This allocation shall be subject to the following schedule:

Department of Health Services	$818,000
~~Department of Health Services for allocation to the HESIS Unit for technical assistance relating to occupational exposures~~	~~133,000~~
Department of Food and Agriculture	430,000
State Water Resources Control Board	214,000
~~Air Resources Board~~	~~66,000~~

(f) Monitoring and Enforcement. The sum of ~~three million one hundred forty thousand dollars ($3,140,000)~~ *two million four hundred eighty-three thousand dollars ($2,483,000)* is allocated for monitoring and enforcement of the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986 The allocation shall be made according to the following schedule·

Department of Health Services	~~$198,000~~ *$444,000*
Department of Food and Agriculture	~~971,000~~ *916,000*
State Water Resources Control Board	887,000
Department of Justice	~~518,000~~ *236,000*
~~Department of Industrial Relations~~	~~266,000~~

(g) Management and Support The sum of ~~five hundred sixty/nine thousand dollars ($569,000)~~ *four hundred sixty-nine thousand dollars ($469,000)* is allocated for management and support for state agencies to implement the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, as follows:

Department of Health Services	$152,000
Health and Welfare Agency	~~250,000~~ *150,000*
State Water Resources Control Board	167,000

(h) Employee Reporting. The sum of ~~seven hundred ten thousand ($710,000)~~ *six hundred forty-seven thousand dollars ($647,000)* is allocated for assistance in state employee reporting requirements pursuant to Section 25180 7 of the Health and Safety Code, as provided in the Safe Drinking Water and Toxic Enforcement Act of 1986 This allocation shall be made according to the following schedule

Department of Fish and Game	$23,000
Department of Food and Agriculture	36,000
Department of Health Services	229,000
Office of Emergency Services	23,000
State Water Resources Control Board	~~363,000~~ *313,000*
Department of Justice	~~36,000~~ *23,000*

(i) The Department of Health Services shall consult with the State Water Resources Control Board, the Department of Food and Agriculture, and the Air

Resources Board in the development of policies and guidelines updated or developed pursuant to Priority 1 of subdivision (d) and health hazard assessments developed pursuant to Priority 3 of subdivision (d)

(j) The Department of Health Services, by direction of the Health and Welfare Agency, shall work with other agencies and may enter into contracts with private parties for assistance in developing the health hazard assessments described in Priority 3 of subdivision (d)

(k) In the event that Safe Use Determinations are issued, they shall be based on the policies and guidelines updated or developed in Priority 1 of subdivision (d) and health hazard assessments developed in Priority 3 of subdivision (d).

(*l*) The Health and Welfare Agency shall develop a system to track the number and type of Safe Use Determinations that are developed by various agencies. To the extent feasible, the agency shall assist departments in avoiding duplication of effort in the development of Safe Use Determinations

(m) The Health and Welfare Agency shall prepare a schedule of fees to be paid by private parties in seeking to obtain Safe Use Determinations. The schedule of fees shall be set at a level sufficient to fund the total state cost of administering Safe Use Determinations requests

~~(n) In the event that programs relating to worker protection are not available within the Department of Industrial Relations in the 1987/88 fiscal year to implement the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, the Director of Finance shall report to the chairpersons of the legislative toxics policy committees and the fiscal committees on how the administration plans to discharge its responsibilities to protect workers pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986.~~

~~(o) Among the activities conducted by HESIS pursuant to subdivision (c) shall be the development of a worker notification and information dissemination program.~~

(p) In conjunction with the Governor's 1988–89 Budget, the Health and Welfare Agency shall report to the Legislature on activities of agencies in implementing provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986.

(q) To the extent that funds in this section need to be reallocated to implement priorities specified in subdivision (d), the Director of Finance shall do so after 30 days' notice to the Chairpersons of the Assembly Ways and Means Committee and the Senate Committee on Budget and Fiscal Review of his or her intention to provide for the reallocation."

Section 24.60—Lottery Reports. I revise this control section.

I am revising Section 24.60 to delete the requirement that the University of California, the Hastings College of the Law, and the California State University submit their reports on 1988–89 lottery expenditures by April 1, 1988 rather than by the November 1, 1988 deadline which applies to other State agencies. The April 1, 1988 deadline is in conflict with the voter-approved lottery initiative and statutory law, which require these monies to be expended by educational entities free of State control. I intend to uphold the wishes of the voters and statutory law in this regard.

I also am revising Section 24.60 to delete language prohibiting additional reports from being required of local educational agencies unless the report is specifically authorized by the Legislature. This language unduly restricts the Administration's ability to request data from recipients of lottery funds. I believe that the Administration should have the same flexibility as the Legislature to request information from school districts on how they are using their lottery funds.

"SEC. 24.60. From the funds appropriated in Items 5460-001-814, 6100-226-001, 6440-001-001, 6600-001-001, 6610-001-001, 6860-001-001 and 6870-101-001 of this act, the Department of the Youth Authority and 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, 1988, the amount of lottery funds

which each entity received and the purposes for which the funds were expended in the 1987–88 fiscal year, including administrative costs and proposed expenditures and purposes for expenditure for the 1988–89 fiscal year ~~; provided that the University of California, the Hastings College of the Law, and the California State University shall submit their reports on proposed expenditures on or before April 1, 1988~~ . If applicable, the amount of lottery funds received on the basis of adult education ADA and the amount of lottery funds expended for adult education shall be reported. ~~No additional report shall be required of local educational agencies regarding the use of lottery funds unless that report is specifically authorized by the Legislature.~~ "

Section 31.00—Related to the establishment of positions and compensation. I revise this control section.

It is the policy of this Administration that the California State University, and all State agencies for that matter, be required to abide by the standard employee compensation process. I am, therefore, deleting the reference in this control section that would eliminate the prohibition from using funds appropriated for purposes other than employee compensation for employee compensation Therefore, I am deleting the reference to the California State University.

"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 $2,641 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 1987–88 fiscal year shall terminate on June 30, 1988, except that those positions which have been (a) included in the 1988–89 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1988–89 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1988–89 fiscal year, provided these positions are shown in the 1989–90 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 Legisture through the 1988–89 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 and 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 expenditure 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 1987–88 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; ~~but this provision shall not apply to the California State University~~ Prior to certification, the Department of Finance shall determine whether this increase in salary range of employee compensation action will require supplemental funding in the 1988–89 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 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 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"

Section 32 50—Local government block grant funds. I am retaining the legislative augmentation of $88,870,000

These funds will be used to provide block grants to local governments Because of the diverse needs of California counties, I believe it is appropriate to provide these funds to the counties to be used at their discretion. This allows each county to fund identified priority needs, such as health care delivery systems, including trauma centers, public safety, county matching requirements; or other essential county services

I am troubled, however, by the language which specifies the formula to be used to appropriate the funds to local governments It is my belief that the formula does not treat all counties equitably, particularly the small and rural counties Therefore, I am willing to work with the Legislature to develop a more straightforward and impartial method to distribute the block grant funds provided in this section.

I am revising Control Section 32.50 as follows

"SEC 32 50. There is hereby appropriated from the General Fund the amount of eighty-eight million eight hundred seventy thousand dollars ($88,870,000) for payment to local jurisdictions - ~~Except as provided pursuant to subdivision (c), these funds shall be distributed as follows~~

(a) ~~Local jurisdictions, other than counties, or cities and counties, that received funds from the programs listed in subdivision (b) in the 1986/87 fiscal year, shall receive an amount of funds equal to 5.97 percent of the amount the local jurisdiction received in the 1986/87 fiscal year~~ The Director of Finance shall certify to the State Controller the amount of discretionary block grant funds to be distributed to each local jurisdiction under this provision

~~(b) The remaining amount shall be distributed to counties and cities and counties as discretionary block grants. The Director of Finance shall certify to the State Controller the amount of discretionary block grant funds to be distributed in lieu of a 5.97 percent cost/of/living adjustment for each of the following programs.~~

~~(1) Alcohol and drug programs.~~

~~(2) Medically indigent services programs.~~

~~(3) Local mental health programs, including special education pupils.~~

~~(4) Aid to Families with Dependent Children/Foster Care programs.~~

0 38 30 0

~~(5) Social services/county services block grant programs.~~
~~(6) Social services/employment programs.~~
~~(7) Social services/adoptions programs.~~
~~(8) Social services/community care licensing programs.~~
~~These funds shall be distributed as follows:~~
~~(A) 66.66 percent shall be allocated in the same proportions as each county's maximum allocation under Section 16702 of the Welfare and Institutions Code in the 1987/88 fiscal year.~~
~~(B) 16.67 percent shall be distributed in the same proportion as 1988/87 program allocations under the cited programs. The Director of Finance shall determine this proportion by dividing (a) the sum of the amounts each county was allocated in the 1986/87 fiscal year for each separate program by (b) the total allocations for all programs.~~
~~(C) 16.67 percent shall be distributed in the same proportion as the population of each county as estimated by the Department of Finance on July 1, 1987.~~
~~(D)~~ The Controller shall subvene these funds on or before January 1, 1988.
~~(c) The Department of Social Services shall establish a procedure which allows counties to verify that they have voluntarily provided a cost/of/living adjustment for foster care from funds provided pursuant to this section and to claim federal foster care cost/of/living adjustment funds available in Item 5180/181/890. The department shall also establish a procedure for auditing claims made by counties pursuant to this subdivision.~~
~~(d)(1)~~ When the Director of Finance determines that an allocation of money pursuant to subdivisions (a) and (b) would result in a jurisdiction having proceeds of taxes in excess of its appropriations limit pursuant to Article XIII B of the Constitution, the Director of Finance shall reduce the amount ~~computed pursuant to subdivisions (a) and (b)~~ accordingly.
~~(2)~~ In the case of a reduction pursuant to this subdivision, and if the electors of the local jurisdiction subsequently raise the 1987–88 fiscal year appropriations limit of the jurisdiction, the department shall certify a supplemental amount to the Controller by May 1, 1988. The Controller shall issue a warrant in that amount to the jurisdiction no later than June 30, 1988. In the case of a reduction pursuant to this subdivision where there is no certification of a supplemental amount to the Controller on or before May 1, 1988, the Controller shall distribute the amount of the reduction to all other counties and cities and counties ~~pursuant to the formula specified in subdivision (b)~~.
~~(e) It is the intent of the Legislature that the funding formula established in this section shall be effective for one year only. It is the intent of the Legislature that, subject to the passage of a concurrent resolution, the Legislative Analyst shall prepare a report that reviews the various formulas which can be used to allocate discretionary COLA's for health, mental health, social services, and alcohol and drug programs. It is the intent of the Legislature that the concurrent resolution shall identify and specify the criteria which the Legislative Analyst shall use in reviewing the formulas.~~"

With the above deletions and reductions, I hereby approve Senate Bill No 152

GEORGE DEUKMEJIAN, Governor

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 1987."

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 1987–88 fiscal year beginning July 1, 1987, and ending June 30, 1988. Appropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1987–88, 1988–89 and 1989–90 fiscal years, except that appropriations for studies, planning, working drawings, or minor capital outlay shall, except as provided herein, be available for expenditure only during the 1987–88 fiscal year. In addition, the balance of every appropriation made in this act which contains funding for construction that has not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 1988, 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		$61,793,000
Schedule:		
(a) 101001-Salaries of Senators	1,603,000	
(b) 317295-Mileage	3,000	
(c) 317292-Expenses	738,000	
(d) 500000-Contingent Expenses	50,473,000	
(e) 317296-Automotive Expenses	484,000	
(f) Joint Expenses	8,492,000	

Item		Amount

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 purchase, 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 the Senate Rules Committee.
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 the Senate Rules Committee.
5. The funds appropriated by Schedules (a), (b), (c), (e) and (f) may be transferred to the Senate Contingent Fund.

0120-011-001—For support of Assembly		92,180,000
Schedule:		
(a) 101001-Salaries of Assemblymembers	3,208,000	
(b) 317295-Mileage	6,000	
(c) 317292-Expenses	1,476,000	
(d) 500000-Contingent Expenses	66,702,000	
(e) 317296-Automotive Expenses	1,028,000	
(f) Joint Expenses	19,760,000	

Item Amount

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 the Assembly Rules Committee.
4. The funds appropriated in Schedule (f) may be transferred in 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 the Assembly Rules Committee.
5. The funds appropriated by Schedules (a), (b), (c), (e) and (f) may be transferred to the Assembly Contingent Fund.

0130-021-001—For support of joint expenses of the Legislature 0

Schedule:

(a) 317292-Expenses of Joint Committees	6,100,000
(b) Transferred from Item 0110-001-001	−3,050,000
(c) Transferred from Item 0120-011-001	−3,050,000

Item Amount

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 categories (b) and (c) may be transferred from the Assembly Contingent Fund, by the Assembly Rules Committee, and the Senate Contingent Fund, by the Senate Rules Committee.

0155-001-001—For support of Auditor General, for transfer to Auditor General Fund 9,633,000

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.

0155-495—Reversion, Auditor General. Notwithstanding any other provision of law, as of June 30, 1987, the unencumbered balance of the appropriation provided in Chapter 1594, Statutes of 1984, shall revert to the unappropriated surplus of the General Fund.

0160-001-001—For support of Legislative Counsel Bureau 16,174,000

Schedule:

(a) Support	27,608,000
(b) Reimbursements	−131,000
(c) Reimbursements from Assembly Contingent Fund	−10,551,000
(d) Reimbursements from Senate Contingent Fund	−752,000

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.

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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 87,274,000
Schedule:
(a) 10-Supreme Court 11,373,000
(b) 20-Courts of Appeal 59,201,000
(c) 30-Judicial Council 15,856,000
(d) 40-Commission on Judicial Performance 904,000
(e) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-044) .. —60,000
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 60,000

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 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

Item Amount

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 balance of the appropriation provided in the following citation shall be reappropriated for the purposes specified in the appropriation and shall be available for expenditure until June 30, 1988.

036—Special Account for Capital Outlay

(1) Item 0250-301-036 (1), Budget Act of 1985, as reappropriated by Item 0250-490, Budget Act of 1986—03.30.010—San Francisco State Building—Remodel facilities—working drawings, not to exceed $215,000.

(2) Item 0250-301-036(2), Budget Act of 1985, as reappropriated by Item 0250-490, Budget Act of 1986—03.83.010—Orange County Courthouse—Remodel facilities and construction.

Provisions:

1. Funds included under this item to remodel the Orange County Courthouse are hereby appropriated for transfer to, and in augmentation of, Item 1760-301-036, for preliminary plans for remodeling of the San Francisco State Building (350 McAllister and 455 Golden Gate), only if Assembly Bill No. 666 of the 1987–88 Regular Session is chaptered.

0390-001-001—For support, for transfer by the State Controller to the Judges' Retirement Fund, for Supreme Court and appellate court judges 1,214,000

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.

Item		Amount
0390-101-001—For local assistance, for transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges		15,531,000
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		54,079,000
Schedule:		
(a) State share and advances per Section 68206.5 of the Government Code	54,735,000	
(b) Reimbursements	−1,356,000	
(c) Assignments to the Superior Court	700,000	
Provisions:		
1. The funds provided in category (c) may be expended by the Judicial Council for compensation, and expenses for travel, board, and lodging of judges assigned by the Chairperson of the Judicial Council to sit in a superior court.		
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		13,500,000
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; the judgeship established by Chapter 1576, Statutes of 1982; and the one judgeship established by Chapter 1607, Statutes of 1985 which was eliminated by Chapter 1520, Statutes of 1986.		
0460-001-001—For support, for state's share of cost for membership in National Center for State Courts, Judicial Council of California		99,000

Item		Amount
	Executive	
0500-001-001—For support of Governor and of Governor's office		6,880,000
Schedule:		
(a) Support	5,675,000	
(b) Governor's Residence (Support)	25,000	
(c) Special Contingent Expenses	30,000	
(d) Overseas Offices	1,150,000	
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		717,000
Schedule:		
(a) Support	738,000	
(b) Reimbursements	−21,000	
0520-001-001—For support of Secretary for Business, Transportation and Housing, for transfer to Item 0520-001-044		364,000
0520-001-044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund		583,000
Schedule:		
(a) 10-Administration of Business, Transportation and Housing Agency	1,367,000	
(b) Reimbursements	−420,000	
(c) Amount payable from the General Fund (Item 0520-001-001)	−364,000	
0530-001-001—For support of Secretary for Health and Welfare		1,545,000
Schedule:		
(a) Support	1,950,000	
(b) Reimbursements	−405,000	
0540-001-001—For support of Secretary for Resources		1,242,000
Schedule:		
(a) 10-Administration of Resources Agency	1,357,000	
(b) Reimbursements	−25,000	
(c) Amount payable from the California Environmental License Plate Fund (Item 0540-001-140)	−90,000	
0540-001-140—For support of Secretary for Resources, for transfer to Item 0540-001-001, payable from the California Environmental License Plate Fund		90,000

Item			Amount
0550-001-001—For support of Secretary for Youth and Adult Correctional Agency, Program 10—Correctional Programs			978,000
0580-001-001—For support of Office of California/Mexico Affairs, Program 10			258,000
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			1,942,000
0585-001-036—For transfer by the State Controller from the Special Account for Capital Outlay to the California Export Finance Fund for support of the California State World Commission			1,000,000
0585-001-981—For support of the California State World Trade Commission, payable from the California State World Trade Commission Fund			2,202,000
Schedule:			
(a) 100000-Personal Services		1,117,000	
(b) 300000-Operating Expenses and Equipment		1,085,000	
Provisions:			
1. Of the funds appropriated in category (b), $500,000 shall be used by the commission for a feasibility study, development, and implementation of a California Trade Fair for Pacific Rim trade partners to be held during the summer of 1988. The feasibility study shall include, but not be limited to, an assessment of the economic benefits which would be realized by holding a California Trade Fair with representatives of Pacific Rim trade partners in the manufacturing, business, services, and agriculture sectors of the economy during the summer of 1988. The feasibility study, along with plans for the development and implementation of a Trade Fair, shall be reported to the fiscal committees of the Legislature no later than January 1, 1988.			
0650-001-001—For support of Office of Planning and Research			3,628,000
Schedule:			
(a) 11-State Planning and Policy Development		3,828,000	
(b) Reimbursements		−56,000	
(c) Amount payable from the Federal Trust Fund (Item 0650-001-890)		−144,000	

Item			Amount
0650-001-890—For support, Office of Planning and Research, for transfer to Item 0650-001-001, payable from the Federal Trust Fund			144,000
0650-101-431—For local assistance, Office of Planning and Research, Program 11.30, Permit Assistance, payable from the Local Agency Technical Assistance Account			500,000
0690-001-001—For support of Office of Emergency Services, California Emergency Council and Advisory Committees			9,485,000
Schedule:			
(a) 15-Mutual Aid Response		5,395,000	
(b) 35-Plans and Preparedness		8,314,000	
(c) 45-Disaster Assistance		814,000	
(d) 55.01-Administration and Executive		1,437,000	
(e) 55.02-Distributed Administration and Executive		−1,437,000	
(f) Reimbursements		−546,000	
(g) Amount payable from the Hazardous Waste Control Account, General Fund (Item 0690-001-014)		−152,000	
(h) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-029)		−297,000	
(i) Amount payable from the Federal Trust Fund (Item 0690-001-890)		−4,043,000	
Provisions:			
1. Funds appropriated by this item may be reduced by the Director of Finance, after giving notice to the Chairperson 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.			
0690-001-014—For support of Office of Emergency Services, California Emergency Council and Advisory Committee for transfer to Item 0690-001-001, payable from the Hazardous Waste Control Account, General Fund			152,000

Item		Amount
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		297,000
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		4,043,000
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
0690-101-890—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		1,447,000
Schedule:		
(a) 10-General Activities	1,517,000	
(b) Reimbursements	−70,000	
0820-001-001—For support of Department of Justice		152,981,000
Schedule:		
(a) 11.01-Executive-Administration	42,962,000	
(b) 11.02-Distributed Executive-Administration	−42,962,000	

Item		Amount
(c)	20-Special Programs	6,155,000
(d)	30-Civil Law	33,417,000
(e)	40-Criminal Law	37,116,000
(f)	45-Public Rights	18,994,000
(g)	50-Law Enforcement	126,138,000
(h)	Reimbursements	−32,049,000
(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)	−920,000
(k)	Amount payable from the Fingerprint Fees Account, General Fund (Item 0820-001-017)	−10,639,000
(m)	Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-044)	−14,045,000
(n)	Amount payable from the Hazardous Substance Account (Item 0820-001-455)	−675,000
(o)	Amount payable from the Dealers' Record of Sale Special Account, General Fund (Item 0820-001-460)	−875,000
(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)	−491,000
(r)	Amount payable from the Federal Trust Fund (Item 0820-001-890)	−7,545,000
(s)	Amount payable from the Federal Forfeiture Account, Special Deposit Fund (Item 0820-001-942)	−714,000

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 $18,311,000, and by the Public Rights Program in excess of $2,776,000, 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.
4. The $535,000 appropriated in this item for Comparable Worth litigation shall only be used for that purpose. In the event that the Comparable Worth litigation is settled during the 1987–88 fiscal year, the Department of Justice shall notify the Department of Finance within 30 days of the settlement, and the unexpended balance shall immediately revert to the General Fund.

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..... 920,000

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 10,639,000

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 .. 14,045,000

Item	Amount
0820-001-455—For support of the Department of Justice, for transfer to Item 0820-001-001, payable from the Hazardous Substance Account	675,000
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	875,000
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	491,000
0820-001-890—For support of Department of Justice for transfer to Item 0820-001-001, payable from the Federal Trust Fund	7,545,000
0820-001-942—For support of Department of Justice for transfer to Item 0820-001-001, payable from the Federal Forfeiture Account, Special Deposit Fund	714,000
0820-011-017—For transfer by State Controller from the Fingerprint Fees Account to the General Fund as of June 30, 1987	(3,000,000)
Provisions:	
1. The Legislature finds and declares that the transfer of the $3,000,000 from the Fingerprint Fees Account to the General Fund in this item shall reduce the reserve within the account to a prudent level. The transfer, therefore, is authorized on a one-time basis.	
0820-101-001—For local assistance, Department of Justice, Program 50, Law Enforcement	1,310,000
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.	

Item		Amount
0820-301-036—For capital outlay, Department of Justice, payable from the Special Account for Capital Outlay		322,000
Schedule:		
(1) 85.50.030—Redding—Forensic Services Laboratory—Preliminary plans and working drawings	30,000	
(2) 85.50.040—Sacramento—California Criminalistic Institute—Preliminary Plans and Working Drawings	67,000	
(3) 80.50.020—Minor Projects	225,000	
0840-001-001—For support of State Controller		58,476,000
Schedule:		
(a) 100000-Personal Services	50,705,000	
(b) 300000-Operating Expenses and Equipment	31,312,000	
(c) Refunds of Taxes, Licenses and other Fees	30,000	
(d) Reimbursements	−17,151,000	
(e) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-344)	−91,000	
(f) Amount payable from the Aeronautics Account, State Transportation Fund (Item 0840-001-041)	−215,000	
(g) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-061)	−2,351,000	
(h) Amount payable from the State School Building Aid Fund (Item 0840-001-739)	−356,000	
(i) Amount payable from the Federal Trust Fund (Item 0840-001-890)	−1,129,000	
(j) Amount payable from the Assessment Fund (Item 0840-001-903)	−142,000	
(k) Amount payable from the Bank of America Litigation Fund (Item 0840-001-942)	−1,988,000	
(*l*) Amount payable from nongovernmental cost funds, Retail Sales Tax Fund (Item 0840-001-988)	−148,000	

Item Amount

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 1987–88 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1987–88 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 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 $334,000, 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.

0 40 380 0

Item	Amount
5. The Controller shall consolidate all Inheritance and Gift Tax administration activities in the Sacramento office. As of July 1, 1988, this Inheritance and Gift Tax staff in Los Angeles shall not exceed three positions.	
6. None of the funds appropriated in Schedule (k) 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. Expenditures in support of the California Personnel/Payroll Project from the amount appropriated in this item are not authorized unless the major components specified to be completed by July 1, 1987, in the revised Feasibility Study Report submitted to the Department of Finance and forwarded to the Joint Legislative Budget Committee October 22, 1986, are completed on schedule.	
8. To the extent that the $144,000 appropriated in this item for implementing the Direct Deposit Program are not expended, the remaining funds shall revert to the General Fund.	
0840-001-041—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Aeronautics Account, State Transportation Fund..	215,000
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	2,351,000
0840-001-344—For support of State Controller, to be transferred to Item 0840-001-001, payable from the State School Building Lease-Purchase Fund	91,000
0840-001-739—For support of State Controller, to be transferred to Item 0840-001-001, payable from the State School Building Aid Fund	356,000
0840-001-890—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Federal Trust Fund	1,129,000

Item		Amount
0840-001-903—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Assessment Fund		142,000
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		1,988,000
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)		148,000
0860-001-001—For support of State Board of Equalization		98,671,000
Schedule:		
(a) 100000-Personal Services	113,428,000	
(b) 300000-Operating Expenses and Equipment	30,066,000	
(c) Reimbursements	−36,220,000	
(d) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022)	−171,000	
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061)	−4,506,000	
(gx) Amount payable from the Cigarette Tax Fund (Item 0860-001-086)	−1,652,000	
(h) Amount payable from the Universal Telephone Service Fund (Item 0860-001-415)	−190,000	
(i) Amount payable from the Energy Resources Programs Account, General Fund (Item 0860-001-465)	−77,000	
(j) Amount payable from the Timber Tax Fund (Item 0860-001-965)	−2,007,000	
Provisions:		
1. The $1,652,000 appropriated from the Cigarette 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 0860-001-086 from the amount allocated to cities and counties pursuant to Sections 30462 and 30463 of the Revenue and Taxation Code.		

Item	Amount
2. The Director of Finance shall adjust the amount appropriated by this item by the amount of estimated total charges levied pursuant to Section 7204.3 of the Revenue and Taxation Code when that amount is either in excess of or less than $24,304,000 and the amount of estimated total charges levied pursuant to Section 7273 of the Revenue and Taxation Code when that amount is either in excess of or less than $9,936,000.	
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	171,000
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	4,506,000
0860-001-086—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Cigarette Tax Fund	1,652,000
0860-001-415—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Universal Telephone Service Fund	190,000
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	77,000
0860-001-965—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Timber Tax Fund	2,007,000
0860-301-036—For capital outlay, Board of Equalization, payable from the Special Account for Capital Outlay	50,000
Schedule:	
(1) 99.10.001—Minor Projects 50,000	
0860-490—Reappropriation, State Board of Equalization. Notwithstanding any other provision of law, as of the effective date of this act, the 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, 1988:	
001-General Fund:	
(1) Item 0860-001-001(b), Budget Act of 1986—Computer-Assisted Retrieval System—not to exceed $177,000 from the General Fund.	
0890-001-001—For support of Secretary of State	22,101,000

Item	Amount
Schedule:	
(a) 100000-Personal Services	10,602,816
(b) 300000-Operating Expenses and Equipment	8,723,184
(c) Special Item of Expense Election Related Costs	4,803,000
(d) Reimbursements	−2,028,000
Provisions:	
2. Of the funds appropriated in category (b), $421,000 shall be encumbered only for ongoing Teale Date Center charges resulting from the implementation of the Corporate Filing Program Automation Project. The Director of Finance shall reduce the appropriation provided in this item by $35,000 for each month beyond July 1, 1987, that the Corporate Filing Program Automation Project is not operational.	
3. The funds appropriated in category (b) for the system design, development, equipment, and installation of the Uniform Commercial Code program optical disk system shall not be available for encumbrance unless legislation generating sufficient revenues to offset the cost of the system has been chaptered and approval by the Director of Finance has been obtained.	
4. The funds appropriated for the Uniform Commercial Code program conversion costs shall be used only for that purpose.	
0950-001-001—For support of State Treasurer	6,031,000
Schedule:	
(a) 100000-Personal Services	7,021,674
(b) 300000-Operating Expenses and Equipment	3,996,810
(c) Reimbursements	−4,987,484
Provisions:	
1. The State Treasurer shall submit two reports, the first on or before December 31, 1987, and the second on or before December 31, 1988, to the Director of Finance and the Legislative Analyst on the actual workload experienced in implementing policies and procedures to comply with the Federal Tax Reform Act of 1986 with regard to tax-exempt debt.	
0956-001-171—For support of California Debt Advisory Commission, payable from the California Debt Advisory Commission Fund	871,000

Item		Amount
Schedule:		
(a) 100000-Personal Services	518,000	
(b) 300000-Operating Expenses and Equipment	353,000	
0959-001-001—For support of California Debt Limit Allocation Committee		169,000
Schedule:		
(a) 100000-Personal Services	95,000	
(b) 300000-Operating Expenses and Equipment	74,000	
0965-001-215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund		352,000
Schedule:		
(a) 100000—Personal Services	185,000	
(b) 300000—Operating Expenses and Equipment	167,000	
0968-001-457—For support of California Mortgage Bond Allocation Committee, payable from the Mortgage Bond Allocation Fee Account, General Fund		16,000
0971-001-731—For support of California Alternative Energy Source Financing Authority, payable from the California Alternative Energy Authority Fund		145,000
Schedule:		
(a) 100000—Personal Services	96,000	
(b) 300000—Operating Expenses and Equipment	49,000	
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		301,000
Provisions:		
1. On July 1, 1987, the State Controller shall credit from the General Fund to the Hazardous Waste Reduction Incentive Account all interest that should have been earned by, and deposited in, the Hazardous Waste Reduction Incentive Account pursuant to subdivision (b) of Section 44558.4 of the Health and Safety Code, but that was deposited incorrectly in the General Fund.		
0977-001-810—For transfer by the State Controller from the County Health Facilities Financing Assistance Fund to the General Fund as of June 30, 1987		(20,900,000)

Item		Amount
0994-001-001—For support of California Task Force to Promote Self-Esteem, and Personal and Social Responsibility		122,000

STATE AND CONSUMER SERVICES

1100-001-001—For support of Museum of Science and Industry		8,554,000
Schedule:		
(a) 100000-Personal Services	4,408,000	
(b) 300000-Operating Expenses and Equipment	4,165,000	
(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 may 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 such contract, permit, or lease, or not sooner than such lesser time as the chairperson may in each instance determine. This provision shall have no effect as to those contracts that the legislative fiscal committees have examined as part of the budget process or otherwise.
3. Except for the Natural History Museum, which shall submit all proposed construction to the Joint Legislative Budget Committee for approval, no new facility construction shall be approved by the California Museum of Science and Industry Board of Directors prior to 30 days after submission to the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson may determine, of a

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master capital outlay plan for Exposition Park and, where appropriate, the surrounding area.

4. Of the funds appropriated in category (b), $200,000 shall be expended for the purposes of developing a master capital outlay plan for Exposition Park and, where appropriate, the surrounding area. Any portion of the $200,000 not expended for this purpose shall revert to the General Fund. The master plan shall include, but is not limited to: (a) a clear statement of the goals and objectives of the California Museum of Science and Industry; (b) a complete inventory of existing facilities; (c) a list of proposed capital improvements and a description of how these projects would meet the stated objectives; and (d) an implementation schedule for proposed projects which reflects the California Museum of Science and Industry's capital outlay priorities.
5. The California Museum of Science and Industry shall submit its draft of the Request for Proposal to the Joint Legislative Budget Committee for approval, prior to release for response. Additionally, the California Museum of Science and Industry shall submit for approval to the Joint Legislative Budget Committee the proposed individual or group of individuals, firm, or organization with which the California Museum of Science and Industry proposes to contract for the development of the master capital outlay plan for Exposition Park.

1100-490—Reappropriation, Museum of Science and Industry. Notwithstanding any other provision of law, on the effective date of this act, the balance of the appropriation provided in the following citation shall be reappropriated for the purpose provided for in the appropriation, and shall be available for expenditure until June 30, 1988.

036—Special Account for Capital Outlay

(1) Item 1100-301-036 (1), Budget Act of 1986—50.30.010—Asbestos Ceiling Removal—Preliminary Plans, Working Drawings, and Construction.

1120-001-704—For support of Board of Accountancy, payable from the Accountancy Fund 3,308,000

Schedule:

(a) 3-Board of Accountancy..... 3,327,000

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(b) Reimbursements	−19,000	
Provisions:		
1. The $13,000 appropriated to the Board of Accountancy for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.		
1130-004-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund		2,254,000
Schedule:		
(a) 6-Board of Architectural Examiners	2,259,000	
(b) Reimbursements	−5,000	
Provisions:		
1. The $18,000 appropriated to the California State Board of Architectural Examiners for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.		
1140-006-001—For support of State Athletic Commission		670,000
Schedule:		
(a) 9-State Athletic Commission	822,000	
(b) Amount payable from the Boxers Neurological Examination Account (Item 1140-006-492)	−152,000	
1140-006-492—For support of the Athletic Commission, for transfer to Item 1140-006-001, payable from the Boxers Neurological Examination Account		152,000
1150-008-128—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Automotive Repair Fund		7,593,000
Schedule:		
(a) 12-Bureau of Automotive Repair	38,746,000	
(b) Reimbursements	−5,000	
(c) Amount payable from the Vehicle Inspection Fund (Item 1150-008-420)	−31,148,000	

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Provisions:

1. The $58,000 appropriated to the Bureau of Automotive Repair for word processing equipment shall not be encumbered by the bureau unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.
2. The Bureau of Automotive Repair shall report to the Legislature within 30 days of the chaptering of this act on the following for the Biennial Vehicle Inspection Program—1985–86 and 1986–87: (1) the number of vehicles inspected for compliance with program requirements and the number of vehicles that fail these smog check inspections; (2) the number of undercover inspections of stations and the number of stations found in noncompliance with the law; (3) the number and type of disciplinary actions taken; and (4) procedures for delicensing vehicle inspection stations.

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 31,148,000

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.
2. Notwithstanding Section 44061 of the Health and Safety Code, the Office of State Controller shall transfer $7,700,000 of reserve funds from the Vehicle Inspection Fund to the unappropriated surplus of the General Fund as of June 30, 1987.

1160-010-713—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund 832,000

Item		Amount
Schedule:		
(a) 15-State Board of Barber Examiners	833,000	
(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		1,290,000
Schedule:		
(a) 18-Board of Behavioral Science Examiners	1,316,000	
(b) Reimbursements	−26,000	
Provisions:		
1. The $9,000 appropriated to the Board of Behavioral Science Examiners for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.		
1180-014-717—For support of Cemetery Board, Program 21, payable from the Cemetery Fund		287,000
1200-016-157—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund		657,000
Schedule:		
(a) 24.10.010-Collection Agencies	683,000	
(b) 24.10.020-Distributed Collection Agencies	−19,000	
(c) Reimbursements	−7,000	
1210-018-769—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator Fund		2,944,000
Schedule:		
(a) 24.20-Private Investigators	4,012,000	
(b) Reimbursements	−1,068,000	
Provisions:		
1. The $12,000 appropriated to the Bureau of Collection and Investigative Services for word processing equipment shall not be encumbered by the bureau unless the word processing equipment can emulate, or be modified in the future to emulate, IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.		

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1230-020-735—For support of Contractors' State License Board, payable from the Contractors' License Fund 25,463,000

Schedule:

(a) 30-Contractors' State License Board 25,515,000

(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.
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,

Item		Amount

as well as the reasons for their priority treatment.

4. For purposes of Provisions 2, 3, and 5:
   (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. 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.
7. Of the funds appropriated in this item, $1,614,000 shall be available for the implementation of Chapter 995, Statutes of 1986 only for workload and expenditures determined to be directly related to the purposes of the chapter, subject to the approval of the Department of Finance.
8. The $45,000 appropriated to the Contractors' State License Board for increased rental expense for its headquarters and Sacramento area offices shall not be encumbered by the board unless and until the Department of General Services approves the increase of 5,000 square feet of additional floor space.
9. The $975,000 appropriated to the Contractors' State License Board for its Industry Expert Program and related legal costs shall be available on a one-time basis during the 1987–88 fiscal year.
10. The $73,000 appropriated to the Contractors' State License Board for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.

1240-022-738—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund 3,078,000

Item		Amount
Schedule:		
(a) 33-State Board of Cosmetology	3,099,000	
(b) Reimbursements	−21,000	
1260-024-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund		2,572,000
Schedule:		
(a) 36.10.010-Board of Dental Examiners	2,635,000	
(b) 36.10.020-Distributed Board of Dental Examiners	−5,000	
(c) Reimbursements	−58,000	
1270-026-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund		668,000
Schedule:		
(a) 36-Board of Dental Examiners.....	672,000	
(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		1,149,000
1300-030-180—For support of Bureau of Personnel Services, Department of Consumer Affairs, payable from the Bureau of Personnel Services Fund		659,000
1330-036-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		431,000
Schedule:		
(a) 48-State Board of Funeral Directors and Embalmers	435,000	
(b) Reimbursements	−4,000	
1340-038-205—For support of State Board of Registration for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund..		219,000
1350-040-001—For support of State Board of Guide Dogs for the Blind, Program 54		30,000
1360-001-753—For support of Bureau of Home Furnishings, Department of Consumer Affairs, payable from the Dry Cleaning Account, Bureau of Home Furnishing Fund		36,000
1360-042-752—For support of Bureau of Home Furnishings, Department of Consumer Affairs, Program 57, payable from the Bureau of Home Furnishings Fund		2,199,000

Item			Amount
1370-044-757—For support of California State Board of Landscape Architects, Program 60, payable from the State Board of Landscape Architects Fund			329,000
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			14,971,000
Schedule:			
(a) 63.10.010-Board of Medical Quality Assurance.....		15,796,000	
(b) 63.15-Registered Dispensing Opticians		161,000	
(c) 63.10.020-Distributed Board of Medical Quality Assurance		−712,000	
(d) Reimbursements		−113,000	
(e) Amount payable from the Dispensing Optician's Fund (Item 1390-047-175).....		−161,000	
Provisions:			
1. A study of the Board of Medical Quality Assurances' physician and surgeon licensing process shall be submitted to the Department of Finance by September 15, 1987. This study will be used to determine future staffing levels for this process.			
2. The $200,000 appropriated to the Board of Medical Quality Assurance for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.			
3. The $150,000 appropriated to the Board of Medical Quality Assurance for implementation of Phase I shall not be encumbered unless and until the Office of Information Technology in the Department of Finance approves the Department of Consumer Affairs' revised feasibility study report for Phase I.			
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			161,000
1400-048-108—For support of Board of Medical Quality Assurance of the State of California, payable from the Acupuncturists Fund.....			477,000

Item		Amount
Schedule:		
(a) 63.20-Acupuncture Examining Committee	484,000	
(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		263,000
Schedule:		
(a) 63.30-Hearing Aid Dispensers Examining Committee	267,000	
(b) Reimbursements	−4,000	
1420-052-759—For support of Board of Medical Quality Assurance of the State of California, payable from the Physical Therapy Fund		362,000
Schedule:		
(a) 63.40-Physical Therapy Examining Committee	382,000	
(b) Reimbursements	−20,000	
1430-054-280—For support of Board of Medical Quality Assurance of the State of California, payable from the Physician's Assistant Fund		330,000
Schedule:		
(a) 63.50-Physician's Assistant Examining Committee	333,000	
(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		613,000
Schedule:		
(a) 63.60-Podiatry Examining Committee	617,000	
(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		772,000
Schedule:		
(a) 63.70-Psychology Examining Committee	789,000	
(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		561,000
Schedule:		
(a) 63-Respiratory Care Examining Committee	587,000	
(b) Reimbursements	−26,000	

Item		Amount
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		226,000
Schedule:		
(a) 63.80.010-Speech Pathology and Audiology Committee	238,000	
(b) 63.80.020-Distributed Speech Pathology and Audiology Committee	−2,000	
(c) Reimbursements	−10,000	
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		316,000
Schedule:		
(a) 66-State Board of Examiners of Nursing Home Administrators	317,000	
(b) Reimbursements	−1,000	
1480-064-763—For support of State Board of Optometry, payable from the State Optometry Fund		401,000
Schedule:		
(a) 69-Board of Optometry	407,000	
(b) Reimbursements	−6,000	
Provisions:		
1. The $14,000 appropriated to the State Board of Optometry for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.		
1490-066-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund		2,804,000
Schedule:		
(a) 72-Board of Pharmacy	2,848,000	
(b) Reimbursements	−44,000	
1495-067-297—For support of Polygraph Examiners Board, Program 74, payable from the Polygraph Examiners Fund		105,000
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		3,299,000

Item		Amount
Schedule:		
(a) 75-State Board of Registration for Professional Engineers and Land Surveyors	3,303,000	
(b) Reimbursements	−4,000	
Provisions:		
1. The $21,000 appropriated to the State Board of Registration for Professional Engineers and Land Surveyors for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.		
1510-070-761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund		5,401,000
Schedule:		
(a) 78-Board of Registered Nursing	5,484,000	
(b) Reimbursements	−83,000	
Provisions:		
1. The $33,000 appropriated to the Board of Registered Nursing for word processing equipment shall not be encumbered by the board unless the word processing equipment can emulate, or be modified in the future to emulate, an IBM 3270 type terminal which can access and update files in the departmentwide advanced computer system.		
1520-072-771—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund		268,000
Schedule:		
(a) 81-Certified Shorthand Reporters Board	269,000	
(b) Reimbursements	−1,000	
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		92,000
1530-074-775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		2,104,000
Schedule:		
(a) 84-Structural Pest Control Board	2,198,000	
(b) Reimbursement	−2,000	

Item		Amount
(c) Amount payable from the Structural Pest Control Education and Enforcement Fund	−92,000	
1540-076-406—For support of Tax Preparers Program, payable from the Tax Preparers Fund		322,000
Schedule:		
(a) 87-Tax Preparers Program	337,000	
(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		622,000
Schedule:		
(a) 90.10.010-Board of Examiners in Veterinary Medicine	648,000	
(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		97,000
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		2,176,000
Schedule:		
(a) 91.10.010-Vocational Nurses	2,228,000	
(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		537,000
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		1,360,000
Schedule:		
(a) 93-Division of Consumer Services	1,386,000	
(b) Reimbursements	−26,000	

Item		Amount
1655-090-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund Schedule:		1,875,000
(a) 93.01-Division of Consumer Services	760,000	
(b) 94.01.010-Division of Administration	6,494,000	
(c) 94.01.020-Division of Investigation	3,362,000	
(d) 94.01.030-Building Maintenance and Operation	1,875,000	
(e) 93.02-Distributed Division of Consumer Services	−760,000	
(f) Division of Technology	1,994,000	
(g) 94.02-Distributed Administration	−9,644,000	
(h) Distributed Division of Technology	−1,975,000	
(i) Reimbursements	−231,000	
1700-001-001—For support of Department of Fair Employment and Housing Schedule:		9,293,000
(a) 50-Administration of Civil Rights Law	11,359,000	
(b) Amount payable from the Federal Trust Fund (Item 1700-001-890)	−2,066,000	
Provisions:		
1. None of the funds appropriated in this item shall be encumbered for transfer to any legal services operation in any legal office or discrimination clinic.		
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 Provisions:		580,000
1. The funds appropriated in this item shall be spent only in Los Angeles for legal staff and support of legal staff.		
1700-021-001—For support of Department of Fair Employment and Housing, San Francisco Legal Office Provisions:		383,000
1. The funds appropriated in this item shall be spent only in San Francisco for legal staff and support of legal staff.		
1700-031-001—For support of Department of Fair Employment and Housing, Boalt Hall Employment Discrimination Clinic		73,000

Item			Amount
Provisions:			
1. The funds appropriated in this item shall be spent only at the University of California at Berkeley for the Employment Discrimination Clinic at Boalt Hall School of Law.			
1705-001-001—For support of the Fair Employment and Housing Commission, Program 10			813,000
1710-001-001—For support of State Fire Marshal			4,314,000
Schedule:			
(a) 100000-Personal Services		6,898,000	
(b) 300000-Operating Expenses and Equipment		3,375,000	
(c) Reimbursements		−3,158,000	
(d) Amount payable from the California Fire and Arson Training Fund (Item 1710-001-198)		−1,382,000	
(e) Amount payable from the California Fireworks Licensing Fund (Item 1710-001-199)		−344,000	
(f) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 1710-001-209)		−1,075,000	
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			1,382,000
1710-001-199—For support of the State Fire Marshal, for transfer to Item 1710-001-001, payable from the California Fireworks Licensing Fund			344,000
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			1,075,000
1730-001-001—For support of Franchise Tax Board			143,010,000
Schedule:			
(a) 100000-Personal Services		106,969,000	
(b) 300000-Operating Expenses and Equipment		38,436,000	
(c) Reimbursements		−2,312,000	
(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	
(e) Amount payable from the U.S. Olympic Committee Fund (Item 1730-001-800)		−17,000	

Item		Amount
(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	
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		8,917,000
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		1,511,000
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		2,770,000

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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	513,000
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	894,000
1760-001-026—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 Motor Vehicle Insurance Account, General Fund.	1,618,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated for the payment of claims are continuously appropriated without regard to fiscal year.	
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	3,648,000
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	3,917,000
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	6,592,000
Provisions:	
1. Notwithstanding the provisions of Sections 27 and 28, the Director of the Department of Finance may authorize an augmentation to funds appropriated in Items 1760-001-344, 1760-001-739, 1760-001-961, and 1760-001-666 to meet additional workload requirements resulting from Chapters 886, 887, 888, and 1938, Statutes of 1986.	
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	42,000

Item	Amount
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	75,000
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	1,195,000
Provisions:	
1. On or before September 30 of each year, 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	12,344,000
Provisions:	
1. 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.	
2. The professional staff assigned to basic architectural and engineering services within the Office of State Architect shall not exceed 69 personnel-years during the 1987–88 fiscal year, in accordance with the September 1986 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	272,017,000
Schedule:	
(a) 100000—Personal Services 160,139,000	
(b) 300000—Operating Expenses and Equipment 211,880,000	
(d) Distributed services ..... −52,086,000	

Item		Amount
(e)	Amount payable from the General Fund (Item 1760-001-001)	−8,917,000
(f)	Amount payable from the Property Acquisition Law Account, General Fund (Item 1760-001-002)	−1,511,000
(g)	Amount payable from the Motor Vehicle Parking Facilities Moneys Account, General Fund (Item 1760-001-003)	−2,770,000
(h)	Amount payable from the Access for Handicapped Account, General Fund (Item 1760-001-006)	−513,000
(i)	Amount payable from the State Emergency Telephone Number Account, General Fund (Item 1760-001-022)	−894,000
(ix)	Amount payable from the State Motor Vehicle Insurance Account, General Fund (Item 1760-001-026)	−1,618,000
(j)	Amount payable from the School Building Program Account, Architecture Public Building Fund (Item 1760-001-120)	−3,648,000
(k)	Amount payable from the Hospital Plan Checking Account, Architecture Public Building Fund (Item 1760-001-122)	−3,917,000
(*l*)	Amount payable from the State School Lease-Purchase Fund (Item 1760-001-344)	−6,592,000
(m)	Amount payable from the California State Police Fund (Item 1760-001-397)	−42,000
(n)	Amount payable from the Seismic Gas Valve Certification Fund (Item 1760-001-450)	−75,000
(o)	Amount payable from the Energy Resources Programs Account, General Fund (Item 1760-001-465)	−1,195,000
(p)	Amount payable from the Architecture Revolving Fund (Item 1760-001-602)	−12,344,000
(q)	Amount payable from the Surplus Personal Property Revolving Fund (Item 1760-001-688)	−1,975,000

Item		Amount
(r)	Amount payable from the State School Building Aid Fund (Item 1760-001-739)	−485,000
(s)	Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-961)	−300,000
(t)	Amount payable from the Architecture Revolving Fund (Item 1760-011-602)	−1,120,000

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 repaid upon such terms and conditions as prescribed by the Director of Finance.
2. Any surplus resulting from legislative printing shall be shown as reimbursements to Item 0130-021-001 of this act.
3. 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 on the status of the gasification plant and the department's determination of any savings achieved by operation of the gasification plant.
4. 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.

Item	Amount
5. (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, 1987, after accounting for all receipts and the fiscal year 1986–87 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, 1987.	
(b) On or before September 30, 1987, the State Controller shall transfer to the General Fund any amount of accumulated surplus in the Service Revolving Fund computed as of June 30, 1987, and any net amount of the Building Rental Account in excess of $68,826,000.	
6. 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.	
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	1,975,000
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	485,000

Item		Amount
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		300,000
1760-011-200—For support of Department of General Services, for activities other than the Office of State Printing, payable from the Fish and Game Preservation Fund		463,000
Provisions:		
1. Notwithstanding Section 13004 of the Fish and Game Code, the amount appropriated in this item shall be available for expenditure by the Department of General Services to remediate hazardous conditions related to PCB equipment and underground storage tanks located at Department of Fish and Game facilities and shall be subject to the provisions of Item 1760-011-036 and Item 1760-017-036.		
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		1,120,000
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 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.		
1760-012-036—For support of Department of General Services, for activities other than the Office of State Printing, payable from the Special Account for Capital Outlay		9,666,000
Schedule:		
(a) Personal Services	386,000	

Item		Amount
(b) Operating Expenses and Equipment	9,280,000	

Provisions:

1. All projects to remediate PCB in state-owned facilities identified by the Department of General Services shall be accomplished under the supervision of the Office of the State Architect.
2. All projects funded by the appropriation in this item shall comply with the provisions of the State Contract Act. The Department of General Services shall provide to the Legislature no later than March 1, 1988, a report which details the contracts for projects which are not awarded as a result of competitive bidding procedures, including the specific reasons for not using the competitive bidding process.

1760-017-036—For support of Department of General Services, for activities other than the Office of State Printing, payable from the Special Account for Capital Outlay 14,500,000

Schedule:

(a) Personal Services	392,000	
(b) Operating Expenses and Equipment	14,108,000	

Provisions:

1. The funds appropriated in this item for the underground storage tank program shall be available only for tank testing, site investigation, and remediation of conditions at state-owned facilities.
2. All projects funded by the appropriation in this item shall comply with the provisions of the State Contract Act. The Department of General Services shall provide to the Legislature no later than March 1, 1988, a report which details the contracts for projects which are not awarded as a result of competitive bidding procedures, including the specific reasons for not using the competitive bidding process.

1760-022-036—For support of Department of General Services, for activities other than the Office of State Printing, payable from the Special Account for Capital Outlay 12,390,000

Schedule:

(a) Personal Services	252,000	
(b) Operating Expenses and Equipment	12,138,000	

Item	Amount
Provisions: 1. The Department of General Services shall obtain air samples of all spaces scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower. 2. All projects to remediate asbestos in state-owned facilities identified by the Department of General Services shall be accomplished under the supervision of the Office of the State Architect. 3. All projects funded by the appropriation in this item shall comply with the provisions of the State Contract Act. The Department of General Services shall provide to the Legislature no later than March 1, 1988, a report which details the contracts for projects which are not awarded as a result of competitive bidding procedures, including the specific reasons for not using the competitive bidding process.	
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, with all money transferred during 1987–88 to be reverted to the General Fund prior to June 30, 1988	(10,500,000)
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
1760-201-001—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 June 15, 1988, as needed, to eliminate a negative year-end balance in the State Emergency Telephone Number Account	(5,101,000)

Item		Amount
1760-301-036—For capital outlay, Department of General Services, payable from the Special Account for Capital Outlay		2,962,000
Schedule:		
(1) 50.10.041—Sites 7A and 7B Studies, Environmental Assessment, and Pre-schematics	750,000	
(2) 50.98.010—Statewide Space Planning	63,000	
(6) 50.10.020—Archives Building—Sprinkler System	204,000	
(7) 50.10.045—Site 5—State Library, Working Drawings	659,000	
(8) 50.25.002—Van Nuys State Office Building—Space Frame Roof Covering	400,000	
(9) 50.25.003—Van Nuys State Office Building—Site Acquisition and Relocation Expenses	770,000	
(10) 50.95.000—Minor Projects	116,000	

Provisions:

1. The amount appropriated in category (1) shall be used to prepare a comprehensive space needs, master plan, and utilization study to determine the future use of Sites 7-A and 7-B in the Sacramento Capitol Area Plan.

   The study shall include, but not be limited to, a determination of the continued use of the buildings currently on these sites and the physical space/program needs of the Department of Finance, the Secretary of State, and the State Archives.

   The study shall be completed no later than December 1, 1987, and shall include findings and recommendations together with estimated costs and proposed schedules associated with each recommendation, and shall be submitted to the chairs of the fiscal committees in each house, and to the Chair of the Joint Legislative Budget Committee.

   Upon completion of the study, the Department of General Services shall use the balance of the funds appropriated in category (1) to perform an environmental assessment and to prepare pre-schematics documents associated with the findings and recommendations contained in the study.

Item Amount

2. Funds for working drawings appropriated pursuant to category (7) for Site 5 shall not be available for expenditure sooner than 30 days after the completed preliminary plans have been submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairs of the Legislative fiscal committees.

1760-490—Reappropriation, Department of General Services. Notwithstanding any other provision of law, on the effective date of this act, the balance 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, 1988.

036—Special Account for Capital Outlay:

(1) Item 1760-301-036(9), Budget Act of 1986, 50.10.011—Sacramento—"O" Street Mall, Phase II-Preliminary Plans, Working Drawings, and Construction.

1760-495—Reversion, Department of General Services. On June 30, 1987, 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(18);

(1) 50.45.001—San Jose State Building—Items to Complete—Preliminary Plans, Working Drawings, and Construction.

1880-001-001—For support of State Personnel Board.... 20,762,000

Schedule:

(a) 10-Merit System Administration ..	20,728,000
(b) 20-Appeals	2,611,000
(c) 40-Local Government Services	842,000
(d) 50.01-Administrative Services.....	4,305,000
(e) 50.02-Distributed Administrative Services	−4,202,000
(f) Reimbursements.....	−3,522,000

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.

Item		Amount
	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.	
	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 1987–88 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 nonstate sources.	
	5. Notwithstanding the provisions of Section 6.00 of this act, the State Personnel Board is authorized to use up to $45,000 of the appropriation in this item for alterations to its Sacramento headquarters building at 801 Capitol Mall for the purpose of accommodating staff and equipment currently housed in satellite offices in Sacramento. The State Personnel Board shall follow normal bid procedures and obtain the necessary concurrence of the Department of General Services in advance of encumbering any funds pursuant to this item.	
1900-001-001—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830		59,000

Item		Amount
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		224,000
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		38,119,000
Schedule:		
(a) 10-Retirement	37,530,000	
(b) 20-Social Security	608,000	
(c) 30-Health Benefits	3,182,000	
(d) 40-PERS System Redesign Project	1,144,000	
(e) 50.01-Administration	20,996,000	
(f) 50.02-Distributed Administration	−20,846,000	
(g) Reimbursements	−913,000	
(h) Amount payable from the General Fund (Item 1900-001-001)	−59,000	
(i) Amount payable from the Judges' Retirement Fund (Item 1900-001-815)	−224,000	
(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)	−3,105,000	
(*l*) Amount payable from the Volunteer Firefighters Length of Service Award System Fund (Item 1900-001-962)	−60,000	

Item		Amount
Provisions:		
1. Of the amount appropriated in category (a), $48,000 shall be for increasing reimbursements to the State Controller for electronic fund transfer of retirement warrants. Any unused portion of this amount shall revert to the Public Employees' Retirement Fund.		
2. Of the amount appropriated in category (e), $150,000 shall be for consultant and professional services for a feasibility study of alternatives to the current central file system. Allocation of these funds shall be subject to the review and approval of the study proposal by the Director of Finance.		
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		3,105,000
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.....		60,000
1920-001-835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund.....		20,853,000
Schedule:		
(a) 100000-Personal Services	11,086,000	
(b) 300000-Operating Expenses and Equipment	10,165,000	
(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

Item		Amount

Provisions:

1. This appropriation is for costs incurred in operating the tax-sheltered annuity program pursuant to Section 22231 of the Education Code.

1920-495—Reversion, State Teachers' Retirement System. As of June 30, 1987, 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.

835—Teachers' Retirement Fund

(1) Chapter 1532, Statutes of 1985, for the implementation of employer pickup of employee retirement contributions.

1960-001-001—For support of Department of Veterans Affairs 2,557,000

Schedule:

(a) 100000-Personal Services	2,755,000
(b) 300000-Operating Expenses and Equipment	599,000
(c) Educational Assistance to Veterans' Dependents	350,000
(d) Reimbursements	−146,000
(e) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 1960-001-592)	−966,000
(f) Amount payable from the California National Guard Farm and Home Building Fund of 1978.....	−35,000

Provisions:

1. 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 per-

Item	Amount
sons 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.	
2. Expenditures pursuant to category (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. However, no funds appropriated in 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 non-California servicemen currently missing in action. This restriction shall not apply to dependents receiving such financial assistance in, or prior to, fiscal year 1978–79. "Non-California veteran" means a person not meeting the requirements of Section 980 of the Military and Veterans 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	966,000
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	21,858,000
Schedule:	
(a) 30-Care of Sick and Disabled Veterans	41,284,000
(b) Reimbursements	−6,756,000
(c) Amount payable from the Federal Trust Fund (Item 1970-011-890)	−12,670,000
1970-011-890—For support of Veterans' Home of California, for transfer to Item 1970-011-001, payable from the Federal Trust Fund	12,670,000

Item		Amount
1970-301-036—For capital outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the Special Account for Capital Outlay Schedule:		3,652,000
(1) 80.20.035—Correct Code Deficiencies in Section F—Equipment	50,000	
(2) 80.20.050—Renovate Hospital Support Services—Construction	284,000	
(3) 80.20.060—Remodel Section B (Intermediate)—Equipment	4,000	
(4) 80.20.065—Primary Electrical Service—Construction	514,000	
(5) 80.20.070—Remodel Hospital Wards 1, 2, and 3B—Working Drawings	121,000	
(6) 80.20.075—Remodel Hospital Wards 2, 3E and Administration—Construction	1,188,000	
(7) 80.20.080—Annex II (ICF)—Working Drawings	160,000	
(8) 80.20.085—Remodel Section E (Domiciliary)—Construction	975,000	
(9) 80.20.120—Remodel Hospital Wards 1, 2 and 3C—Working Drawings	124,000	
(10) 80.20.130—Remodel Annex I (ICF)—Preliminary Plans	69,000	
(11) 80.20.155—Main Kitchen Renovation (Cook-Chill)—Preliminary Plans	129,000	
(12) 80.20.160—Remodel Hospital Wards 1, 2 and 3D—Preliminary Plans	34,000	
1970-301-890—For capital outlay, Veterans' Home of California, Department of Veterans Affairs payable from the Federal Trust Fund Schedule:		5,539,000
(1) 80.20.035—Correct Code Deficiencies Section F—Equipment	93,000	
(2) 80.20.050—Renovate Hospital Support Services—Construction	700,000	
(3) 80.20.060—Remodel Section B (Intermediate)—Equipment	5,000	
(4) 80.20.075—Remodel Hospital Wards 2, 3E and Administration—Construction	2,645,000	

Item		Amount
(5) 80.20.085—Remodel Section E (Domiciliary)—Construction	2,096,000	

1970-495—Reversion, Veterans' Home of California, Department of Veterans' Affairs. Notwithstanding any other provision of law, as of June 30, 1987, 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:

(1) 001—General Fund, Chapter 1046, Statutes of 1985, Feasibility Study and Preparation of Report on potential second veterans home.

BUSINESS, TRANSPORTATION AND HOUSING

2100-001-001—For support of Department of Alcoholic Beverage Control		21,290,000
Schedule:		
(a) 10.10-Licensing	12,050,000	
(b) 10.20-Compliance	9,831,000	
(c) 10.30.010-Administration	2,404,000	
(d) 10.30.020-Distributed Administration	−2,404,000	
(e) Reimbursements	−591,000	
2120-001-117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund		397,000
2140-001-136—For support of State Banking Department, payable from the State Banking Fund		9,781,000
Schedule:		
(a) 100000-Personal Services	7,910,000	
(b) 300000-Operating Expenses and Equipment	2,207,000	
(c) Reimbursements	−100,000	
(d) Amount payable from the Local Agency Deposit Security Fund (Item 2140-001-240)	−236,000	
2140-001-240—For support of State Banking Department, for transfer to Item 2140-001-136, payable from the Local Agency Deposit Security Fund		236,000

Item		Amount
2140-490—Reappropriation, State Banking Department. Notwithstanding any other provision of law, the balance, as of June 30, 1987, of the $1,434,000 appropriation provided in Item 2140-001-136, Budget Act of 1986 for the implementation of an office automation project is hereby reappropriated for the same purpose and shall be available for expenditure until June 30, 1988.		
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.		
2180-001-001—For support of Department of Corporations		8,862,000
Schedule:		
(a) 10-Investment Program	8,866,000	
(b) 20-Lender-Fiduciary Program	7,380,000	
(c) 30-Health Care Service Plan Program	2,232,000	
(d) 50.01-Administration	950,000	
(e) 50.02-Distributed Administration	−950,000	
(f) Reimbursements	−9,616,000	
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		15,286,000
Schedule:		
(a) 10-Business Development	3,213,000	
(b) 15-California Film Office	595,000	
(c) 25-Marketing and Communications	393,000	
(d) 30-Tourism	7,738,000	
(e) 40-Local Development	1,125,000	
(f) 50-Small Business	1,352,000	
(g) 60-Economic Research	975,000	

Item		Amount
(h) 70.01-Administration		1,400,000
(i) 70.02-Distributed Administration		−1,400,000
(j) Reimbursements		−20,000
(k) Amount payable from the Federal Trust Fund (Item 2200-001-890)		−85,000

Provisions:

1. Of the amount appropriated in category (e) for support of Local Development, $252,000 shall be for transfer to the California Main Street Program Fund.
2. In addition to moneys appropriated by this item, all revenues received and deposited into the California Main Street Program Fund shall be available to the program for expenditure not sooner than 30 days after written notification of the necessity thereof is submitted to the chairperson of the committees in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.
3. The Office of Small Business shall include a provision in the annual contracts with Regional Development Corporations to specify that any regional development corporation with unencumbered trust funds exceeding 40 percent of its trust fund share shall not receive a proportionate share of any interest income earned on the regional development corporation's trust fund unless there are extenuating circumstances, as determined by the Office of Small Business. Where extenuating circumstances exist, the Office of Small Business shall notify the Joint Legislative Budget Committee.

2200-001-535—For state operations, Department of Commerce, payable from the California Main Street Program Fund 252,000

Provisions:

1. Of the amount transferred to the California Main Street Program Fund from Item 2200-001-001, any balance remaining in the fund not necessary for program requirements shall revert to the General Fund as of June 30, 1988.

2200-001-890—For support of Department of Commerce, for transfer to Item 2200-001-001, payable from the Federal Trust Fund 85,000

Item	Amount
2200-101-036—For local assistance, Department of Commerce, Program 40, Local Development, for transfer to the Rural Economic Development Fund, payable from the Special Account for Capital Outlay	(5,000,000)
2200-101-123—For local assistance, Department of Commerce, Program 40, Local Development, payable from the Rural Economic Development Fund	12,000,000
2200-101-890—For local assistance, Department of Commerce, Program 40, Local Development, for transfer to the Rural Economic Development Fund, payable from the Federal Trust Fund	7,000,000
2200-101-922—For local assistance, Department of Commerce, Program 40, 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 1987–88 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.	
2. Of the amount appropriated in this item, $40,000 shall be used to finance the redesign of the current kiosk at the Interstate 80/Hunter Hill Rest Stop.	
2200-495—Reversion, Department of Commerce. As of June 30, 1987, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the funds from which the appropriation was made and shall be transferred to the General Fund effective June 30, 1987.	
535—California Main Street Program Fund	
(1) Chapter 1577, Statutes of 1985.	
801—Small Business Development Center Fund	
(2) Item 2200-001-801, Budget Act of 1985.	
2240-001-001—For support of Department of Housing and Community Development	5,630,000
Schedule:	
(a) 10-Codes and Standards Program	17,152,000

Item		Amount
(b)	20-Community Affairs Program ..	13,013,000
(c)	30-Housing Policy Development Program	1,242,000
(d)	50.01-Administration	7,092,000
(e)	50.02-Distributed Administration..	−7,035,000
(f)	Reimbursements	−6,759,000
(g)	Amount payable from the Mobilehome Park Revolving Fund (Item 2240-001-245)	−2,555,000
(h)	Amount payable from the Manufactured Home License Fee Account, General Fund (Item 2240-001-451)	−1,813,000
(i)	Amount payable from the Mobilehome Park Purchase Fund (Item 2240-001-530)	−227,000
(j)	Amount payable from the Rural Predevelopment Loan Fund (Item 2240-001-635)	−165,000
(k)	Amount payable from the Mobilehome-Manufactured Home Revolving Fund (Item 2240-001-648)	−11,226,000
(*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)	−30,000
(n)	Amount payable from the Federal Trust Fund (Item 2240-001-890) ..	−1,181,000
(o)	Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-929)	−502,000
(p)	Amount payable from the Homeownership Assistance Fund (Item 2240-001-936)	−203,000
(q)	Amount payable from the Rental Housing Construction Fund (Item 2240-001-938)	−538,000
(r)	Amount payable from the Urban Predevelopment Loan Fund (Item 2240-001-980)	−213,000
(rr)	Amount payable from Rural Communities Facilities Fund (Item 2240-001-984)	−93,000

Item	Amount
(s) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-985)	−131,000
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	2,547,000
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	1,813,000
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	227,000
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	165,000
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	11,226,000
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
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	30,000
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	1,176,000
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	502,000
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	203,000
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	538,000

Item			Amount
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			213,000
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			93,000
2240-001-985—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Emergency Housing and Assistance Fund			131,000
2240-101-001—For local assistance, Department of Housing and Community Development			6,900,000
Schedule:			
(a) 20-Community Affairs		55,275,000	
(b) Amount Payable from the Farm Labor Housing Rehabilitation Loan Account (Item 2240-101-844)		−507,000	
(c) Amount Payable from the Federal Trust Fund (Item 2240-101-890)		−47,868,000	
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).			
2240-101-843—For local assistance, Department of Housing and Community Development, payable from the California Housing Trust Fund			(10,000,000)
Schedule:			
(a) For transfer to the Self-Help Housing Fund (813)		(2,000,000)	
(b) For transfer to the Farm Labor Housing Rehabilitation Loan Account (844)		(500,000)	
(c) For transfer to the Housing Rehabilitation Loan Fund (929)		(2,500,000)	
(d) For transfer to the Special Deposit Fund—Senior Shared Housing (942)		(500,000)	
(e) For transfer to the Emergency Housing Assistance Fund (985)		(4,000,000)	
(g) For transfer to the Rural Communities Facilities Fund (984)		(500,000)	

Item	Amount

Provisions:

1. Within 30 days of the award of a grant of money from funds appropriated in category (e), the department shall submit a proposed contract to the grantee for approval and execution. The grantee shall have 45 days thereafter to approve and execute the proposed contract and return it to the department, which shall have 15 days after receipt from the grantee to execute the contract.
2. The department shall not approve of any application for a grant under category (e) if a representative of the applicant participates or votes on the review, evaluation, or ranking of its own application as part of any review process authorized pursuant to department regulations. In approving grants under category (e), the department shall ensure that any regional FEMA board in which a subcommittee has been used in the 1985–86 and 1986–87 fiscal years to evaluate applications shall continue to use the subcommittee for the purpose of reviewing, ranking, and recommending applications for funding. No member of the subcommittee shall be an officer, employee, or agent of, or in any other way have an interest in, any organization applying for such funds.
3. The initial notice provided by the department of funding for grants in category (e) shall be transmitted not later than 45 days after this act or any other statute providing that funding is chaptered.
4. If the department requires an application for a grant under category (e) to be submitted to an incorporated or unincorporated organization or governmental agency designated by the department to solicit, review, and recommend ranking for applications from a regional area defined by the department, the department shall allow at least six weeks for completion of that review before acting on the application.
5. At least 50 percent of the funds appropriated in category (e) may be expended for grants to cover operating expenses.

Item Amount

6. In approving grants under category (e), the department shall ensure a fair geographical distribution of funds to needy areas and consider, in making its decision, the prior award of grants under this program.

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 507,000

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 47,868,000

2240-490—Reappropriation, Department of Housing and Community Development. Notwithstanding any other provisions of law, the balance of the following appropriations are reappropriated, on the effective date of this act, for the purposes provided in the appropriations, and shall be available for expenditure until June 30, 1988.

844—Farm Labor Housing Rehabilitation Loan Account.

(1) Item 2240-101-844, Budget Act of 1986.

2290-001-217—For support of Department of Insurance, payable from the Insurance Fund 28,377,000

Schedule:

(a) 10-Regulation of Insurance Companies and Insurance Producers ..	26,701,000
(b) 20-Fraud Control	1,569,000
(c) 30-Tax Collection and Audit	182,000
(d) 40.01-Administration	5,693,000
(e) 40.02-Distributed Administration..	−5,768,000

Provisions:

1. Of the funds appropriated in category (a), $1,544,000 shall be allocated to the Department of Aging for support of the Health Insurance Counseling and Advocacy Program. Of the $1,544,000, no more than $901,000 (seven months' funding) shall be encumbered, unless the Department of Aging reports to the Legislature and to the Insurance Commissioner by February 1, 1988, the following information: (1) an update on the implementation of the program, including pertinent statistics on the regions covered and assistance provided; (2) how the program is publicized and response to the publicity by persons in need of assistance in each operational

Item	Amount
area; and (3) cost-savings to the persons assisted and to the state.	
2. Of the funds appropriated in category (d), $300,000 shall be available for expenditure to upgrade the department's computerized information system only upon approval by the Office of Information Technology of a Feasibility Study Report for the project.	
3. The Department of Insurance shall participate in the preparation of a report on the potential costs, benefits, and impact on the service delivery system of various funding options for long-term care services, by providing information and consultation, including data and data analysis, to the extent necessary to complete this report.	
2290-002-217—For support of the Consumer Advisory Panel in the Department of Insurance, payable from the Insurance Fund	75,000
Provisions:	
1. Of the amount appropriated in this item, $15,000 shall be set aside as reserve and shall be encumbered only if the $60,000 budget proposed for the panel is exceeded.	
2. The amount appropriated in this item shall be used by the Department of Insurance only for the following purposes: (a) establishing a new secretarial position to serve as secretarial support to the panel; (b) necessary operating expenses and equipment; (c) payment of a per diem salary of $100 to each panel member for each official panel meeting day attended; and (d) travel and other related expenses incurred by members for attending panel meetngs.	
2320-001-317—For support of Department of Real Estate, payable from the Real Estate Fund	22,197,000
Schedule:	
(a) 10-Licensing and Education 5,830,000	
(b) 20-Regulatory and Recovery 11,271,000	
(c) 30-Subdivisions 5,644,000	
(d) 40.10-Administration 4,800,000	
(e) 40.20-Distributed Administration.. −4,800,000	
(f) Reimbursements ..... −548,000	
2340-001-337—For support of Department of Savings and Loan, payable from the Savings Association Special Regulatory Fund	8,169,000

Item		Amount
Schedule:		
(a) 100000-Personal Services	6,256,000	
(b) 300000-Operating Expenses and Equipment	1,960,000	
(c) Reimbursements	−47,000	

2340-490—Reappropriation, Department of Savings and Loan. Notwithstanding any other provision of law, the balance, as of June 30, 1987, of the $637,000 appropriation provided in Item 2340-001-337, Budget Act of 1986 for the implementation of an office automation project is hereby reappropriated for the same purpose and shall be available for expenditure until June 30, 1988.

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 128,000

2600-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund 1,078,000

Schedule:

(a) 10-Administration of California Transportation Commission	1,206,000
(b) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-042)	−128,000

Provisions:

1. The California Transportation Commission shall comment on the adoption of a cash flow management system, including the use of modified accrual accounting and split financing for State Highway Account capital outlay expenditures, in its analysis of the 1988–89 budget of the Department of Transportation.

Item Amount

2640-101-046—For local assistance, Special Transportation Programs, for allocation by the State Controller, payable from the Transportation Planning and Development Account in the State Transportation Fund, 60 percent of the revenues transferred into the Transportation Planning and Development Account in the State Transportation Fund pursuant to paragraphs (1) and (2) of subdivision (a) of Section 7102 of the Revenue and Taxation Code during the 1987–88 fiscal year, for allocation in the 1987–88 fiscal year pursuant to Section 99312 of the Public Utilities Code.

Provisions:

(a) (1) 70 percent of this appropriation shall be allocated pursuant to Section 99313 of the Public Utilities Code.

(2) 30 percent of this appropriation shall be allocated pursuant to Section 99314 of the Public Utilities Code.

(b) Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, an amount not more than $70,500 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, and an amount not more than $48,000 of the amount appropriated by this item shall fund the State Controller's expenditures for administration of State Transit Assistance funds.

(c) Notwithstanding any other provision of law, no more than $45,000,000 may be transferred to the Transportation Planning and Development Account in the State Transportation Fund during the 1987–88 fiscal year pursuant to subparagraph (E) of paragraph (2) of subdivision (a) of Section 7102 of the Revenue and Taxation Code.

2660-001-041—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Aeronautics Account, State Transportation Fund 2,465,000

2660-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund 918,976,000

Schedule:

(a) 10-Aeronautics 2,855,000

(b) Highways 1,093,702,000

Item		Amount
	(1) 20.10-Rehabilitation ..... (58,843,000)	
	(2) 20.20-Operational improvements .. (75,835,000)	
	(3) 20.30-Local assistance..... (11,241,000)	
	(4) 20.40-Program development ..... (5,677,000)	
	(5) 20.50-New facilities.....(117,957,000)	
	(6) 20.60-Administration ..... (96,991,000)	
	(7) 20.70-Operations (49,168,000)	
	(8) 20.80-Maintenance .....(502,708,000)	
	(9) Bicycle Lane Account..... (10,000)	
	(10) Federal Trust Fund .....(158,360,000)	
	(11) Reimbursements ..... (16,404,000)	
(c)	30-Mass Transportation	47,318,000
(d)	40-Transportation Planning	9,822,000
(e)	50.01-Administration	128,629,000
(f)	50.02-Distributed Administration	−129,137,000
(g)	Reimbursements	−31,771,000
(h)	Amount payable from the Aeronautics Account, State Transportation Fund, (Item 2660-001-041)	−2,465,000
(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)	−30,271,000
(k)	Amount payable from the Abandoned Railroad Account, State Transportation Fund (Item 2660-001-047)	−56,000
(*l*)	Amount payable from the Federal Trust Fund (Item 2660-001-890)	−169,640,000

Item Amount

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 Department of Transportation shall obtain air samples of all spaces scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level shall be at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is less.
5. The department shall submit quarterly reports to the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of the Legislature showing the number of contracts executed, the type of work contained in these contracts, and a plan for the next quarter, beginning September 1, 1987, and continuing quarterly thereafter.

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6. Of the amount in this item, $8,030,000 shall be expended only for the purpose of contracting for preliminary project development and for environmental studies for state highway projects funded by local tax measures. The department shall submit to the Joint Legislative Budget Committee and the fiscal committees by March 1, 1988, a report on (1) the department's progress on contracting for project development services for state highway projects funded by local tax initiatives, including the number and dollar amount of contracts executed and the total amount estimated to be encumbered in 1987–88, by county, and (2) the number of department personnel-years expended to date on project development work for each local measure and the estimated total personnel-years to be expended for 1987–88.
7. Of the amount appropriated by this item, 5 personnel years and $212,000 are to be used for the development, but not the implementation, of a cash flow management system.
8. The department shall enter into a long-term minimum-cost lease with the City of Los Angeles for approximately 2.5 acres at the termination of Route 2 at the northeast corner of Duane and Waterloo Streets in the City of Los Angeles for use as a ballpark.

   The terms of the lease agreement shall include:

   (a) A ten year nonrevocable lease;
   (b) The City of Los Angeles shall pay an estimated $100 a year for the term of the lease;
   (c) The department shall prepare a plan for future uses of the freeway ramp system adjacent to the proposed park;
   (d) If it is determined that the park land will be needed for future reconstruction of freeway access ramps or for other highway purposes, the department shall have the right not to renew the lease after the initial ten-year period.
   (e) If the department determines there to be no highway needs for the parkland at the end of ten years, it shall enter into a long-term lease with, or sell the land to, the City of Los Angeles for park purposes.

Item Amount

(f) The park site shall be cleared of the mounds of asphalt, concrete, dirt, and roadway materials, and graded so as to be useable as a ball field before the land is leased to the City.

(g) A six-foot chain link fence shall be constructed between the property and the Route 2 highway before the land is leased to the City.

9. Caltrans shall cause to be produced a feasibility study for a rest area in the County of Imperial under the currently authorized joint economic development study program.

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 30,271,000

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. $12,662,000 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 56,000

2660-001-890—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Federal Trust Fund 169,640,000

Item	Amount
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. 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.	
2660-011-041—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)
2660-011-046—For transfer by the State Controller from the Transportation Planning and Development Account in the State Transportation Fund to the General Fund	(1,700,000)
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	(14,084,000)
2660-101-041—For local assistance, Department of Transportation, payable from the Aeronautics Account, State Transportation Fund	200,000

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Item	Amount
2660-101-042—For local assistance, Department of Transportation, payable from the State Highway Account, State Transportation Fund	64,170,000
Schedule:	
(a) 20-Highway Transportation 32,250,000	
(b) 30-Mass Transportation 31,920,000	
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 1987–88 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 1987–88, 1988–89 and 1989–90 fiscal years.	
3. $250,000 appropriated by this item shall be for completion of a management plan for the Least Bell's Vireo.	
2660-101-045—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Bicycle Lane Account, State Transportation Fund	838,000
2660-101-046—For local assistance, Department of Transportation,—Mass Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund	16,871,000
Provisions:	
1. For Program 30—Mass Transportation. The amount allocated in the 1987–88 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 1987–88, 1988–89 and 1989–90 fiscal years.	
2. Of the amount appropriated by this item, $12,978,000 shall be allocated for transit capital improvements.	

Item	Amount
2660-101-853—For transfer by the State Controller from the Petroleum Violation Escrow Account to the Transportation Planning and Development Account in the State and Transportation Fund	10,000,000

Provisions:

1. Notwithstanding Sections 16304.1 and 16361 of the Government Code, the funds appropriated by this item shall be available for encumbrance until June 30, 1990.
2. The expenditure of the funds appropriated by this item is subject to approval of the proposed projects, described herein, by the Federal Department of Energy and the appropriate district court.
3. The funds appropriated by this item shall, upon transfer to the Transportation Planning and Development Account, be available for allocation by the California Transportation Commission for Transit Capital Improvements.

2660-101-890—For local assistance, Department of Transportation, payable from the Federal Trust Fund 255,984,000

Schedule:

(a) 20—Highway Transportation 232,500,000
(b) 30—Mass Transportation 14,584,000
(c) 40—Transportation Planning 8,900,000

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.

Item	Amount
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.	
2660-111-890—For transfer by the State Controller from the Federal Trust Fund to the Petroleum Violation Escrow Account, for subsequent transfer to the Transportation Planning and Development Account	(10,000,000)
2660-301-042—For capital outlay, Department of Transportation, Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund	429,570,000
Schedule:	
(a) 20-Highway Transportation....723,393,000	
(1) 20.10-Rehabilitation....(112,301,000)	
(2) 20.20-Operational Improvements....(58,148,000)	
(3) 20.50-New Facilities....(262,121,000)	
(4) Reimbursements....(293,823,000)	
(b) Reimbursements....-293,823,000	
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 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 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 appro-	

Item		Amount
	priations. On or before October 1, 1987, the department shall submit to the Controller the estimated amounts to be reverted as of June 30, 1987, from the 1985–86 and 1986–87 fiscal year appropriations.	
	4. Of the amount appropriated in this item, $295,000,000 in State Highway Account funds shall not be allocated for highway capital outlay projects until legislation has been enacted to provide the Department of Transportation and the California Transportation Commission with guidelines to determine the use of state funds. Prior to its enactment, that legislation shall have been approved by the committees in each house which consider the budget bill.	
2660-301-890—For capital outlay, Department of Transportation, payable from the Federal Trust Fund		656,200,000
	Schedule:	
	(a) 20-Highway Transportation..... 632,512,000	
	(b) 30-Mass Transportation 23,688,000	
	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, 1987, the department shall submit to the State Controller the estimated amounts to be reverted as of June 30, 1987, from the 1985–86 and 1986–87 fiscal year appropriations.

2660-311-042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund 70,000

Schedule:

(4) 20.10.010.199—Minor Projects..... 70,000

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.
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.

Item Amount

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 are available for expenditure until June 30, 1988. In addition, the amounts specified below are appropriated in augmentation of these items for the same period and purpose. 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
(4) Item 2660-301-042, Budget Act of 1984—$6,000,000

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
(4) Item 2660-301-890, Budget Act of 1984—$10,000,000

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 Government Code, the unliquidated encumbrances for the appropriations provided in the following citations, are reappropriated without regard to fiscal year, to enable continuing liquidation of these encumbrances, and to allow project savings to be available for local assistance projects previously funded. The unencumbered balance shall revert to the unappropriated surplus of the fund from which the appropriation was made.

042—State Highway Account

(1) Item 2660-101-042, Budget Act of 1986

045—Bicycle Lane Account

(1) Item 2660-101-045, Budget Act of 1986

890—Federal Trust Fund

(1) Item 2660-101-890, Budget Act of 1986

2660-492—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the unencumbered and unliquidated balances, or the portion thereof as specified in this item, as of June 30, 1987, of the appropriations in the following citations, are reappropriated for the purposes provided for in those appropriations and shall be available for expenditure until June 30, 1988, except as otherwise specified:

046—Transportation Planning and Development Account

(1) Item 2660-001-046, Budget Act of 1985, as reappropriated by Item 2660-492, Budget Act of 1986	210,000
(2) Item 2660-101-046, Budget Act of 1982, for expenditure until June 30, 1990	4,500,000
(3) Section 71 (c) (2) (C), Chapter 161, Statutes of 1979, as reappropriated by Item 2660-490, Budget Act of 1984, for expenditure until June 30, 1990	4,000,000

890—Federal Trust Fund

(1) Item 2660-001-890, Budget Act of 1985, as reappropriated by Item 2660-492, Budget Act of 1986	147,000
(2) Item 2660-001-890, Budget Act of 1986	208,000

Item	Amount

Provisions:

1. The funds reappropriated for intercity rail capital improvements from Section 71(c)(2)(C), Chapter 161, Statutes of 1979, shall be subject to allocation by the California Transportation Commission.

2660-493—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the unliquidated balances as of June 30, 1987, of the appropriations in the following citations are reappropriated for the purposes provided for in these appropriations and shall be available for liquidation until June 30, 1988.

042—State Highway Account

(1) Item 2660-101-042, Budget Act of 1982 appropriated by Item 2660-492, Budget Act of 1986

(2) Item 182, Budget Act of 1980, as reappropriated by Item 2660-492, Budget Act of 1986.

046—Transportation Planning and Development Account

(1) Item 2660-001-046, Budget Act of 1984

(2) Item 2660-101-046, Budget Act of 1982

(3) Section 71(c)(2)(C), Chapter 161, Statutes of 1979, as reappropriated by Item 2660-490, Budget Act of 1984

2660-495—Reversion, Department of Transportation. As of June 30, 1987, the unencumbered balance of the appropriations provided in the following citations, or the portion thereof as specified in these items, shall revert to the unappropriated surplus of the fund from which the appropriation was made.

042—State Highway Account—Program 20

(1) Item 2660-301-042, Budget Act of 1984

046—Transportation Planning and Development Account—Program 30

(1) Chapter 1130, Statutes of 1975

(2) Chapter 1349, Statutes of 1976

(3) Item 182.1, Chapter 510, Statutes of 1980—$1,298,000

890—Federal Trust Fund—Program 20

(1) Item 2660-301-890, Budget Act of 1984

2700-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund 274,000

Schedule:

(a) Support..... 7,231,000

Item		Amount
(b) Amount payable from the Federal Trust Fund (Item 2700-001-890) ..	−6,957,000	
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 28.00		6,957,000
2700-101-890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00		4,663,000
2720-001-044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		470,711,000
Schedule:		
(a) 10-Traffic Management	432,665,000	
(b) 20-Regulation and Inspection	41,540,000	
(c) 30-Vehicle Ownership Security	9,330,000	
(d) 40.01-Administration	93,993,000	
(e) 40.02-Distributed Administration	−93,993,000	
(f) Reimbursements	−9,904,000	
(g) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-840)	−1,362,000	
(h) Amount payable from the Federal Trust Fund (Item 2720-001-890) ..	−1,558,000	
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. None of the $800,000 in this item for tow and storage activities shall be expended for any purpose other than tow and storage activities.		
3. None of the $900,000 appropriated by this item for computer-aided dispatch and electronic telephone systems related to freeway call boxes for each of five participating counties shall be expended absent the execution of a contract by the respective county in which the system is to be installed.		
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		1,362,000
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		1,558,000

Item — Amount

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 1987–88 fiscal year, for delivery beginning in the 1988–89 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund (5,000,000)

2720-301-044—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund..... 9,861,000

Schedule:

(1)	50.01.001-Minor Projects.....	797,000
(2)	50.10.041.871-Academy-New Skid Facility—Construction	478,000
(3)	50.14.104-Ukiah-Purchase of Leased Facility—Acquisition	1,461,000
(4)	50.42.402-Central Division (Fresno)-Purchase of Leased Facility—Acquisition.....	1,339,000
(5)	50.62.602-Rancho California-Purchase of Leased Facility—Acquisition	1,194,000
(6)	50.63.603-Blythe-Purchase of Leased Facility—Acquisition	907,000
(7)	50.84.804.871-Needles-New Facility—Construction.....	1,336,000
(8)	50.85.805-Inland Division (San Bernardino)-Purchase of Leased Facility—Acquisition.....	2,329,000
(9)	50.90.900-Various—Property Options and Appraisals	20,000

Item		Amount
Provisions:		
1. The funds appropriated in category (9) shall be available for expenditure only during the 1987–88 fiscal year and shall be used only in connection with projects which are to be included in the Budget submitted by the Governor for the 1988–89 fiscal year.		
2740-001-001—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044		62,000
Provisions:		
1. The funds appropriated by this item are for the Anatomical Donor Designation program.		
2740-001-044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		229,955,000
Schedule:		
(a) Personal Services	239,872,000	
(b) Operating Expenses and Equipment	109,909,000	
(c) Reimbursements	−9,335,000	
(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)	−910,000	
(f) Amount payable from Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-064)	−106,220,000	
(g) Amount payable from the State Bicycle License and Registration Fund (Item 2740-001-378)	−37,000	
(h) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-516)	−3,262,000	
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, not later than 30 days prior to the effective date of the recommended transfer, to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropria-		

Item	Amount
tions from the account. 2. The department shall, with respect to each proposed facility lease, advertise for a lease with purchase option. If there are no responsible respondents, the department may proceed to acquire a lease after submitting a letter of explanation to the Chairperson of the Joint Legislative Budget Committee.	
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	910,000
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	106,220,000
Provisions: 1. The funds appropriated by 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	37,000
Provisions: 1. The funds appropriated by this item are as provided by Section 39001 of the Vehicle Code.	
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	3,262,000
Provisions: 1. The funds appropriated by 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.	

Item		Amount
2740-301-044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		5,470,000
Schedule:		
(1) 71.01.000-Minor Projects	345,000	
(2) 71.03.011-Sacramento Headquarters—Site Preparation for Computer Replacement—Working Drawings and Construction	2,112,000	
(3) 71.04.010-Pomona—Office Building and Parking Facility—Construction	1,646,000	
(4) 71.08.010-Yuba City—Office Building and Parking Facility—Construction	1,367,000	

2740-490—Reappropriation, Department of Motor Vehicles. Notwithstanding any other provision of law, on the effective date of this act, the 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, 1988:

044—Motor Vehicle Account, State Transportation Fund

(1) Item 2740-301-044(4), Budget Act of 1986—71.04.010—Pomona—Office Building and Parking Facility—Working Drawings

(2) Item 2740-301-044(7), Budget Act of 1986—71.08.010—Yuba City—Office Building and Parking Facility—Working Drawings

2740-495—Reversion, Department of Motor Vehicles. As of June 30, 1987, the unencumbered balance of the appropriations provided in the following citations, except for $70,000 under subparagraph (1), shall revert to the unappropriated surplus of the fund from which the appropriation was made.

044—Motor Vehicle Account, State Transportation Fund

(1) Item 2740-301-044(2), Budget Act of 1986—71.01.010—Statewide—Property appraisals and purchase options.

(2) Item 2740-301-044(3), Budget Act of 1986—71.03.011—Sacramento Headquarters—Computer Replacement/Site Preparation—preliminary plans.

Item Amount

(3) Item 2740-301-044(5), Budget Act of 1985—as reappropriated by Item 2740-490(2), Budget Act of 1986—71.07.010—San Gabriel—Acquisition and preliminary plans for office building and parking facility.

(4) Item 2740-301-044(4), Budget Act of 1985, as reappropriated by Item 2740-490, Budget Act of 1986—71.06.010—Redding—Acquisition and preliminary plans for office building and parking facility.

(5) Item 2740-301-044(5), Budget Act of 1986—71.06.010—Redding—Office building and parking facility—working drawings.

(6) Item 2740-301-044(7), Budget Act of 1985—71.09.010—Santa Maria—Preliminary plans, working drawings and construction of building addition.

2740-496—Reversion, Department of Motor Vehicles. Notwithstanding any other provision of law, as of June 30, 1987, the unencumbered balance of the appropriation provided in the following citations shall revert to the unappropriated surplus of the fund.

044—Motor Vehicle Account, State Transportation Fund

(1) Chapter 1126, Statutes of 1985.

(2) Chapter 1500, Statutes of 1985.

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 52,981,000

Schedule:

(a) Support 53,016,000

(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.

Item	Amount
2. The redirection of funds appropriated in this item for any project which was not supported by an approved feasibility study report at the time the Budget was approved by the Legislature, and where such project is for the purpose of acquiring alternate information processing technology with an estimated multiyear cost of $1,000,000 or more, shall not occur sooner than 30 days after completion and approval of any required feasibility study report on the project and 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 Legislative Budget Committee, or his or her designee, may in each instance determine.	

RESOURCES

3110-001-001—To the Resources Agency, Special Resources Program, 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.	520,000
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	702,000
Provisions:	
1. Funding in this item is contingent upon provision of the appropriate matching share by the State of Nevada.	
3110-101-140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund	546,000

Item		Amount
Provisions:		
1. The Tahoe Regional Planning Agency shall use $254,000 of the funds appropriated by this item to complete the development of the Individual Parcel Evaluation System as initiated in the 1986–87 fiscal year.		
1.5. Of the amount appropriated in this item, $40,000 shall be available for activities which qualify for funding from the California Environmental License Plate Fund.		
2. The remaining funds are available for special projects as follows: $80,000 for community planning; $32,000 for data systems expansion; $40,000 for a shore zone study; and $100,000 for development of system monitoring.		
3. Funding in this item is contingent upon provision of the appropriate matching share by the State of Nevada.		
4. It is the intent of the Legislature that the current working relationship between the Tahoe Regional Planning Agency and the Tahoe Research Group concerning water quality monitoring be maintained.		
3125-001-001—For support of California Tahoe Conservancy		750,000
Schedule:		
(a) 10-Tahoe Conservancy	1,203,000	
(b) Amount payable from the Lake Tahoe Acquisitions Fund (Item 3125-001-720)	−317,000	
(c) Amount payable from the Federal Trust Fund as reappropriated by Item 3125-490	−86,000	
(d) Reimbursements (Capital Outlay)	−50,000	
3125-001-720—For support of California Tahoe Conservancy, for transfer to Item 3125-001-001, payable from the Lake Tahoe Acquisitions Fund		317,000
3125-101-140—For local assistance, California Tahoe Conservancy, Program 10, for soil erosion control grants, payable from the Environmental License Plate Fund		1,500,000

Item		Amount
Provisions:		
1. The California Tahoe 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.		
3125-101-890—For local assistance, California Tahoe Conservancy, Program 10, for soil erosion control grants, payable from the Federal Trust Fund.....		500,000
Provisions:		
1. The California Tahoe 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.		
3125-301-720—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Acquisitions Fund		10,000,000
Schedule:		
(1) 50.20.001-Land acquisition pursuant to subdivision (a) of Section 66957 of the Government Code....	7,500,000	
(2) 50.20.002-Land acquisition pursuant to subdivisions (a), (b), and (c) of Section 66957 of the Government Code	2,500,000	
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 ..		1,460,000

Item	Amount
Schedule:	
(1) 50.30.001—Land Acquisition and Site Improvements	1,460,000
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. 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. Funds appropriated in this item shall be available for priority acquisitions and for both of the following:	
(a) Minor soil stabilization, soil erosion control, hazard removal, public access, and wildlife enhancement projects.	
(b) Project planning for California Tahoe Conservancy acquisitions and major site improvements.	
3125-490—Reappropriation, California Tahoe Conservancy. Notwithstanding any other provision of law, on the effective date of this act, up to $131,000 of the unencumbered balance, as of June 30, 1987, of the appropriation made in Item 3125-101-890 of the Budget Act of 1986 is reappropriated for the purpose provided for in the appropriation and shall be available for expenditure until June 30, 1989.	
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	278,000
3340-001-001—For support of California Conservation Corps	36,882,000
Schedule:	
(a) 10-Training and Work Program....	48,904,000
(b) 20.01-Administration.....	4,115,000
(c) 20.02-Distributed Administration..	−4,115,000
(d) Reimbursements	−6,884,000

Item			Amount
(e) Amount payable from the Energy Resources Programs Account, General Fund (Item 3340-001-465)		−5,138,000	
Provisions:			
2. Of the funds appropriated in this item, $488,000 shall be available for the California Conservation Corps' scholarship/bonus program. None of the $488,000 referred to in this provision shall be expended for any purpose other than the California Conservation Corps' scholarship/bonus program.			
4. Of the funds appropriated in this item, $74,000 shall be for a grant to the San Francisco Conservation Corps for a project for the homeless.			
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			5,138,000
3340-301-036—For capital outlay, California Conservation Corps, payable from the Special Account for Capital Outlay			603,000
Schedule:			
(1) 30.10.999-Minor projects		203,000	
(2) 30.30.020—San Luis Obispo Training Academy—Improvements—Preliminary plans and working drawings		400,000	
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			91,000
3360-001-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund			28,411,000
Schedule:			
(a) 100000-Personal Services		19,146,000	
(b) 300000-Operating Expenses and Equipment		11,151,000	
(c) Special Items of Expense		845,000	
(1) Energy Technologies Research, Development and Demonstration projects	545,000		
(2) Siting and Permit assistance	300,000		

Item		Amount
(d) Reimbursements	−108,000	
(e) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044) ..	−91,000	
(f) Amount payable from the Energy Technologies Research, Development and Demonstration Account (Item 3360-001-479)	−545,000	
(h) Amount payable from the Federal Trust Fund (Item 3360-001-890) ..	−889,000	
(i) Amount payable from the Clean Fuels Account, General Fund (Chapter 1340, Statutes of 1986) ..	−21,000	
(j) Amount payable from the Local Jurisdiction Energy Assistance Account, General Fund (Chapter 1343, Statutes of 1986)	−118,000	
(k) Amount payable from Petroleum Violation Escrow Account (Chapter 1338, Statutes of 1986)	−16,000	
(*l*) Amount payable from Petroleum Violation Escrow Account (Chapter 1339, Statutes of 1986)	−122,000	
(m) Amount payable from Petroleum Violation Escrow Account (Chapter 1341, Statutes of 1986)	−21,000	
(n) Amount payable from Petroleum Violation Escrow Account (Item 3360-001-853)	−800,000	
3360-001-479—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		545,000
3360-001-853—For support of State Energy Resources Conservation and Development Commission, for transfer to Item 3360-001-465, payable from the Petroleum Violation Escrow Account		800,000
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		889,000

Item	Amount
3360-011-031—State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance of the State Agricultural and Forestry Residue Utilization Account, General Fund, to the General Fund on the effective date of this act, and any subsequent contract repayments pursuant to Chapter 7.3 (commencing with Section 25630) of Division 15 of the Public Resources Code shall be transferred to the General Fund	(4,066,000)
3360-011-465—State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the State Controller shall transfer $5,565,000 from the Energy Resources Programs Account to the General Fund on the effective date of this act	(5,565,000)
3360-021-890—For transfer by the State Controller from the Federal Trust Fund to the Petroleum Violation Escrow Account, for subsequent transfer to the Energy Resources Programs Account	(800,000)
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	2,182,000
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, 1991.	
3360-490—Reappropriation, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision 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 such appropriations, and shall be available for encumbrance until June 30, 1988. 479—Energy Technologies, Research, Development and Demonstration Account: (1) Chapter 1595, Statutes of 1984. (2) Item 3360-011-479, Budget Act of 1986. Provisions: 1. Of the amount reappropriated in this item, up to $1,000,000 shall be made available for a loan for the Heber Binary Project.	

Item		Amount
3380-001-001—For support of California Waste Management Board		4,175,000
Schedule:		
(a) 100000-Personal Services	3,008,000	
(b) 300000-Operating Expenses and Equipment	2,196,000	
(c) Reimbursements	−29,000	
(d) Amount payable from Petroleum Violation Escrow Account (Item 3380-001-853)	−1,000,000	
3380-001-853—For support of California Waste Management Board, for transfer to Item 3380-001-001, payable from the Petroleum Violation Escrow Account		1,000,000
Provisions:		
1. The expenditure of the funds appropriated by this item is subject to approval of the proposed projects by the Federal Department of Energy.		
2. These funds are available for research to determine and demonstrate the environmental impacts of municipal waste-to-energy technology.		
3380-001-890—For transfer by the State Controller from the Federal Trust Fund to the Petroleum Violation Escrow Account		(1,000,000)
3400-001-001—For support of State Air Resources Board		5,779,000
Schedule:		
(a) 10-Air Pollution Control	52,695,000	
(b) 20-Environmental Affairs	1,217,000	
(c) Reimbursements	−1,394,000	
(d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3400-001-044)	−38,163,000	
(e) Amount payable from the Air Pollution Control Fund (Item 3400-001-115)	−2,361,000	
(f) Amount payable from the Environmental License Plate Fund (Item 3400-001-140)	−1,535,000	
(g) Amount payable from the Vehicle Inspection Fund (Item 3400-001-420)	−1,728,000	
(h) Amount payable from the Energy Resources Programs Account, General Fund (Item 3400-001-465)	−182,000	
(i) Amount payable from the Federal Trust Fund (Item 3400-001-890)	−2,770,000	

Item Amount

Provisions:

1. Of the amount appropriated in this item, $1,000,000 ($750,000 as transferred from Item 3400-001-044 and $250,000 as transferred from Item 3400-001-140) are for a San Joaquin Valley Data Collection and Modeling Study, and are not available for expenditure sooner than 30 days after both of the following occur:
   (a) The State Air Resources Board has submitted to the Joint Legislative Budget Committee a detailed workplan specifying the scope of this study, the participants in the study, and a budget apportioning costs for the study among those participants.
   (b) Authorized representatives of all study participants have submitted letters to the Joint Legislative Budget Committee verifying the commitment of the participants' share of funding.
2. The state's share of the San Joaquin Valley Data Collection and Modeling Study shall not exceed 30 percent of the total expenditures for this study in the 1987–88 fiscal year.
3. During the period the San Joaquin Valley Data Collection and Modeling Study is being conducted, the provisions of the State Implementation Plan adopted by the State Air Resources Board relative to oil production activities in Kern County shall be fully implemented and enforced.
4. Of the amount appropriated in this item, $25,000 (as transferred from Item 3400-001-140) is to prepare a study of the air emissions from tire-burning facilities. The study shall be distributed to local districts to assist in permit activities.

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 38,163,000

3400-001-115—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Air Pollution Control Fund 2,361,000

3400-001-140—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Environmental License Plate Fund 1,535,000

Item			Amount
3400-001-420—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Vehicle Inspection Fund			1,728,000
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			182,000
3400-001-890—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Federal Trust Fund			2,770,000
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			7,511,000
Schedule:			
(a) 500004-Subventions		7,011,000	
(b) 500005-Special Grants		500,000	
Provisions:			
1. Of the funds appropriated by this item, $500,000 in category (b) shall be available for special grants to rural districts. In order to qualify for a special grant, a district shall have a fee system in place which recovers the cost of issuing and renewing permits, performing source inspections, determining compliance status, and processing variances for major air pollution sources (that is, those sources that produce 25 tons per year or more) in the district.			
3400-301-115—For Capital Outlay, Air Resources Board, payable from the Air Pollution Control Fund			134,000
Schedule:			
(1) 50.90.000—Minor Projects		134,000	
3460-001-001—For support of Colorado River Board of California			244,000
Schedule:			
(a) 100000-Personal Services		601,000	
(b) 300000-Operating Expenses and Equipment		163,000	
(c) Reimbursements		−510,000	
(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

Item		Amount
Provisions:		
1. The funds appropriated by this item are for the Salinity Control Forum.		
3480-001-001—For support of Department of Conservation		13,868,000
Schedule:		
(a) 10-Geologic Hazards and Mineral Resources Conservation	10,273,000	
(b) 20-Oil, Gas, and Geothermal Protection	7,967,000	
(c) 30-Special Services for Resources Protection	721,000	
(d) 40.01-Administration	4,730,000	
(e) 40.02-Distributed Administration	−4,730,000	
(f) Reimbursements	−511,000	
(g) Amount payable from the Surface Mining and Reclamation Account, General Fund (Item 3480-001-035)	−1,736,000	
(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)	−1,793,000	
(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)	−579,000	
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		1,736,000
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

Item		Amount
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		1,793,000
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		579,000
3540-001-001—For support of Department of Forestry and Fire Protection		190,748,000
Schedule:		
(a) 100000-Personal services	194,766,000	
(b) 300000-Operating expenses and equipment	91,040,000	
(c) Reimbursements	−64,029,000	
(d) Less transfer from Items 5240-001-001 and 5460-001-001	−10,065,000	
(e) Amount payable from the General Fund (Item 3540-006-001)	−7,288,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3540-001-140)	−3,958,000	
(g) Amount payable from the Professional Forester Registration Fund (Item 3540-001-300)	−114,000	
(h) Amount payable from the Federal Trust Fund (Item 3540-001-890) ..	−5,061,000	
(i) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928)	−3,045,000	
(j) Amount payable from the Renewable Resources Investment Fund (Item 3540-001-940)	−632,000	
(k) Amount payable from the Timber Tax Fund (Item 3540-001-965)	−23,000	
(*l*) Unallocated reduction	−843,000	

Item	Amount
Provisions: 1. No funds appropriated to the Department of Forestry and Fire Protection 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. Upon executive order of the Department of Finance, funds necessary for the activation of new camps shall be transferred from Item 5240-001-001 to and in augmentation of this item. 4. The Director of Forestry and Fire Protection shall not approve any timber harvest plan submitted to the department pursuant to Section 4581 of the Public Resources Code, unless the person filing the plan agrees to cooperate with other state agencies in their legally authorized activities. 5. This item has been reduced by $843,000. In order to implement this reduction, the department may (a) make reductions in all programs, except the administration of the Forest Practice Act and direct fire protection activities (including fire lookouts), (b) increase fees for services to local governments, (c) assess fees on the timber industry to pay for the costs of administering the Forest Practice Act, or (d) impose any combination of options (a), (b), and (c).	
3540-001-140—For support of Department of Forestry and Fire Protection, for transfer to Item 3540-001-001, payable from the California Environmental License Plate Fund	3,958,000
3540-001-300—For support of Department of Forestry and Fire Protection, for transfer to Item 3540-001-001, payable from the Professional Forester Registration Fund	114,000

Item	Amount
3540-001-890—For support of Department of Forestry and Fire Protection, for transfer to Item 3540-001-001, payable from the Federal Trust Fund	5,061,000
3540-001-928—For support of Department of Forestry and Fire Protection, for transfer to Item 3540-001-001, payable from the Forest Resources Improvement Fund	3,045,000

Provisions:

1. Of the amount appropriated in this item, $100,000 shall be for an urban forestry program. The urban forestry program shall consist of only (a) providing technical assistance to local entities and (b) distributing public information, as defined below.

   To implement the technical assistance portion of the program, the department shall (a) compile information on urban forest management programs, pest management programs, energy conservation programs, developing computerized tree inventories, and air and water quality management programs, (b) notify local entities that technical assistance is available in these areas, and (c) provide assistance to local entities in these areas.

   To implement the public information portion of the program, the department shall compile and disseminate information on a request basis on (a) innovative tree planting programs and (b) forestry and environmental education program relevant to city dwellers. The department also shall, in coordination with the Department of Education and the American Forestry Association, design a pilot school program to create a link between urban forestry and statewide resource management.

3540-001-940—For support of Department of Forestry and Fire Protection, for transfer to Item 3540-001-001, payable from the Renewable Resources Investment Fund	632,000
3540-001-965—For support of Department of Forestry and Fire Protection, for transfer to Item 3540-001-001, payable from the Timber Tax Fund	23,000
3540-006-001—For support of Department of Forestry and Fire Protection, for transfer to Item 3540-001-001, payable from the General Fund	7,288,000

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 and Fire Protection 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 and Fire Protection 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, 1987, through June 30, 1988, payable from the Forest Resources Improvement Fund ..... (1,533,000)

3540-301-036—For capital outlay, Department of Forestry and Fire Protection, payable from the Special Account for Capital Outlay 335,000

Schedule:

(1) 30.80.000-Minor projects 335,000

3540-490—Reappropriation, Department of Forestry and Fire Protection. Notwithstanding any other provision of law, on the effective date of this act, the 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, 1988:

001—General Fund.

(1) Item 3540-301-001(1), Budget Act of 1986—30.30.075—Lonoak Helitack Base—Preliminary Plans and Working Drawings.

Item		Amount
036—Special Account for Capital Outlay		
(1) Item 3540-301-036(2), Budget Act of 1986—30.80.000—Minor Projects.		
3540-495—Reversion, Department of Forestry and Fire Protection. As of June 30, 1987, the unencumbered balance of the appropriations provided in Chapter 360, Statutes of 1985 shall revert to the unappropriated surplus of the General Fund.		
3560-001-001—For support of State Lands Commission		13,633,000
Schedule:		
(a) 10-Extractive Development	9,038,000	
(b) 20-Land Management and Conservation	5,680,000	
(c) 30.01-Administration	2,770,000	
(d) 30.02-Distributed Administration	−2,770,000	
(e) Reimbursements	−937,000	
(f) Amount payable from the Federal Trust Fund (Item 3560-001-890)	−148,000	
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.		
3560-001-890—For support of State Lands Commission, for transfer to Item 3560-001-001, payable from the Federal Trust Fund		148,000
3560-301-036—For capital outlay, State Lands Commission, payable from the Special Account for Capital Outlay		314,000
Schedule:		
(1) 40.10.010-Statewide—Hazard Removal Program	314,000	
Provisions:		
1. Funds appropriated by this item shall be used only for the removal of those hazards identified in the commission's Hazards Inventory Report to the Legislature.		

Item		Amount
2. As findings within the inventory report constitute sufficient information as to the nature of these hazards, expenditures of funds from this item shall not be subject to Public Works Board approval.		
3580-001-001—For support of Seismic Safety Commission, Program 10		707,000
3600-001-001—For support of Department of Fish and Game, for transfer to Item 3600-001-200		9,125,000
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		11,868,000
Provisions:		
1. Of the amount appropriated in this item, $284,000 shall be used only for nongame research. In future budget requests, the department shall seek funding for nongame research from source other than the California Environmental License Plate Fund.		
2. Of the amount appropriated in this item, $50,000 shall be for encumbrance by the Department of Fish and Game for the Suisun Marsh Wildlife Rehabilitation Center.		
3. Of the amount appropriated in this item, $100,000 shall be for Spotted Owl research.		
4. Of the amount appropriated in this item, up to $90,000 shall be available for a challenge grant to the Bighorn Research Institute for continuing research on bighorn sheep.		
3600-001-200—For support of Department of Fish and Game, payable from the Fish and Game Preservation Fund		61,794,000
Schedule:		
(a) 100000-Personal Services	58,406,000	
(b) 300000-Operating Expenses and Equipment	46,848,000	
(c) Reimbursements	−7,453,000	
(d) Amount payable from the General Fund (Item 3600-001-001)	−9,125,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140)	−11,868,000	
(g) Amount payable from the Federal Trust Fund (Item 3600-001-890)	−14,284,000	

Item Amount

(h) Amount payable from the Renewable Resources Investment Fund (Item 3600-001-940) ..... −730,000

Provisions:

1. 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.
2. 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 Budget Act of 1985. The loan shall be repaid in 48 monthly installments, with interest calculated at the rate received by funds in the Pooled Money Investment Account.
3. The department shall contract with an independent third party to evaluate the cost effectiveness of the state-operated fish hatchery system compared to contracting out for fishery services. Of the amount appropriated in this item for fish food, no more than $100,000 may be used for the hatchery evaluation study. The study shall include an analysis of the costs for propagating the same fish at different state hatcheries. The study shall include an evaluation of whether it is more cost-effective to pay cash for overtime worked, provide compensatory time off for overtime, or hire additional personnel rather than requiring overtime. The study shall make recommendations for budgeting fish food, eliminating inefficient state hatchery practices, and establishing guidelines for procuring fish from private hatcheries. The department shall submit the results of the hatchery evaluation study to the Legislature by April 1, 1988.

   The department shall release the requests-for-proposal for the hatchery evaluation study no sooner than 30 days after submitting the requests-for-proposal to the chairpersons of the committees of each house which consider appropriations and the Chairperson of the Joint Legislative Budget Committee for review. The Department shall not award the hatchery

Item		Amount
	evaluation study until at least 15 days after transmitting copies of qualifying proposals to the chairpersons of the committees of each house which consider appropriations and the Chairperson of the Joint Legislative Budget Committee.	
	4. None of the $2,282,000 appropriated in this item to purchase fish food shall be spent for any purpose other than (1) purchasing fish food, (2) purchasing replacement fish from private hatcheries in the event of catastrophic fish losses at state hatcheries, or (3) contracting for a study on the cost-effectiveness of the department's fish hatcheries.	
	5. The amount appropriated in 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. The amount shall not be increased until the Department of Fish and Game has a valid contract, signed by the client agency, which provides sufficient funds to finance the increased authorization. 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.	
	6. Of the amount appropriated in this item, $250,000 is available for the state's share of the Klamath River agreement or the Trinity River agreement.	
	7. Of the funds appropriated in this item, $401,000 is from fees assessed on wildlife areas and may only be used for the operation of wildlife areas.	
	8. Of the amount appropriated in this item, $50,000 shall be for a grant to the Central Coast Salmon Enhancement project.	
3600-001-890	—For support of Department of Fish and Game, for transfer to Item 3600-001-200, payable from the Federal Trust Fund	14,284,000
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	730,000

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Item			Amount
3600-011-200—For transfer by the State Controller from the Fish and Game Preservation Fund to the General Fund, an amount sufficient to pay principal and interest in the 12 equal monthly installments due in the 1987–88 fiscal year, pursuant to Provision 6 of Item 3600-001-200 of the Budget Act of 1986, for partial repayment of a loan provided in the Budget Act of 1985			650,000
3600-301-200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund			1,132,000
Schedule:			
(1) 90.07.100-Minor projects		834,000	
(2) 90.85.001-San Joaquin Hatchery—Construct bird control screens		198,000	
(3) 90.90.001-Land acquisition, development, enhancement		100,000	
(4) 90.95.001-Suisun Marsh mitigation—land acquisition and development		2,500,000	
(5) Reimbursements-Suisun Marsh mitigation—land acquisition and development		−2,500,000	
Provisions:			
1. The amount in category (3) shall be funded exclusively from the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement (Income Tax Check-Off) Dedicated Account in the Fish and Game Preservation Fund.			
3600-495—Reversion, Department of Fish and Game. As of June 30, 1987, the unencumbered balance of the appropriation provided in Chapter 1563, Statutes of 1985 shall revert to the unappropriated surplus of the General Fund.			
3640-001-140—For support of Wildlife Conservation Board, payable from the California Environmental License Plate Fund			700,000
Schedule:			
(1) 300000-Operating Expenses and Equipment		700,000	
Provisions:			
1. Of the amount appropriated in this item, $250,000 is for the purpose of Chapter 1571 of the Statutes of 1982.			
3640-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund			589,000

Item		Amount
Schedule:		
(a) 100000-Personal Services	441,000	
(b) 300000-Operating Expenses and Equipment	148,000	
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		1,842,000
Schedule:		
(1) 80.10.010-Minor projects	400,000	
(2) 80.10.020-Project planning	25,000	
(3) 80.10.030-Land acquisitions	417,000	
(4) 80.10.100-Land acquisition and development-ecological reserves	1,000,000	
Provisions:		
1. The funds appropriated in this item 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.		
3. It is the intent of the Legislature that the acquisition of Mapes Ranch, Faith Ranch, Dos Rios Ranch, and adjoining habitat and recreational lands (which are located along the San Joaquin and Tuolumne Rivers in Stanislaus County), or the acquisition of rights restricting development and hunting on these properties, for the preservation of riparian wetlands and related purposes is a high priority of the Legislature. The Wildlife Conservation Board shall assist with its resources to ensure the acquisition of these properties, or the acquisition of rights restricting development and hunting on these properties, with state and		

Item		Amount
nonstate funds in a timely manner.		

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3640-301-748—For capital outlay, Wildlife Conservation Board payable from the Fish and Wildlife Habitat Enhancement Fund 14,100,000

Schedule:

(1) 80.10.110-Acquisition, enhancement, or development pursuant to Fish and Game Code Section 2620(a)(1)	10,000,000
(2) 80.10.120-Acquisition, enhancement or development pursuant to Fish and Game Code Section 2620(a)(2)	1,000,000
(3) 80.10.130-Acquisition, enhancement, or development pursuant to Fish and Game Code Section 2620(b)	1,000,000
(4) 80.10.140-Acquisition, enhancement, or development pursuant to Fish and Game Code Section 2620(d)	2,000,000
(5) 80.10.150-Project Planning pursuant to Fish and Game Code Section 2621	100,000

Provisions:

1. The funds in categories (1) through (4) 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 categories (1) and (2) are for expenditure on lands located outside the coastal zone.
3. The funds in category (5) are available to support categories (1), (2), and (4) for the 1987–88 fiscal year and not intended, nor to be construed, to establish any additional positions.
4. An amount not to exceed the amount of unsold bonds or notes which has been authorized to be sold by the Wildlife Habitat Enhancement Program Finance Committee for projects appropriated from this fund may be loaned from the General Fund, upon approval of the Director of Finance, for deposit into the Fish and Wildlife

Item			Amount
Habitat Enhancement Fund.			
3680-001-001—For support of Department of Boating and Waterways, for transfer to Item 3680-001-516			255,000
3680-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			3,741,000
Schedule:			
(a) 100000-Personal Services		2,547,000	
(b) 300000-Operating Expenses and Equipment		1,444,000	
(c) Feasibility Determinations		20,000	
(d) Boating Safety Financial Assistance		200,000	
(e) Reimbursements		−15,000	
(f) Amount payable from the General Fund (Item 3680-001-001)		−255,000	
(g) Amount payable from the Federal Trust Fund (Item 3680-001-890)		−200,000	
3680-001-890—For support of Department of Boating and Waterways, for transfer to Item 3680-001-516, payable from the Federal Trust Fund			200,000
3680-101-036—For local assistance, Department of Boating and Waterways, payable from the Special Account for Capital Outlay			3,000,000
Schedule:			
(a) West Cliff Drive Project, Santa Cruz County		1,000,000	
(b) Ocean Beach Shore Protection Project, City and County of San Francisco		2,000,000	
3680-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			26,755,000
Schedule:			
(a) Launching facility grants		8,595,000	
1 Lake Almanor, Plumas	$444,000		
2 Avalon Harbor, Los Angeles	80,000		
3 Big Bear Lake, East, San Bernardino	42,000		
4 Lake Cachuma, Santa Barbara	200,000		
5 Lake Camanche, No. Shore, Amador	300,000		
6 Lake Camanche, So. Shore, Calaveras	300,000		

Item		Amount
7	Coronado, San Diego	200,000
8	Cottage Creek, Bullards Bar Res. Yuba	236,000
9	Coyote Point, San Mateo	315,000
10	De Anza Marina Center, Orange	685,000
11	East Bay, Alameda	55,000
12	East Park Res., Colusa	513,000
13	Floating Restrooms, Statewide	150,000
14	Gull Lake, Mono	182,000
15	Lake Jennings, San Diego	65,000
16	Klamath Glen, Del Norte	91,000
17	Lotus, El Dorado	275,000
18	Lower Otay Lake, San Diego	696,000
19	McClure Point, Lake McClure, Mariposa	354,000
20	Miller Park, Sacramento	182,000
21	Mission Bay Park, San Diego	441,000
22	Pass Creek, Jackson, Meadows Res., Sierra	400,000
23	Petaluma, Marin	280,000
24	Ramp Repairs & Modifications, Statewide	100,000
25	Redwood City, San Mateo	280,000
26	Rio Vista, Sandy Bch., Solano	150,000
27	Lake Sabrina, Inyo	96,000
28	Lake San Vicente, San Diego	625,000
29	Lake Shastina, Siskiyou	118,000
30	Shelter Cove, Humboldt	125,000
31	South Lake, Inyo	60,000

Item		Amount
32 Squaw Lake, Colorado River, Imperial	495,000	
33 Whiskeytown Lake, Shasta	60,000	
(b) Loans: Local Government		12,460,000
1 Antioch Marina, Contra Costa	$1,000,000	
2 Moss Landing Harbor, Monterey	400,000	
3 Oyster Point Marina, San Mateo	1,300,000	
4 Petaluma Marina, Marin	3,960,000	
5 Pittsburg Marina, Contra Costa	800,000	
6 Planning Loans, Statewide	350,000	
7 Port San Luis Harbor, San Luis Obispo	2,500,000	
8 Sacramento Boat Harbor, Sacramento	1,650,000	
9 Vallejo Marina, Solano	400,000	
10 Emergency Loans, Statewide	100,000	
(c) Boating safety and enforcement		3,200,000
(d) Boating safety financial assistance		500,000
(e) Recreational Marina Loans—Private		2,500,000
(f) Amount payable from the Federal Trust Fund (Item 3680-101-890)		—500,000

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.

Item Amount

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.
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.
8. The funds appropriated in category (b) (10) are to provide for repairs of damage at small craft harbor facilities constructed pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, caused by emergency conditions, including but not limited to tidal waves or severe storms which may be authorized by the Director of Boating and Waterways.

3680-101-890—For local assistance, Department of Boating and Waterways, for transfer to Item 3680-101-516, payable from the Federal Trust Fund 500,000

Provisions:

1. Funds appropriated by this item 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

Item		Amount
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.		
3680-301-516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		721,000
Schedule:		
(1) 50.99.010-Project Planning	20,000	
(2) 50.99.020-Minor projects	701,000	
3720-001-001—For support of California Coastal Commission		6,272,000
Schedule:		
(a) 10-Coastal Management Program	8,447,000	
(b) 20-Coastal Energy Program	385,000	
(c) 30.01-Administration	949,000	
(d) 30.02-Distributed Administration	−909,000	
(e) Reimbursements	−40,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3720-001-140)	−387,000	
(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			387,000
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
3720-101-890—For local assistance, California Coastal Commission, payable from the Federal Trust Fund			391,000

STATE COASTAL CONSERVANCY

3760-001-565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1976		618,000
Schedule:		
(a) 100000-Personal Services	1,888,000	
(b) 300000-Operating Expenses and Equipment	666,000	
(c) 454632-Preproject feasibility planning	706,000	
(d) Reimbursements	−436,000	
(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 1984 (Item 3760-001-730)	−1,156,000	
(g) Amount payable from the Parklands Bond Act of 1980 (Item 3760-001-721)	−800,000	
3760-001-721—For support of State Coastal Conservancy, for transfer to Item 3760-001-565, payable from the Parklands Bond Act of 1980		800,000
3760-001-730—For support of State Coastal Conservancy, for transfer to Item 3760-001-565 payable from the State Coastal Conservancy Fund of 1984		1,156,000

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3760-001-748—For support of State Coastal Conservancy, for transfer to Item 3760-001-565, payable from the Fish and Wildlife Habitat Enhancement Fund	250,000

Item Amount

Provisions:

1. An amount not to exceed the amount of unsold bonds or notes which has been authorized to be sold by the Wildlife Habitat Enhancement Program Finance Committee for state operations appropriated from this fund may be loaned from the General Fund, upon approval by the Director of Finance, for deposit into the Fish and Wildlife Habitat Enhancement Fund.

3760-101-140—For local assistance, State Coastal Conservancy, expenditure for Chula Vista Bayfront Center, payable from the California Environmental License Plate Fund 150,000

STATE COASTAL CONSERVANCY

3760-301-730—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1984 10,323,000

Schedule:

(1)	80.18.010-Agricultural Land Preservation	750,000
(2)	80.18.020-Coastal Restoration	2,941,000
(3)	80.18.030-Public Access	2,941,000
(4)	80.18.050-Site Reservation	750,000
(5)	80.18.060-Urban Waterfront Restoration	2,941,000

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.
3. Notwithstanding Section 6.5 of this act, the conservancy may transfer funds between programs in categories (1)–(5). The conservancy shall provide quarterly reports to the chairperson of the committee of each house which considers appropriations, and to the Joint Legislative Budget Committee. The report shall summarize the conservancy's actions with a comparison of the amounts scheduled in categories (1)–(5), the amounts allocated by the conservancy, and an explanation of any difference between the scheduled and allocated amounts.

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3760-301-748—For capital outlay, State Coastal Conservancy, payable from the Fish and Wildlife Habitat Enhancement Fund 11,000,000

Schedule:

(1) 80.19.040-Resource Enhancement 10,000,000
(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.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.

Item Amount

3. Notwithstanding Section 6.5 of this act, the conservancy may transfer funds between programs in categories (1)–(2). The conservancy shall provide quarterly reports to the chairperson of the committee of each house which considers appropriations, and to the Joint Legislative Budget Committee. The report shall summarize the conservancy's actions with a comparison of the amounts scheduled in categories (1)–(2), the amounts allocated by the conservancy, and an explanation of any difference between the scheduled and allocated amounts.

4. An amount not to exceed the amount of unsold bonds or notes which has been authorized to be sold by the Wildlife Habitat Enhancement Program Finance Committee for projects appropriated from the Fish and Wildlife Habitat Enhancement Fund may be loaned from the General Fund, upon approval of the Director of Finance, for deposit into the Fish and Wildlife Habitat Enhancement Fund.

3760-495—Reversion, State Coastal Conservancy. Notwithstanding any other provision of law, as of June 30, 1987, 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:

(1) 565—Coastal Conservancy Fund of 1976, Item 3760-301-565, Budget Act of 1984.

3790-001-001—For support of Department of Parks and Recreation 77,565,000

Schedule:

(a) 100000-Personal Services	97,027,000
(b) 300000-Operating Expenses and Equipment	44,317,000
(bx) 400001-Special Item of Expense —Rehabilitation of Camping Facilities	200,000
(c) Reimbursements	−8,953,000
(d) Amount payable from the Off-Highway Vehicle Fund (Item 3790-001-263)	−7,384,000
(e) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392)	−45,112,000

Item	Amount
(f) Amount payable from State Parks and Recreation Fund, Fines and Forfeitures Account (Item 3790-001-394)	−328,000
(g) Amount payable from the Winter Recreation Fund (Item 3790-001-449)	−60,000
(h) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-516)	−321,000
(i) Amount payable from the Federal Trust Fund (Item 3790-001-890)	−1,821,000

Provisions:

1. Of the amount appropriated in this item, $240,000 ($225,000 transferred from Item 3790-001-392 and $15,000 transferred from Item 3790-001-263) are for salary and benefit increases for park maintenance personnel and shall not be encumbered or spent until the Department of Personnel Administration approves the department's proposed personnel classification revision.
2. Of the amount appropriated in this item, $915,000, 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. Of this amount, $475,000 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.
3. Of the amount appropriated in this item, $3,283,000, as transferred from Item 3790-001-392, is for deferred maintenance/special repair projects. None of the $3,283,000 shall be spent for any purpose other than deferred maintenance/special repair projects.

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	7,384,000
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	45,112,000
3790-001-394—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the State Parks and Recreation Fund, Fines and Forfeitures Account	328,000

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			60,000
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			321,000
Provisions:			
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			1,821,000
3790-011-062—For transfer by the State Controller from the Highway 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 system, payable from the Highway Users Tax Account, Transportation Tax Fund			(1,500,000)
3790-101-036—For local assistance, Department of Parks and Recreation, payable from the Special Account for Capital Outlay			14,803,000
Schedule:			
(1) 50.20.036-East Bay Regional Park District		2,100,000	
(a) 50.20.036.066-Alameda County, East Bay Regional Park District-Wool Property	2,000,000		
(b) 50.20.036.067-Alameda County, East Bay Regional Park District-Oakland Zoo	100,000		
(2) 50.20.036.006-Fresno City College Admin. Bldg.		200,000	
Schedule:			
(2.3) 50.20.036.007-Riverside County-Jensen-Alvarado Ranch		200,000	

Item	Amount
(2.6) 50.20.036.008-Riverside County-Lake Elsinore Park and Recreation District	65,000
(2.9) 50.20.036.009-City of Colton-Colton Library	235,000
(6) 50.20.036.011-Ventura County-San Buenaventura State Beach Promenade	246,000
(7) 50.20.036.013-City of San Diego, Belmont Park-Roller Coaster	300,000
(8) 50.20.036.015-City of Los Angeles, Recreational Facilities and Swimming Pool Construction	200,000
(9) 50.20.036.017-City of Sacramento, Multicultural Center	1,000,000
(10) 25.30.036.044-Sonoma County, Healdsburg-Carnegie Library	124,000
(11) 25.30.036.045-Los Angeles County, Van Nuys Post Office	200,000
(12) 50.20.036.051-Selma-Pioneer Park	200,000
(13) 50.20.036.053-Balboa Park, Restoration of Administration Building	200,000
(14) 50.20.036.019-Santa Clara County, Los Gatos Creek Trail	1,000,000
(15) 50.20.036.021-City of Oakland, Aquatic Biology Hall/Oakland Museum	250,000
(16) 50.20.036.023-County of Los Angeles, Highland-Camrose Bungalows/Hollywood Bowl	1,000,000
(17) 50.20.036.025-City of Kingsburg, Kingburg Pool	400,000
(18) 50.20.036.027-City of Dinuba, Rose Ann Vuich Park Bandstand	150,000
(19) 50.20.036.029-City of Oakland, Peralta Hacienda Historical Park (Phase II)	740,000
(20) 50.20.036.031-City of Piedmont, Linda Playfield Project	102,000
(21) 50.20.036.033-City of San Francisco, California Academy of Science	2,000,000
(22) 50.20.036.035-Sacramento County —City of Sacramento Softball Complex	250,000
(23) 50.20.036.037-Ventura County—Santa Paula Community Center	500,000

Item		Amount
(24) 50.20.036.039-County of Mariposa, California Mineral & Mining	250,000	
(26) 50.20.036.043-Tehama County—Red Bluff Community Center	600,000	
(27) 50.20.036.045-City of Los Angeles—Los Angeles City Hall	300,000	
(28) 50.20.036.047-City of Los Angeles—Union Church	150,000	
(29) 50.20.036.049-City of Los Angeles—Eagle Rock Library	238,000	
(30) 50.20.036.871-Humboldt County, City of Eureka Simpson-Vance House	116,000	
(31) 50.20.036.057-San Diego County, Spring Valley Revitalization Plan Project	1,225,000	
(33) 50.20.036.061-City of Desert Hot Springs, Baseball Field Lighting	10,000	
(34) 50.20.036.063-City of Los Angeles, Duane and Waterloo Streets Ballpark	30,000	
(35) 50.20.036.064-City of Garden Grove, Buena Clinton Park	60,000	
(36) 50.20.036.065-City of Compton, various parks	162,000	
Provisions:		
1. Of the funds appropriated in category (19), $50,000 shall be available to the City of Oakland for capital outlay purposes related only to the operation of the Knowland Zoo.		
3790-101-140—For local assistance, Department of Parks and Recreation, payable from the California Environmental License Plate Fund		450,000
Schedule:		
(1) 50.20.140.001 Chico Creek Nature Center—facility expansion	50,000	
(2) 50.20.140.003 Sacramento County—American River Parkway Acquisition, soils mining operation	400,000	
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 1987–88, 1988–89, and 1989–90 fiscal years		5,066,000

Item	Amount
Schedule:	
U.S. Bureau of Land Management, Bakersfield District	
(1) 35.03.001 Clear Creek O&M I	62,000
(2) 35.03.002 Clear Creek III	263,000
U.S. Bureau of Land Management, California Desert District	
(3) 35.06.001 Grant Coordinator	170,000
(4) 35.06.002 Barstow Open Areas—O&M	47,000
(5) 35.06.003 Yuha Desert	7,000
(6) 35.06.004 Lark Canyon—O&M	71,000
(7) 35.06.005 Buttercup-Grays Well	62,000
(8) 35.06.006 Imperial Dunes Visitor Services	110,000
(9) 35.06.007 El Centro Trash Stations	54,000
(10) 35.06.008 Jawbone O&M	100,000
(11) 35.06.009 Imperial Dunes Maintenance	110,000
(12) 35.06.010 San Felipe Acq. II	58,000
(13) 35.06.011 San Felipe Development I	13,000
(14) 35.06.012 Yuha Desert Access	195,000
(15) 35.06.013 El Mirage III—O&M	75,000
U.S. Bureau of Land Management, Susanville District	
(16) 35.09.001 Fort Sage O&M	32,000
U.S. Bureau of Land Management, Ukiah District	
(17) 35.12.001 Cow Mountain O&M II	63,000
(18) 35.12.002 Knoxville O&M II	22,000
U.S. Forest Service, Angeles National Forest	
(19) 35.15.001 Drinkwater Trail Development	45,000
(20) 35.15.002 Alimony/Littlerock Trail Acq.	25,000
(21) 35.15.003 Yerba Buena Rehabilitation	14,000
(22) 35.15.004 Drinkwater Rehabilitation	12,000
(23) 35.15.005 Valyermo Rehabilitation	57,000
(24) 35.15.006 Little Rock O&M	46,000
(25) 35.15.007 Drinkwater O&M	40,000
(26) 35.15.008 Rowher Flat O&M II	70,000
(27) 35.15.009 Rowher Construction	135,000
(28) 35.15.010 Rowher Rehabilitation	34,000

Item		Amount
U.S. Forest Service, Cleveland National Forest		
(29)	35.18.001 Corral-Bear O&M II	75,000
(30)	35.18.002 Wildomar O&M	21,000
(31)	35.18.003 Sunshine Planning	25,000
U.S. Forest Service, El Dorado National Forest		
(32)	35.21.001 Barrett Lake O&M	1,000
(33)	35.21.002 Stumpy Meadows ATV	5,000
(34)	35.21.003 Hwy 88 Snowmobile Facilities.....	58,000
(35)	35.21.004 Rock Creek O&M II....	40,000
U.S. Forest Service, Inyo National Forest		
(36)	35.24.001 Monache O&M.....	27,000
(37)	35.24.002 Wheeler Crest O&M....	3,000
(38)	35.24.003 Route 7 Planning	146,000
(39)	35.24.004 Coyote Flat O&M II	7,000
U.S. Forest Service, Klamath National Forest		
(40)	35.27.001 Deer Mountain O&M..	3,000
(41)	35.27.002 Deer Mountain Snowplowing II O&M	5,000
(42)	35.27.003 Medicine Lake Link O&M.....	3,000
(43)	35.27.004 Medicine Lake Link Snowplowing II O&M	6,000
(44)	35.27.005 Deer Mountain Snowmobile Trails.....	12,000
(45)	35.27.006 Scott Mtn. O&M.....	7,000
(46)	35.27.007 Medicine Lake III	23,000
(47)	35.27.008 Medicine Lake Link Supplement.....	17,000
U.S. Forest Service, Lake Tahoe Basin		
(48)	35.30.001 LTB Mgmt Unit O&M	40,000
(49)	35.30.002 Public Awareness Program	8,000
U.S. Forest Service, Lassen National Forest		
(50)	35.33.001 Bogard Snowmobile O&M.....	5,000
(51)	35.33.002 Ashpan O&M	10,000
(52)	35.33.003 Lassen Snowmobile Planning.....	18,000
(53)	35.33.004 Morgan Summit O&M II	20,000
U.S. Forest Service, Los Padres National Forest		
(54)	35.36.001 Mt. Pinos O&M II	37,000
(55)	35.36.002 Santa Barbara O&M	48,000
(56)	35.36.003 Greyfox O&M.....	42,000
(57)	35.36.004 Juncal Trail	78,000
(58)	35.36.005 Santa Barbara Planning	14,000

Item	Amount
(59) 35.36.006 Goldhill Planning	20,000
(60) 35.36.007 Divide Peak Staging	10,000
(61) 35.36.008 Goldhill Acq. Supplement	150,000
U.S. Forest Service, Mendocino National Forest	
(62) 35.39.001 OHV Trail Maintenance	12,000
(63) 35.39.002 Trough-Letts	67,000
(64) 35.39.003 Mendocino Corridor Plan Phase II	80,000
(65) 35.39.004 Stonyford O&M II	70,000
U.S. Forest Service, Plumas National Forest	
(66) 35.42.001 Gold Lake O&M	1,000
(67) 35.42.002 Lake Davis O&M	1,000
(68) 35.42.003 Plumas Planning	41,000
U.S. Forest Service, San Bernardino National Forest	
(69) 35.45.001 Forestwide O&M	40,000
(70) 35.45.002 Cross-Forest Development	173,000
(71) 35.45.003 Cactus Flat Development	50,000
(72) 35.45.004 Gold Mtn.4WD Signs Development	13,000
U.S. Forest Service, Sequoia National Forest	
(73) 35.48.001 Tule River Motorcycle O&M	17,000
(74) 35.48.002 Tule River Snowmobile	27,000
(75) 35.48.003 Tule River Snowmobile O&M	10,000
(76) 35.48.004 Trail System Planners	37,000
U.S. Forest Service, Sierra National Forest	
(78) 35.51.002 Swamp Erosion Control	23,000
(79) 35.51.003 Tamarack O&M	9,000
U.S. Forest Service, Stanislaus National Forest	
(80) 35.54.001 Corral Hollow Development	43,000
U.S. Forest Service, Tahoe National Forest	
(81) 35.57.001 Forestwide O&M II	100,000
(82) 35.57.002 Snowmobile Trail Grooming	56,000
(83) 35.57.003 Sagehen II	120,000
U.S. Forest Service, Toiyabe National Forest	
(85) 35.60.002 Hope Valley O&M	3,000
U.S. Forest Service, Pacific Southwest Region	
(86) 35.63.001 Statewide OHV Coordinator	206,000

Item		Amount
East Bay Regional Park District		
(87) 35.66.001 East Bay Planning	40,000	
City of Marysville		
(88) 35.69.001 Riverfront Park O&M II	15,000	
Monterey County		
(89) 35.72.001 Laguna Seca O&M II ..	6,000	
Sacramento County		
(90) 35.75.001 Prairie City O&M XI ..	212,000	
Santa Clara County		
(91) 35.78.001 Motorcycle Park O&M II	39,000	
Stanislaus County		
(92) 35.81.001 LaGrange O&M II.....	32,000	
(93) 35.81.002 Frank Raines O&M II..	47,000	
Statewide		
(94) 35.84.001 Safety Grants.....	300,000	
(95) 35.84.002 O & M Insurance Costs	200,000	
Provisions:		
1. Prior to the transfer of funds under category (35) 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.....		80,037,000
Schedule:		
(1) 50.10.716 Project review	100,000	
(2) 50.20.716—Local agency grants	79,491,000	
(3) 59.29.716.870—City of Encinitas—Park improvements	132,000	
(4) 59.29.716.871—Santa Cruz County —Entitlement grants	314,000	

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

Item			Amount
review, payable from the Parklands Fund of 1980			1,545,000
Schedule:			
(1) 50.10.721-Project review		225,000	
(2) 50.20.721.001-Hayward Area RPD, Hayward Plunge		60,000	
(3) 50.20.721.002-City of Oakland, Sailboat House		99,000	
(4) 50.20.721.003-City of Fresno, Fresno Neighborhood Parks		25,000	
(5) 50.20.721.004-City of East Palo Alto, Civic Center Park		58,000	
(6) 50.20.721.005-County of Santa Clara, Uvas/Carnadero Creek Park		1,078,000	

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			27,641,000
Schedule:			
(a) Regional Competitive Program, Public Resources Code Sections 5096.231(a)(1) and 5096.233(b)		25,000,000	
(1) 50.10.722 Project review	250,000		
Projects in Region 1			
(2) 50.20.722.101 City of Crescent City, Beachfront Park	14,000		
(3) 50.20.722.103 County of Del Norte, Florence Keller	45,000		
(4) 50.20.722.105 City of Eureka, Cooper Gulch	54,000		
(5) 50.20.722.107 City of Ft. Bragg, Johnson Park	13,000		
(6) 50.20.722.109 County of Lake, Austin Park	36,000		

Item		Amount
(7) 50.20.722.111 City of Lakeport, School Park		35,000
(8) 50.20.722.113 Mendocino Coast RFD, Recreation Center Pool		28,000
(9) 50.20.722.115 City of Ukiah, Todd Grove Park		15,000
(10) 50.20.722.117 City of Willits, Willits Pool		10,000
Projects in Region 2		
(11) 50.20.722.201 City of Alturas, Arrowhead Municipal Golf Course		35,000
(12) 50.20.722.203 City of Alturas, Municipal Swimming Pool		85,000
(13) 50.20.722.205 Central Plumas Recreation Department, Gansner Park		14,000
(14) 50.20.722.207 City of Colusa, Sankey/Elmwood Park		18,000
(15) 50.20.722.209 Colusa County Fair, Pavillion		97,000
(16) 50.20.722.211 Dunsmuir RPD, Memorial Swimming Pool		23,000
(17) 50.20.722.213 Feather River RPD, Palermo Park		45,000
(18) 50.20.722.215 Lewiston CSD, Lewiston Park-Ball Fields		18,000

Item	Amount
(19) 50.20.722.217 Lewiston CSD, Lewiston Park-Tennis Courts	12,000
(20) 50.20.722.219 City of Montague, Montague City Park	40,000
(21) 50.20.722.221 Mount Shasta RPD, Bento Memorial Pool	36,000
(22) 50.20.722.223 Mountain Gate CSD, Mountain Gate Park	13,000
(23) 50.20.722.225 Paradise RPD, Bille Park	55,000
(24) 50.20.722.227 County of Plumas, Quincy High School Ballfield	35,000
(25) 50.20.722.229 County of Plumas, Chester Park	37,000
(26) 50.20.722.231 City of Red Bluff, Diamond Park	36,000
(27) 50.20.722.233 Shasta CSD, Shasta Community Park	14,000
(28) 50.20.722.235 County of Trinity, Junction City Baseball Field	12,000
(29) 50.20.722.237 County of Trinity, Hayfork Park	12,000
(30) 50.20.722.239 County of Trinity, Historical Park	13,000
Projects in Region 3	
(31) 50.20.722.301 Arden Manor RPD, Deterding Building	39,000

Item	Amount
(32) 50.20.722.303 City of Loyalton, Loyalton Museum	30,000
(33) 50.20.722.305 City of Marysville, Bryant Field	72,000
(34) 50.20.722.307 Mission Oaks RPD, Orville Wright Park.....	54,000
(35) 50.20.722.309 City of Nevada City, Pioneer Park Field ..	35,000
(36) 50.20.722.311 County of Nevada City, Union Hill Recreation Area....	24,000
(37) 50.20.722.313 Orangevale RPD, Pecan Park	50,000
(38) 50.20.722.315 County of Placer, Loomis Basin Park	45,000
(39) 50.20.722.317 City of Rocklin, Finn Hall	38,000
(40) 50.20.722.319 City of Roseville, Saugstad Park	76,000
(41) 50.20.722.321 City of Sacramento, Natomas Oaks Park.....	80,000
(42) 50.20.722.323 City of Sacramento, Earl Warren Park	44,000
(43) 50.20.722.325 County of Sacramento, Gibson Ranch	214,000
(44) 50.20.722.327 County of Sacramento, Rio Linda Park.....	65,000

Item	Amount
(45) 50.20.722.329 County of Sierra, Smithneck Creek Park	20,000
(46) 50.20.722.331 County of Sierra, Cal-pine Park	20,000
(47) 50.20.722.333 County of Sierra, Plum Valley Park	36,000
(48) 50.20.722.335 City of South Lake Tahoe, Bijou Community Park	100,000
(49) 50.20.722.337 Tahoe City PUD, North Tahoe High Tennis Court	91,000
(50) 50.20.722.339 County of Yolo, Putah Creek Campground	125,000
(51) 50.20.722.341 County of Yuba, Ponderosa Recreation Center	30,000
Projects in Region 4	
(52) 50.20.722.401 City of Antioch, Contra Loma Center	277,000
(53) 50.20.722.403 City of Burlingame, Washington Park	80,000
(54) 50.20.722.405 County of Contra Costa, Montara Bay Park	201,000
(55) 50.20.722.407 City of Corte Madera, Recreation Center	40,000
(56) 50.20.722.409 City of Daly City, Hillside Park	240,000
(57) 50.20.722.411 City of Dixon, Northwest Park	37,000

Item	Amount
(58) 50.20.722.413 City of Dublin, Kolb Park	50,000
(59) 50.20.722.415 East Bay RPD, Chabot Campground	200,000
(60) 50.20.722.417 City of East Palo Alto, Civic Center Park	98,000
(61) 50.20.722.419 Greater Vallejo RPD, Wilson/Dalwig Park	70,000
(62) 50.20.722.421 Kensington CSD, Youth Hut	40,000
(63) 50.20.722.423 Livermore Area RPD, Sycamore Grove	62,000
(64) 50.20.722.425 County of Marin, Marin Center Park	250,000
(65) 50.20.722.427 Marinwood CSD, Marinwood Park	30,000
(66) 50.20.722.429 City of Martinez, Municipal Pool	57,000
(67) 50.20.722.431 Midpeninsula ROSD, Skyline Ridge	306,000
(68) 50.20.722.433 City of Millbrae, Green Hills Park	100,000
(69) 50.20.722.435 City of Morgan Hill, Diana Park	22,000
(70) 50.20.722.437 City of Napa, Napa Swimming Pool	250,000
(71) 50.20.722.439 City of Oakland, Brookfield Center	250,000
(72) 50.20.722.441 City of Piedmont, Linda Playground	80,000

Item		Amount
(73) 50.20.722.443 City of Pinole, Pinole Valley Park		60,000
(74) 50.20.722.445 City of Richmond, Martin L. King Park....		15,000
(75) 50.20.722.447 City of Richmond, Shields-Reid Park..		46,000
(76) 50.20.722.449 City of Richmond, Hill Top Park		17,000
(77) 50.20.722.451 City of Richmond, Eastshore Park		51,000
(78) 50.20.722.453 City of Richmond, Parkchester Park..		20,000
(79) 50.20.722.455 City of Rio Vista, Municipal Pool		66,000
(80) 50.20.722.457 City of San Bruno, City Park.....		130,000
(81) 50.20.722.459 City of San Francisco, Kezar Stadium		750,000
(82) 50.20.722.461 City of San Jose, Emma Prusch Park.....		220,000
(83) 50.20.722.463 City of San Leandro, Wash-Manor Park		230,000
(84) 50.20.722.465 County of San Mateo, Flood Park		52,000
(85) 50.20.722.467 County of Santa Clara, Coyote Creek Park		600,000
(86) 50.20.722.469 City of Sebastopol, Laguna Youth Park ..		30,000
(87) 50.20.722.471 County of Sonoma, Roseland Park.....		150,000

Item	Amount
(88) 50.20.722.473 City of Walnut Creek, Arbolado Park	150,000
Projects in Region 5	
(89) 50.20.722.501 City of Angels, Museum Restroom	58,000
(90) 50.20.722.503 City of Atwater, Community Center	80,000
(91) 50.20.722.505 City of Ceres, Smyrna Park.....	53,000
(92) 50.20.722.507 City of Escalon, Community Center Park.....	25,000
(93) 50.20.722.509 Groveland CSD, Groveland Park	69,000
(94) 50.20.722.511 City of Gustine, Gustine Pool.....	67,000
(95) 50.20.722.513 City of Jackson, Broadway Plaza.....	66,000
(96) 50.20.722.515 County of Merced, O'Banion Park	60,000
(97) 50.20.722.517 City of Modesto, Wesson Park.....	44,000
(98) 50.20.722.519 County of San Joaquin, Oak Grove Park.....	90,000
(99) 50.20.722.521 City of Stockton, McCleod Lake	190,000
(100) 50.20.722.523 City of Waterford, Beard Community Park.....	41,000
Projects in Region 6	
(101) 50.20.722.601 City of Bakersfield, Jenkins Park	95,000

Item	Amount
(102) 50.20.722.603 Bear Mountain RPD, Weed Patch Park	85,000
(103) 50.20.722.605 City of Farmersville, Lone Oak Park	60,000
(104) 50.20.722.607 City of Firebaugh, Maldonado Park	11,000
(105) 50.20.722.609 City of Firebaugh, Dunkle Park	26,000
(106) 50.20.722.611 City of Fresno, Butler/Villa Park	380,000
(107) 50.20.722.613 County of Fresno, Kearney Picnic Tables	21,000
(108) 50.20.722.615 County of Fresno, Lost Lake	93,000
(109) 50.20.722.617 County of Fresno, Choinumni Park	36,000
(110) 50.20.722.619 County of Fresno, Kearney Mansion	10,000
(111) 50.20.722.621 County of Kern, Mojave West	117,000
(112) 50.20.722.623 County of Madera, Chowchilla Park	50,000
(113) 50.20.722.625 County of Mariposa, Coulterville Park	40,000
(114) 50.20.722.627 County of Mariposa, Cathey's Valley Park	30,000

Item	Amount
(115) 50.20.722.629 County of Mariposa, El Portal Park	15,000
(116) 50.20.722.631 Shafter RPD, Shafter Pool	25,000
(117) 50.20.722.633 County of Tulare, Ledbetter Park	60,000
(118) 50.20.722.635 County of Tulare, Mooney Grove Park	140,000
(119) 50.20.722.637 County of Visalia, St. Johns River Park	17,000
(120) 50.20.722.639 Wasco RPD, Barker Park	35,000
Projects in Region 7	
(121) 50.20.722.701 City of El Paso De Robles, Paso Robles Park	95,000
(122) 50.20.722.703 Greenfield RPD, Oak Park	43,000
(123) 50.20.722.705 City of Hollister, Calaveras Park	100,000
(124) 50.20.722.707 City of King City, Municipal Park	45,000
(125) 50.20.722.709 City of Lompoc, River Park	60,000
(126) 50.20.722.711 City of Monterey, Laguna Seca Park	50,000
(127) 50.20.722.713 City of Salinas, Municipal Pool	65,000

Item		Amount
(128) 50.20.722.715	County of San Benito, San Justo Reservoir	100,000
(129) 50.20.722.717	County of San Luis Obispo, Oceano Park	70,000
(130) 50.20.722.719	County of Santa Barbara, Jalama Beach	14,000
(131) 50.20.722.721	County of Santa Barbara, Tucker's Grove	25,000
(132) 50.20.722.723	County of Santa Cruz, Prather Lane Park	162,000
(133) 50.20.722.725	City of Santa Maria, Waller Park	100,000
(134) 50.20.722.727	City of Scotts Valley, Siltanen Park	30,000
(135) 50.20.722.729	City of Soledad, Vosti Park	31,000
Projects in Region 8		
(136) 50.20.722.801	31st District Agr. Assoc., Shoreline Park	100,000
(137) 50.20.722.802	City of Aguora Hills, Rainbow Crest	98,000
(138) 50.20.722.803	City of Alhambra, Story Park	70,000
(139) 50.20.722.804	City of Anaheim, Maxwell Park	50,000

Item	Amount
(140) 50.20.722.805 City of Blythe, Blythe Community Center	20,000
(141) 50.20.722.806 City of Brea, Arovista Park	180,000
(142) 50.20.722.807 City of Burbank, Pacific Park	220,000
(143) 50.20.722.808 City of Cathedral City, Panorama Park	75,000
(144) 50.20.722.809 Conejo RPD, Old Town Park	150,000
(145) 50.20.722.810 Daggett CSD, Daggett Park	24,000
(146) 50.20.722.811 City of Downey, Olympic Pool	205,000
(147) 50.20.722.812 City of Fountain Valley, Mile Square Park	35,000
(148) 50.20.722.813 City of Fullerton, Pacific Drive Park	75,000
(149) 50.20.722.814 City of Glendale, Sparr Park	150,000
(150) 50.20.722.815 City of Hawthorne, Holly Park	192,000
(151) 50.20.722.816 City of Hemet, Southwest Park	100,000
(152) 50.20.722.817 Hesperia RPD, Lime Street Park	75,000
(153) 50.20.722.818 County of Imperial, Heber Dunes Park	30,000

Item	Amount
(154) 50.20.722.819 City of La Palma, Central Park	90,000
(155) 50.20.722.820 City of La Verne, Community Center	75,000
(156) 50.20.722.821 City of Laguna Beach, Alta Laguna Park	150,000
(157) 50.20.722.822 City of Long Beach, MacArthur Park.....	400,000
(158) 50.20.722.823 City of Long Beach, King Park..	200,000
(159) 50.20.722.824 City of Los Angeles, Westwood Park.....	400,000
(160) 50.20.722.825 City of Los Angeles, St. Andrews Center	1,586,000
(161) 50.20.722.826 City of Los Angeles, Mar Vista Park	150,000
(162) 50.20.722.827 City of Los Angeles, Hansen Dam ..	345,000
(163) 50.20.722.828 City of Los Angeles, Griffith Park ..	434,000
(164) 50.20.722.829 City of Los Angeles, Elysian Recreation Center	202,000
(165) 50.20.722.830 County of Los Angeles, Lennox Park	200,000
(166) 50.20.722.831 County of Los Angeles, Ladera Park	200,000

Item	Amount
(167) 50.20.722.832 County of Los Angeles, Hollywood Bowl	172,000
(168) 50.20.722.833 County of Los Angeles, City Terrace Park	290,000
(169) 50.20.722.834 County of Los Angeles, Dockweiler State Beach	220,000
(170) 50.20.722.835 County of Los Angeles, Redondo State Beach	400,000
(171) 50.20.722.836 County of Los Angeles, Torrance County Beach	240,000
(172) 50.20.722.837 County of Los Angeles, Zuma Beach	200,000
(173) 50.20.722.838 County of Los Angeles, Will Rogers, State Beach	320,000
(174) 50.20.722.839 City of Lynwood, Community Center Gym	140,000
(175) 50.20.722.840 Mission Viejo CSD, Pavion Park	200,000
(176) 50.20.722.841 City of Moorpark, Monte Vista Park	66,000
(177) 50.20.722.842 City of Newport Beach, Lincoln Athletic Field	280,000
(178) 50.20.722.843 City of Ontario, Westwood Park	280,000

Item	Amount
(179) 50.20.722.844 Rossmore Community Services District, Montecito Center	150,000
(180) 50.20.722.845 County of Orange, Oneil Park	400,000
(181) 50.20.722.846 City of Placentia, Tri-City Park	320,000
(182) 50.20.722.847 City of Redlands, Prospect Park	140,000
(183) 50.20.722.848 City of Rialto, Swimming Pool	120,000
(184) 50.20.722.849 County of Riverside, Idyllwild Park	203,000
(185) 50.20.722.850 City of Rolling Hills Estates, Highridge Park	50,000
(186) 50.20.722.851 Salton CSD, Desert Shores Park	40,000
(187) 50.20.722.852 County of San Bernardino, Desert Museum	30,000
(188) 50.20.722.853 County of San Bernardino, Paradise Park	20,000
(189) 50.20.722.854 County of San Bernardino, Glen Helen Park	400,000
(190) 50.20.722.855 City of San Buenaventura, Surfer's Point	100,000
(191) 50.20.722.856 City of San Clemente, Plaza Park	90,000

Item	Amount
(192) 50.20.722.857 City of San Jacinto, Sallee Park.....	45,000
(193) 50.20.722.858 South Coast Water District, Tennis Center	35,000
(194) 50.20.722.859 City of Torrance, Greenwood Park ..	130,000
(195) 50.20.722.860 County of Ventura, Steckel Park	130,000
(196) 50.20.722.861 County of Ventura, Camarillo Grove	100,000
(197) 50.20.722.862 City of Westminster, Newcastle Park.....	80,000
(198) 50.20.722.863 City of Whittier, Palm Park	300,000
Projects in Region 9	
(199) 50.20.722.901 City of Del Mar, Powerhouse Park..	195,000
(200) 50.20.722.903 City of La Mesa, Harry Griffen Park	200,000
(201) 50.20.722.905 Lake Cuyamaca RPD, Parking Lots	75,000
(202) 50.20.722.907 City of Poway, West Area Landscape	80,000
(203) 50.20.722.909 City of San Diego, Skyline Lighting ..	48,000
(204) 50.20.722.911 City of San Diego, Nestor Park.....	330,000
(205) 50.20.722.913 City of San Diego, Tecolate Canyon ..	200,000

Item		Amount
(206) 50.20.722.915 City of San Diego, Chollas Park	270,000	
(207) 50.20.722.917 County of San Diego, Lyons-Morena Park	180,000	
(208) 50.20.722.919 City of San Marcos, Discovery Park	61,000	
(209) 50.20.722.921 City of Santee, Santana Tennis Courts	70,000	
(210) 50.20.722.923 Spring Valley RPD, Community Center	250,000	
Projects in Region 10		
(211) 50.20.722.950 County of Inyo, Inyo County Parks	63,000	
(212) 50.20.722.952 City of Mammoth Lakes, Community Center Renovation	20,000	
(213) 50.20.722.954 County of Mono, Mono County Parks	42,000	
(b) Historic Preservation Program, Public Resources Code Section 5096.231(a)(4)		2,641,000
(1) 25.30.722 Project Review	49,000	
Projects in Alameda County		
(2) 25.30.722.002 City of Oakland, Camron-Stanford Residence	35,000	
(3) 25.30.722.003 City of Oakland, Western Market Building	50,000	

Item		Amount
	Projects in Butte County	
	(4) 25.30.722.004 City of Chico, Southern Pacific Depot	60,000
	Projects in El Dorado County	
	(5) 25.30.722.005 City of Placerville, Gold Bug Mine.....	40,000
	Projects in Glenn County	
	(6) 25.30.722.006 City of Orland, Orland Carnegie Community Center	25,000
	(7) 25.30.722.007 County of Glenn, Glenn County Courthouse.....	61,000
	Projects in Kern County	
	(8) 25.30.722.008 County of Kern, Beale Memorial Library, Kern Branch.....	55,000
	(9) 25.30.722.009 City of Shafter, Green Hotel/Shafter Hotel/Hitchcock Hotel.....	50,000
	Projects in Los Angeles County	
	(10) 25.30.722.010 City of Claremont, Garner House	30,000
	(11) 25.30.722.011 City of Los Angeles, Garnier Building, El Pueblo de Los Angeles State Park	61,000
	(12) 25.30.722.012 City of Los Angeles, Old Van Nuys Post Office (Acquisition)	100,000
	(13) 25.30.722.013 City of Monterey Park, Jardin El Encanto (Acquisition).....	100,000

Item	Amount
(14) 25.30.722.014 City of Pomona, La Casa Primera de Rancho San Jose....	15,000
(15) 25.30.722.015 City of West Hollywood, Schindler House	30,000
Projects in Mariposa County	
(16) 25.30.722.016 County of Mariposa, Mariposa County Courthouse.....	50,000
Projects in Modoc County	
(17) 25.30.722.017 County of Modoc, The Belli Building	50,000
Projects in Monterey County	
(18) 25.30.722.018 City of Gonzales, Odd Fellows Lodge/ Gabilan No. 372	40,000
Projects in Napa County	
(19) 25.30.722.019 City of Napa, Napa Opera House	50,000
Projects in Orange County	
(20) 25.30.722.020 County of Orange, Modjeska Home....	80,000
(21) 25.30.722.021 County of Orange, Orange County Original Courthouse.....	99,000
Projects in Placer County	
(22) 25.30.722.022 City of Rocklin, Finnish Temperance Hall..	70,000
Projects in Riverside County	
(23) 25.30.722.023 County of Riverside, Jensen-Alvarado Ranch	75,000

Item	Amount
Projects in Sacramento County	
(24) 25.30.722.024 County of Sacramento, Jean Harvie School	55,000
Projects in San Bernardino County	
(25) 25.30.722.025 City of Colton, Colton Public Library	40,000
(26) 25.30.722.026 County of San Bernardino, San Bernardino Asistencia	80,000
Projects in San Diego County	
(27) 25.30.722.027 City of Carlsbad, Leo Carrillo Ranch	90,000
(28) 25.30.722.028 City of San Diego, Balboa Park Administration Building	100,000
(29) 25.30.722.029 County of San Diego, Guajome Ranch House.....	150,000
Projects in San Francisco County	
(30) 25.30.722.030 City/County of San Francisco, Coit Memorial Tower ..	64,000
Projects in San Mateo County	
(31) 25.30.722.031 City of Half Moon Bay, James Johnston House	50,000
Projects in Santa Clara County	
(32) 25.30.722.032 City of Gilroy, Gilroy Old City Hall	29,000
(33) 25.30.722.033 City of Santa Clara, Harris-Lass House	65,000
Projects in Sierra County	
(34) 25.30.722.034 County of Sierra, Sierra County Sheriff's Gallows....	17,000

Item		Amount
	Projects in Solano County	
	(35) 25.30.722.035 City of Benicia, Benicia Arsenal: Camel Barn Complex	67,000
	(36) 25.30.722.036 City of Benicia, Von Pfister Adobe	60,000
	Projects in Sonoma County	
	(37) 25.30.722.037 City of Santa Rosa, Luther Burbank House and Garden	50,000
	Projects in Stanislaus County	
	(38) 25.30.722.038 City of Modesto, McHenry Mansion	26,000
	Projects in Trinity County	
	(39) 25.30.722.039 County of Trinity, Old Lewiston School	40,000
	Projects in Tuolumne County	
	(40) 25.30.722.040 City of Sonora, Sonora Opera Hall	83,000
	Projects in Ventura County	
	(41) 25.30.722.041 City of Ventura, Albinger Archeological Museum	50,000
	(42) 25.30.722.042 City of Ventura, Peirano's Market/Wilson Studios.....	100,000
	Projects in Yolo County	
	(43) 25.30.722.043 County of Yolo, Yolo County Courthouse	150,000
	Provisions:	
	1. Except for project review schedules at paragraph (1) of category (a) and at paragraph (1) category (b), funds appropriated in this item shall be available for expenditure during the 1987–88, 1988–89, and 1989–90 fiscal years.	

Item		Amount

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		481,000
Schedule:		
(1) 50.10.742 Project review	60,000	
(2) 50.20.742.002-City of Ceres, Daniel Whitmore Home	65,000	
(3) 50.20.742.003-Madera County, City of Madera: Rotary Park Renovation	90,000	
(3.5) 50.20.742.006-San Mateo County, Coyote Point Museum Association	197,000	
(6) 50.10.742.009-Sacramento County, Southgate Recreation Park District—Bowling Green Park	69,000	
3790-101-890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure during the 1987–88, 1988–89, and 1989–90 fiscal years		3,000,000
Schedule:		
(1) 50.20.890-Land and Water Conservation Fund Act of 1965	3,000,000	
3790-301-036—For capital outlay, Department of Parks and Recreation, payable from the Special Account for Capital Outlay		1,790,000
Schedule:		
(1) 90.E4.400-Chino Hills SP—Acquisition	790,000	
(2) 90.95.100.870-Little Frank's Tract —Repair	1,000,000	
3790-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund		3,494,000
Schedule:		
(1) 90.6S.400-Hollister Hills SVRA—Acquisition	1,924,000	
(2) 90.RS.200-Minor Projects	1,370,000	
(3) 90.RS.600-Preliminary Planning	50,000	
(4) 90.RS.400-Statewide Opportunity Purchase Program	100,000	
(5) 90.RS.400-Statewide Prebudget Appraisal costs	50,000	

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.			
3790-301-392—For capital outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund			4,094,000
Schedule:			
(1) 90.RS.200-Minor projects		2,843,000	
(2) 90.AC.400-Old Sacramento SHP—Engineering Building Site—Acquisition		900,000	
(3) 90.RS.400-Statewide Acquisition Costs		150,000	
(4) 90.RS.400-Statewide Pre-Budget Appraisal Costs		90,000	
(5) 90.9H.100.870-Colonel Allensworth SHP, Railroad Passenger Platform		20,000	
(6) 90.9H.100.871-Colonel Allensworth SHP, Hotel Renovation.		91,000	
PARKLANDS ACQUISITION AND DEVELOPMENT			
3790-301-721—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980			2,504,000
Schedule:			
(1) 90.RS.600-Design and construction planning		700,000	
(2) 90.AC.100.871-Old Sacramento SHP "49'er" Scene—Tehama Block—Construction		804,000	
(3) 90.RS.100.877-Los Angeles County Operating Agreements, Beaches—Miscellaneous Improvements and Minor Projects		1,000,000	

Item Amount

Provisions:

1. None of the funds appropriated in category (3) of this item for improvements at the State Beaches in Los Angeles County that were subject to the expired operating agreement between the State of California and Los Angeles County shall be encumbered unless or until the State of California and Los Angeles County enter into a new agreement for the operation of the beaches by Los Angeles County. This provision is not to be considered precedent to any future funding request of a similar nature.

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 33,997,000

Schedule:

(1)	90.RS.200-Accessibility Expansion Program—Minor Projects	200,000
(2)	90.6F.100-Angel Island SP, Tiburon Land Base Improvements—Construction	335,000
(3)	90.3V.100-Bidwell Mansion SHP Visitor Center-Preliminary Plans, Working Drawings, and Partial Construction	291,000
(4)	90.BA.100-Big Basin Redwoods SP Refurbish Campfire Center	397,000
(5)	90.BA.100.871-Big Basin Redwoods SP, Rehabilitate Sewer Plant-Preliminary Plans, Working Drawings, and Construction	492,000
(6)	90.BA.400-Big Basin Redwoods SP Sempervirens—Acquisition	1,540,000
(7)	90.8Q.200-Brannan Island SRA Building Construction at Group Camp Area-Minor project	168,000
(7.5)	90.5Y.100-Candlestick Park SRA-Complete Project	1,700,000
(8)	90.5M.100-China Camp SP, Back Ranch—Preliminary Plans, Working Drawings, and Construction ..	896,000
(9)	90.5M.100.871-China Camp SP, Sewer—Construction	596,000

Item	Amount
(10) 90.E4.100-Chino Hills SP, Initial Development of Facilities—Preliminary Plans and Working Drawings	303,000
(11) 90.F1.100-Dockweiler SB, Rehabilitation of Existing Facilities—Working Drawings	322,000
(12) 90.8U.100-Folsom Lake SRA, New York Campground—Preliminary Plans and Working Drawings	206,000
(13) 90.8U.200.871-Folsom Lake SRA, Powerhouse Rehabilitation—Minor project	154,000
(14) 90.RS.600-General Plan Contracts	540,000
(14.5) 90.AD.100-Indian Grinding Rock SHP, Regional Museum and Parking—Construction	140,000
(15) 90.F8.100-Malibu Lagoon SB, Adamson House Restoration—Working Drawings and Construction	345,000
(16) 90.4F.100-Mendocino Woodlands Outdoor Center—Construction	350,000
(17) 90.5N.100-Mount Diablo SP, Summit Building, Visitor Center/Museum—Preliminary Plans, Working Drawings, and Construction	331,000
(18) 90.AC.400-Old Sacramento SHP, Walnut Grove Excursion Line—Acquisition	975,000
(18.5) 90.IJ.500-Old Town San Diego SHP, Historical and Archeological Studies	500,000
(19) 90.2Y.100-Patrick's Point SP, Visitor Center, Entry and Maintenance-Preliminary Plans and—Working Drawings	153,000
(20) 90.FB.500-Pio Pico SHP, Phase I Historic Structures Report	228,000
(21) 90.BN.100-Point Sur Light Station —Working Drawings and Construction	332,000
(22) 90.RS.600-Preliminary Planning	300,000
(23) 90.G5.100-Pyramid Lake SRA, Liebre Peninsula/Vista del Lago—Phase I development	550,000

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(24) 90.RS.100-Rehabilitation and Replacement of Worn Out Facilities-Preliminary Plans, Working Drawings, and Construction	3,635,000	
a) Calaveras Big Trees	103,000	
b) Klamath District	300,000	
c) Manresa SB	553,000	
d) Millerton Lake SRA	1,337,000	
e) Silver Strand SB	1,342,000	
(25) 90.EB.100-San Buenaventura SB, Day-Use Parking and Entrance Station-Preliminary Plans, Working Drawings, and Construction	706,000	
(26) 90.H9.100-San Diego Coast State Beaches, South Cardiff SB, Day Use Rehabilitation—Working Drawings and Construction	2,116,000	
(28) 90.H2.100-Silver Strand SB, Inland Campground Development —Construction	3,730,000	
(29) 90.I4.100-South Carlsbad SB, Administration/Maintenance Center and Day Use Facilities—Construction	3,874,000	
(30) 90.94.100-Stanford House SHP, Historic Preservation—Construction	180,000	
(31) 90.RS.400-Statewide Inholding Purchases	500,000	
(32) 90.RS.200-Statewide Natural Heritage Stewardship Program	1,071,000	
(33) 90.RS.400-Statewide Opportunity Purchases	500,000	
(33.2) 90.RS.200.873-Statewide Pier Repair	500,000	
(33.3) 90.RS.200.874-Statewide Storm Damage	541,000	
(34) 90.IL.100-Tijuana River National Estuarine Sanctuary Project, Interpretive Center—Working Drawings and Construction	500,000	
(35) 90.RS.100-Topographic Surveys	200,000	
(36) 90.RS.200-Volunteer Projects	1,000,000	
(37) 90.RS.600-Design and Construction Planning	2,600,000	

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Provisions:

.5. Funds appropriated in category (2) of this item shall not be available for expenditure unless or until the state acquires control, either through purchase or long-term lease, of the property in Tiburon where the improvements will be made. Funds appropriated in category (2) may be spent only for improvements which will be owned by the state. No agreement for the long-term lease of the property or for construction of improvements shall be entered into by the department sooner than 30 days after the Director of Finance has provided written notification of the proposal to the chairpersons of the fiscal committees in each house and the Chairperson of the Joint Legislative Budget Committee.

1. None of the funds appropriated in category (6) of this item for the cost of acquiring lands for inclusion in the Big Basin Redwoods State Park shall be encumbered unless and until adequate funds are made available from nonstate sources to pay for the balance of the cost of the property.
2. Funds appropriated in category (18) of this item for the acquisition of the Walnut Grove branch line between the towns of Freeport and Hood shall not be available to purchase the property until the department has entered into an agreement with the Sacramento Regional Transit District for the use of that portion of the branch line between Sutterville Road and the town of Freeport which is owned by the district.
3. Funds appropriated in category (18.5) of this item for the Old Town San Diego SHP studies shall be available for expenditure through the 1991–92 fiscal year.
4. Funds appropriated in catgegory (34) of this item for the Tijuana River National Estuarine Sanctuary Visitor/Interpretive Center shall not be available for encumbrance until a signed agreement is reached between the department and the current users of the model airplane flying club providing for the continued use of the model airplane site by the current users until such time as an acceptable alternative site is available.

Item		Amount

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

3790-301-733—For capital outlay, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 1,526,000

Schedule:

(1) 90.CB.400—Otto Property-Acquisition 1,526,000

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..... 2,689,000

Schedule:

(1) 90.DQ.100.87—Hearst San Simeon SHM, Artifact Restoration..... 262,000

(2) 90.DQ.100.871—Hearst San Simeon SHM, Climate Control and Electrical—Construction 250,000

(3) 90.DQ.100.872—Hearst San Simeon SHM, Continuing Rehabilitation—Construction 500,000

(4) 90.DQ.100.873—Hearst San Simeon SHM, Additional Water Storage —Working Drawings 123,000

(5) 90.AC.600—Old Sacramento SHP, Museum of Railroad Technology —Project Study and Preliminary Plans 160,000

(6) 90.RS.600—Design and Construction Planning 400,000

(7) 90.E4.400—Chino Hills SP, Slaughter Canyon-Acquisition 950,000

(8) 90.CB.400-Otto Property—Acquisition 44,000

Provisions:

1. Funds appropriated in category (7) for acquisition as additions to Chino Hills State Park shall be encumbered subject to the following conditions:
   (a) The property required for the San Bernardino County access to the park, commonly

Item		Amount

known as the Slaughter Canyon entrance (which may include portions of the properties commonly known as Lamb, CH Investment, Western Refuse), shall be acquired by the Department of Parks and Recreation.

(b) If the Department of Parks and Recreation has not reached an agreement with the owners of the Slaughter Canyon parcels by May 1, 1988, then the funds that would have been available for acquisition of the property may be used to acquire properties known as Shell Brea-Olinda, Chevron, Lamb (Aliso Canyon), or any other high priority parcels.

3790-301-890—For capital outlay, Department of Parks and Recreation, payable from the Federal Trust Fund 950,000

Schedule:

(1) 90.HA.400-Anza Borrego Desert State Park—Acquisition	50,000
(2) 90.BA.400-Big Basin Redwoods State Park/Sempervirens—Acquisition	300,000
(3) 90.RS.400-California Redwoods Parks—Acquisition	250,000
(4) 90.5N.400-Mount Diablo SP—Acquisition	100,000
(5) 90.3P.400.871-Sinkyone Wilderness SP—acquisition	250,000

3790-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the 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, 1988.

001—General Fund

(1) Chapter 1470, Statutes of 1984, Lake Country Estates—restoration.

036—Special Account for Capital Outlay

(1) Item 3790-301-036(1), Budget Act of 1984, Anderson Marsh SHP—acquisition.

(2) Item 3790-301-036(2), Budget Act of 1984, as reappropriated by Item 3790-490-036(1), Budget Act of 1986, Ano Nuevo SR—working drawings and construction, day use, Phase II.

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(3) Item 3790-301-036(5), Budget Act of 1984, Chino Hills Project—acquisition.
(4) Item 3790-301-036(7), Budget Act of 1984, as reappropriated by Item 3790-490-036(2), Budget Act of 1986, East Bay Shoreline Project —acquisition and development.
(5) Item 3790-301-036(12), Budget Act of 1984, Henry W. Coe SP—acquisition and development.
(6) Item 3790-301-036(17f), Budget Act of 1984, Natural Systems Rehabilitation.
(7) Item 3790-301-036(20), Budget Act of 1984, as reappropriated by Item 3790-490-036(6), Budget Act of 1986, Pfeiffer Big Sur Project—working drawings and construct sewage treatment improvements.
(8) Item 3790-301-036(29), Budget Act of 1984, as reappropriated by Item 3790-490-036(8), Budget Act of 1986, Statewide Replacement or Rehabilitation of Existing Facilities.
    (a) San Clemente SB—rehabilitation of campground.
(9) Section 1, Chapter 1548, Statutes of 1984, as reappropriated by Item 3790-490-036(9), Budget Act of 1986, John Marsh Home—restoration.
(10) Item 3790-301-036(5), Budget Act of 1985, as reappropriated by Item 3790-490-036(11), Budget Act of 1986, Folsom Lake SRA—Negro Bar Campground—construction.
(11) Item 3790-301-036(7), Budget Act of 1985, as reappropriated by Item 3790-490-036(12), Budget Act of 1986, 90.9W.100, Malakoff Diggins SHP—sedimentation runoff studies.
(12) Item 3790-301-036(8), Budget Act of 1985, as reappropriated by Item 3790-490-036(13), Budget Act of 1986, Millerton Lake SRA—administrative building and parking—working drawings and construction.
(13) Item 3790-301-036(14), Budget Act of 1985, as reappropriated by Item 3790-490-036(16), Budget Act of 1986, San Onofre SB—Parcel 1 recreation facility—working drawings and construction (with the reappropriation of Provision 2 in Item 3790-301-036).

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(14) Item 3790-301-036(15), Budget Act of 1985, as reappropriated by Item 3790-490-036(17), Budget Act of 1986, Stanford House SHP—historical structures report.

(15) Item 3790-301-036(16), Budget Act of 1985, 90.RS.100, Statewide Natural Systems Rehabilitation.

(16) Item 3790-301-036(20), Budget Act of 1985, as reappropriated by Item 3790-490-036(21), Budget Act of 1986, reimbursement.

140—California Environmental License Plate Fund

(1) Item 3790-301-140(1), Budget Act of 1984, as reappropriated by Item 3790-490-140(1), Budget Act of 1986, Kings Beach SRA—facility improvement.

263—Off-Highway Vehicle Fund

(1) Item 3790-301-263(f), Budget Act of 1982, as reappropriated by Item 3790-490-263(1), Budget Act of 1986, Relocation Assistance.

(2) Item 3790-301-263(b), Budget Act of 1983, as reappropriated by Item 3790-490-263(2), Budget Act of 1986, Pismo Dunes SVRA, Dune Revegetation and Stabilization—working drawings and construction.

(3) Item 3790-301-263(d), Budget Act of 1983, as reappropriated by Item 3790-490-263(3), Budget Act of 1986, Carnegie SVRA, Initial Development—working drawings and partial construction.

(4) Section 7(a), Chapter 1298, Statutes of 1983, as reappropriated by Item 3790-490-263(5), Budget Act of 1986, Capital Outlay Projects at Hungry Valley SVRA.

(5) Item 3790-301-263(1), Budget Act of 1984, as reappropriated by Item 3790-490-263(6), Budget Act of 1986, Carnegie SVRA—construct initial development.

(6) Item 3790-301-263(3), Budget Act of 1984, as reappropriated by Item 3790-490-263(7), Budget Act of 1986, Ocotillo Wells SVRA—construct initial development.

(7) Item 3790-301-263(6), Budget Act of 1986, 90.RS.200, Minor Projects.

Item	Amount
392—State Park and Recreation Fund	
(1) Section 12, Chapter 1384, Statutes of 1984, Old Sacramento SHP—engineering facility, acquisition.	
(2) Section 12, Chapter 1384, Statutes of 1984, California State Railroad Museum—Central Pacific Freight Depot—acquisition and improvements.	
(3) Item 3790-301-392(1), Budget Act of 1986, 90.RS.200, Minor Projects.	
(4) Item 3790-301-392(4), Budget Act of 1986, Humboldt Redwoods SP—bank protection, working drawings.	
721—Parklands Fund of 1980	
(1) Item 3790-301-721(o), Budget Act of 1981, as reappropriated by Item 3790-490-721(2), Budget Act of 1986, Crystal Cove SP—preliminary plans, working drawings, and construction.	
(2) Item 3790-301-721(q), Budget Act of 1981, as reappropriated by Item 3790-490-721(3), Budget Act of 1986, Malibu Creek SP—construction of day-use facilities.	
(3) Item 3790-301-721(s), Budget Act of 1982, as reappropriated by Item 3790-490-721(8), Budget Act of 1986, San Simeon SB—working drawings and construct day-use, campground, and sewer hook-up.	
(4) Item 3790-301-721(bb), Budget Act of 1982, as reappropriated by Item 3790-490-721(10), Budget Act of 1986, Baldwin Hills Project—preliminary plans, working drawings, and construct Phase I development.	
(5) Item 3790-301-721(ee), Budget Act of 1982, as reappropriated by Item 3790-490-721(12), Budget Act of 1986, East Bay Shoreline—acquisition, planning, and development.	
(6) Item 3790-301-721(qq), Budget Act of 1982, as reappropriated by Item 3769-490-721(15), Budget Act of 1986, Citrus Heritage Park, Mockingbird Canyon Project—acquisition and planning.	
(7) Item 3790-301-721(aaa), Budget Act of 1982, as reappropriated by Item 3790-490-721(18), Budget Act of 1986, Hearst San Simeon SHM—construct visitor center.	

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(8) Section 1, Chapter 1002, Statutes of 1982, as reappropriated by Item 3790-490-721(20), Budget Act of 1986, Crystal Cove SP—working drawings for full park development, development and interpretation.	
(9) Item 3790-301-721(e), Budget Act of 1983, as reappropriated by Item 3790-490-721(22), Budget Act of 1986, Old Town San Diego SHP—construct Rose-Robinson Building, Franklin/Colorado House, Alvarado family property, and Alvarado Lucia House.	
(10) Item 3790-301-721(j), Budget Act of 1983, as reappropriated by Item 3790-490-721(25), Budget Act of 1986, San Simeon SB—working drawings and construct day-use, campground, and sewer hook-up.	
(11) Item 3790-301-721(r), Budget Act of 1983, as reappropriated by Item 3790-490-721(28), Budget Act of 1986, Seccombe Lake SURA—acquisition and development.	
(12) Item 3790-311-721(a), Budget Act of 1983, as reappropriated by Item 3790-490-721(29), Budget Act of 1986, Seccombe Lake SURA—acquisition and development.	
722—Parklands Fund of 1984	
(1) Item 3790-301-722(3), Budget Act of 1984, as reappropriated by Item 3790-490-722(2), Budget Act of 1986, Candlestick Point SRA—working drawings and construct day use, parking, and landscaping.	
(2) Item 3790-301-722(27.5), Budget Act of 1984, as reappropriated by Item 3790-490-722(6), Budget Act of 1986, Little Frank's Tract—storm damage repair.	
(3) Item 3790-301-722(3), Budget Act of 1985, as reappropriated by Item 3790-490-722(8), Budget Act of 1986, Ano Neuva SR—working drawings and construct visitor center and building restoration.	
(4) Item 3790-301-722(4.2), Budget Act of 1985, as reappropriated by Item 3790-490-722(9), Budget Act of 1986, Baldwin Hills SRA—ridge area development.	

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(5) Item 3790-301-722(7), Budget Act of 1985, as reappropriated by Item 3790-490-722(11), Budget Act of 1986, Big Sur Coast—planning, working drawings, and construct immediate public-use facilities.

(6) Item 3790-301-722(8.1), Budget Act of 1985, as reappropriated by Item 3790-490-722(15), Budget Act of 1986, 90.FU.400.000, California Citrus SHP—acquisition; provided that the funds may be used in conjunction with funds appropriated by Item 3790-301-721(qq), Budget Act of 1982, as reappropriated by Item 3790-490-721(15), Budget Act of 1986, for acquisition projects at California Citrus SHP.

(7) Item 3790-301-722(9), Budget Act of 1985, as reappropriated by Item 3790-490-722(13), Budget Act of 1986, Candlestick Point SRA—working drawings and day-use facilities.

(8) Item 3790-301-722(12), Budget Act of 1985, Colonel Allensworth SHP—working drawings and construct building restoration.

(9) Item 3790-301-722(16), Budget Act of 1985, as reappropriated by Item 3790-490-722(15), Budget Act of 1986, Henry W. Coe SP—working drawings and construct initial development.

(10) Item 3790-301-722(18.1), Budget Act of 1985, as reappropriated by Item 3790-490-722(16), Budget Act of 1986, Little Frank's Tract—development.

(11) Item 3790-301-722(20.2), Budget Act of 1985, as reappropriated by Item 3790-490-722(18), Budget Act of 1986, 90.5N.500.851, Mount Diablo SP—communications tower study.

(12) Item 3790-301-722(21), Budget Act of 1985, as reappropriated by Item 3790-490-722(19), Budget Act of 1986, 90.RS.200.851, Natural Resources Stewardship—minor projects.

(13) Item 3790-301-722(24), Budget Act of 1985, as reappropriated by Item 3790-490-722(20), Budget Act of 1986, Old Town San Diego SHP—Phase IV, working drawings and construction.

(14) Item 3790-301-722(25), Budget Act of 1985, as reappropriated by Item 3790-490-722(21), Budget Act of 1986, Patrick's Point SP—working drawings and construct native village.

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(15)	Item 3790-301-722(26), Budget Act of 1985, as reappropriated by Item 3790-490-722(22), Budget Act of 1986, 90.CG.600.85, Pfeiffer Big Sur SP—general plan.	
(16)	Item 3790-301-722(30), Budget Act of 1985, as reappropriated by Item 3790-490-722(24), Budget Act of 1986, San Diego Coast SBs (Torrey Pines)—working drawings and construction for day-use and overnight use.	
(17)	Item 3790-301-722(31), Budget Act of 1985, as reappropriated by Item 3790-490-722(25), Budget Act of 1986, San Mateo Coast SBs—working drawings and construction for access improvements.	
(18)	Item 3790-301-722(43), Budget Act of 1985, as reappropriated by Item 3790-490-722(29), Budget Act of 1986, Sugar Pine Point SP—working drawings and construction for bicycle trail.	
(19)	Item 3790-301-722(6), Budget Act of 1986, 90.RS.600—design and construction planning.	
(20)	Item 3790-301-722(6.5), Budget Act of 1986, Indio Hills Palms SP—immediate public use facilities development.	
(21)	Item 3790-301-722(9), Budget Act of 1986, 90.BK.100, Manresa SB—campground and beach access—construction.	
(22)	Item 3790-301-722(9.5), Budget Act of 1986, 90.4F.100, Mendocino Woodlands Outdoor Center—utilities service extension.	
(23)	Item 3790-301-722(12), Budget Act of 1986, 90.AC.100, Old Sacramento SHP—waterfront development—construction.	
(24)	Item 3790-301-722(13), Budget Act of 1986, 90.EJ.100, Oxnard SB—day use facilities—construction.	
(25)	Item 3790-301-722(16), Budget Act of 1986, 90.CG.100, Pfeiffer Big Sur SP—multi-agency facility—working drawings.	
(26)	Item 3790-301-722(19a), Budget Act of 1986, 90.RS.100, Rehabilitation and Replacement of Worn Out Facilities—D.L. Bliss SP—campground.	
(27)	Item 3790-301-722(19b), Budget Act of 1986, 90.RS.100, Rehabilitation and Replacement of Worn Out Facilities—Doheny SB—campground.	

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(28) Item 3790-301-722(19c), Budget Act of 1986, 90.RS.100, Rehabilitation and Replacement of Worn Out Facilities—Gaviota SP—campground and day use.

(29) Item 3790-301-722(19d), Budget Act of 1986, 90.RS.100, Rehabilitation and Replacement of Worn Out Facilities—MacKerricher SP—water system.

(30) Item 3790-301-722(19e), Budget Act of 1986, 90.RS.100, Rehabilitation and Replacement of Worn Out Facilities—S.P. Taylor SP—campground.

(31) Item 3790-301-722(22), Budget Act of 1986, 90.H2.600, Silver Strand SB—campground development—working drawings.

(32) Item 3790-301-722(23), Budget Act of 1986, 90.14.600, South Carlsbad SB—administrative, maintenance, and day-use facilities—working drawings.

(33) Item 3790-301-722(24), Budget Act of 1986, 90.94.600, Stanford House SHP—historic preservation—working drawings.

(34) Item 3790-301-722(29), Budget Act of 1986, 90.RS.200, Statewide Stewardship Program—natural resources—minor projects.

(35) Item 3790-301-722(32), Budget Act of 1986, 90.RS.200, Volunteer Program—minor projects.

(36) Item 3790-301-722(33), Budget Act of 1986, 90.CO.600, Wilder Ranch SP—campground and day use—working drawings.

(37) Item 3790-301-722(34), Budget Act of 1986, 90.CI.100, Wilder Ranch SP—Phase II historic restoration.

728—Recreation and Fish and Wildlife Enhancement Fund

(1) Item 3790-301-728(b), Budget Act of 1983, as reappropriated by Item 3790-490-728(1), Budget Act of 1986, Regional Indian Museums Display—acquisition and development.

(2) Item 3790-301-728(c), Budget Act of 1983, as reappropriated by Item 3790-490-728(2), Budget Act of 1986, Lake Del Valle SRA—development, working drawings, and construction.

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(3) Item 3790-301-728(1), Budget Act of 1984, as reappropriated by Item 3790-490-728(3), Budget Act of 1986, San Luis Reservoir SRA—campground improvements.

(4) Item 3790-301-728(1), Budget Act of 1986, 90.AI.200, Millerton Lake SRA—waterline improvements—minor project.

(5) Item 3790-301-728(2), Budget Act of 1986, 90.99.100.861, San Luis Reservior SRA—family campground and day-use area—preliminary plans and working drawings.

(6) Item 3790-301-728(3), Budget Act of 1986, as amended by Section 6, Chapter 1474, Statutes 1986, Castaic Lake Baal Point Access Road—feasibility study and road design.

732—State Beach, Park, Recreational, and Historical Facilities Fund of 1964

(1) Item 573(b), Budget Act of 1980, as reappropriated by Item 3790-490-732(1), Budget Act of 1986, 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, by Item 3790-490-733(3), Budget Act of 1985, and by Item 3790-490-733(1), Budget Act of 1986, 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.

742—State Urban and Coastal Park Fund

(1) Item 443.2B(d), Budget Act of 1977, as reappropriated by Item 3790-490-742(1), Budget Act of 1986, as added by Chapter 1109, Statutes of 1977, Garrapata Beach—acquisition.

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(2) Item 508(i), Budget Act of 1979, as reappropriated by Item 3790-490-742(2), Budget Act of 1986, Santa Monica Mountains Zone—backbone trail, viewshed of Malibu Creek SP and Stunt Road zone.

(3) Item 50.5B(a), Budget Act of 1979, as reappropriated by Item 3790-490-742(3), Budget Act of 1986, 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, as reappropriated by Item 3790-490-742(4), Budget Act of 1986, Castaic Lake SRA—working drawings and construction.

(5) Item 585(k), Budget Act of 1980, as reappropriated by Item 3790-490-742(5), Budget Act of 1986, augmentation for land acquisition, condemnation proceedings for State, Urban, and Coastal Park Fund projects.

(6) Item 585(l), Budget Act of 1980, as reappropriated by Item 3790-490-742(6), Budget Act of 1986, Relocation Assistance; provided that funds reappropriated in this item may be used for relocation assistance related to any acquisition project regardless of funding sources.

(7) Item 3790-301-742(d), Budget Act of 1982, as added by Section 8, Chapter 1617, Statutes of 1982, as reappropriated by Item 3790-490-742(8), Budget Act of 1986, Sonoma Coast SB—acquisition (willing sellers only) and development.

(8) Item 3790-301-742(c), Budget Act of 1983, as reappropriated by Item 3790-490-742(10), Budget Act of 1986, Millerton Lake SRA—working drawings and construction of day-use facilities.

(9) Item 3790-301-742(f), Budget Act of 1983, as reappropriated by Item 3790-490-742(11), Budget Act of 1986, East Bay Shoreline Project—acquisition and development.

(10) Item 3790-301-742(1), Budget Act of 1984, El Presidio de Santa Barbara SHP—acquisition.

(11) Item 3790-301-742(3), Budget Act of 1984, as reappropriated by Item 3790-490-742(13), Budget Act of 1986, Santa Monica Mountains—day use and camping.

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(12) Item 3790-301-742(2), Budget Act of 1986, 90.CN.100, Monterey SHP—Cooper-Molera Adobe Restoration—items to complete.

(13) Item 3790-301-742(3), Budget Act of 1986, 90.8X.100, Plumas-Eureka SP—Eureka Lake dam.

3790-491—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the 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, 1988.

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.

263—Off-Highway Vehicle Fund

(1) Item 379-101-263(h), Budget Act of 1981, U.S. Forest Service, Los Padres National Forest

(2) Item 3790-101-263(b), Budget Act of 1983, City of Ridgecrest, Ridgecrest Regional OHV Park

(3) Item 3790-101-263(g), Budget Act of 1983, Angeles National Forest

(4) Item 3790-101-263(p), Budget Act of 1983, Stanislaus National Forest

(5) Item 3790-101-263(q), Budget Act of 1983, Tahoe National Forest

(6) Item 3790-101-263(5), Budget Act of 1984, County of Sacramento, Prairie City Acquisition, Phase 2

(7) Item 3790-101-263(9), Budget Act of 1984, Bureau of Land Management, California Desert District

(8) Item 3790-101-263(10), Budget Act of 1984, U.S. Bureau of Land Management, Susanville District

(9) Item 3790-101-263(11), Budget Act of 1984, U.S. Bureau of Land Management, Ukiah District

(10) Item 3790-101-263(12), Budget Act of 1984, Klamath National Forest

(11) Item 3790-101-263(14), Budget Act of 1984, U.S. Forest Service, Los Padres National Forest

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721—Parklands Fund of 1980

(1) Item 3790-101-721 (c) (483), Budget Act of 1981, Weaverville-Douglas City Recreation District, Lee Fong Park

(2) Item 3790-101-721 (b) (3), Budget Act of 1984, Richvale RPD, Richvale District Facilities

742—State, Urban, and Coastal Park Fund

(1) 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, 1987, the unencumbered balances of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made.

722—Parklands Fund of 1984

(1) Item 3790-301-722 (18.4), Budget Act of 1985, 90.EX.400, Malibu Creek SP—acquisition.

(2) Item 3790-301-722 (21), Budget Act of 1985, 90.PS.200.851, Natural Resources Stewardship —minor projects, except the amount to be reverted shall be limited to $9,000.

(3) Item 3790-301-722 (33), Budget Act of 1985, 90.C1.400.85, Santa Cruz Mission SHP—acquisition.

(4) Item 3790-301-722 (45), Budget Act of 1985, 90.GL.400.85, Verdugo Mountains Project—acquisition.

(5) Item 3790-301-722 (4.5), Budget Act of 1986, 90.E4.400, Chino Hills SP—acquisition.

(6) Item 3790-301-722 (8), Budget Act of 1986, 90.43.400, Manchester SB—acquisition.

(7) Item 3790-301-722 (29), Budget Act of 1986, 90.RS.200, Statewide Stewardship Program—natural resources—minor projects, except the amount to be reverted shall be limited to $275,000.

(8) Item 3790-301-722 (31), Budget Act of 1986, 90.HI.400, Torrey Pines SR, Los Penasquitos Lagoon—acquisition.

890—Federal Trust Fund

(1) Item 3790-301-890 (3), Budget Act of 1985, 90.RS.400, California Redwoods Parks—acquisition.

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3790-496—Reversion, Department of Parks and Recreation. As of June 30, 1987, 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) 3790-101-263(11), Budget Act of 1984, U.S. Bureau of Land Management, Ukiah District, except that the amount to be reverted shall be limited to $837,000

(1.5) 3790-101-263(12), Budget Act of 1984, Klamath National Forest, except that the amount to be reverted shall be limited to $2,600.

(1.6) 3790-101-263(14), Budget Act of 1984, U.S. Forest Service, except that the amount to be reverted shall be limited to $9,000.

(2) 3790-101-263(26), Budget Act of 1986, U.S. Forest Service, Angeles National Forest, San Gabriel Canyon-Dev., except that the amount to be reverted shall be limited to $178,000

(3) 3790-101-263(28), Budget Act of 1986, U.S. Forest Service, Eldorado National Forest, Loon Group Camp-Dev.

(4) 3790-101-263(29), Budget Act of 1986, U.S. Forest Service, Eldorado National Forest, Loon Group-O&M

(5) 3790-101-263(34), Budget Act of 1986, U.S. Forest Service, Eldorado National Forest, Mace Mill-Rock Creek-Dev.

(6) 3790-101-263(47), Budget Act of 1986, U.S. Forest Service, Lassen National Forest, Bogard Snowmobile I-Planning

(7) 3790-101-263(63), Budget Act of 1986, U.S. Forest Service, San Bernardino National Forest, Rock Camp Complex-Dev., except that the amount to be reverted shall be limited to $30,000

721—Parklands Fund of 1980

(1) 3790-101-721(b)(18), Budget Act of 1982, City of Fresno, Cedar-Sierra Park, except that the amount to be reverted shall be limited to $25,000.

(2) 3790-101-721(b)(115.5), Budget Act of 1982, as amended by Chapter 1421 of the Statutes of 1982, Ravenswood Recreation and Park District, Ravenswood Park.

Item		Amount
(3) 3790-101-721(b)(121.1), Budget Act of 1982, as amended by Chapter 1421 of the Statutes of 1982, County of Santa Clara, Coyote Creek Parkway.		
(4) 3790-101-721(b)(2.1), Budget Act of 1984, Haywood Area RPD, Mt. Eden Swim Center.		
722—Parklands Fund of 1984		
(1) 3790-101-722(d)(34), Budget Act of 1985, City of Lodi, Lodi Union High School Community Theater.		
3810-001-001—For support of the Santa Monica Mountains Conservancy		244,000
Schedule:		
(a) 100000-Personal Services	394,000	
(b) 300000-Operating Expenses and Equipment	199,000	
(c) Reimbursements	−40,000	
(d) Amount payable from the Santa Monica Mountains Conservancy Fund (Item 3810-011-941)	−309,000	
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		309,000
3810-101-140—For local assistance, Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund		250,000
Provisions:		
1. Funds appropriated in this item are for the following projects: Community Action for Parks, William O. Douglas Outdoor Classroom, Ahead with Horses, City of La Canada/Flintridge, Woodcraft Rangers, and Hollywood Heritage Foundation.		
3810-301-036—For capital outlay, Santa Monica Mountains conservancy, payable from the Special Account for Capital Outlay		1,750,000
Schedule:		
(1) 20.10.130.870-Runyon Canyon Urban Wilderness-Acquisition	1,750,000	
3820-001-001—For support of San Francisco Bay Conservation and Development Commission		1,385,000
Schedule:		
(a) 10-Bay Conservation and Development	1,585,000	
(b) Reimbursements	−200,000	

Item		Amount
3860-001-001—For support of Department of Water Resources		28,989,000
Schedule:		
(a) 10-Continuing Formulation of the California Water Plan	13,725,000	
(b) 20-Implementation of the State Water Resources Development System	265,000	
(c) 30-Public Safety and Prevention of Damage	17,442,000	
(d) 40-Services	4,663,000	
(e) 50.01-Management and Administration	33,942,000	
(f) 50.02-Distributed Management and Administration	−33,942,000	
(g) Reimbursements	−7,106,000	

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, 1988. Any unencumbered balances shall be returned to the appropriate funds as of June 30, 1988. 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 $24,117,000 and $13,694,000, respectively, without prior approval of the Department of Finance.
2. The $200,000 appropriated in this item for sediment removal at Cherokee Canal shall be spent only in accordance with the recommendations of the Department of Fish and Game concerning protection of fish and wildlife.
3. Of the funds appropriated in this item, $398,000 shall be for the Trinity River Management Program in accordance with all of the following provisions:
   (a) None of these funds shall be encumbered until the Department of Water Resources has signed a Memorandum of Understanding (MOU) with the federal Bureau of Rec-

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lamation and the Department of Fish and Game specifying what activities are included in the Trinity River Management Program authorized by the Trinity River Management Act of 1984.

(b) Expenditures shall not exceed the amount required by the MOU.

(c) The Department of Water Resources shall negotiate with the federal government to receive credit for past expenditures that exceed the required 15 percent state share.

4. (a) Prior to entering into the assurance agreement for the Chico Landing to Red Bluff Project, 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.

(b) Prior to certifying lands and rights-of-way for this project and within 30 days after the final Environmental Impact Report has been adopted for the Chico Landing to Red Bluff Project, the Reclamation Board shall report to the legislative fiscal committees and the Joint Legislative Budget Committee on (1) the agreement between the Reclamation Board and the Department of Fish and Game and (2) a financing and implementation plan for the mitigation measures required by the agreement.

(c) 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.

(d) The assurance agreement shall also provide for implementation and funding of the measures specified in the agreement between the Department of Fish and Game and the Reclamation Board.

Item	Amount
3860-001-036—For support of Department of Water Resources, payable from the Special Account for Capital Outlay	4,375,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-140—For support of Department of Water Resources, payable from the California Environmental License Plate Fund	500,000
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	2,309,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-740—For support of Department of Water Resources, payable from the 1984 State Clean Water Bond Fund	101,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-744—For support of the Department of Water Resources, payable from the 1986 Water Conservation and Water Quality Bond Fund	416,000
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	1,079,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
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.	
3860-011-144—For transfer by the State Controller from the California Water Fund to the General Fund as of June 30, 1988	(1,000,000)
Provisions:	
1. Notwithstanding any other provisions of law, the State Controller shall transfer $1,000,000 from the California Water Fund to the General Fund.	

Item		Amount
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		11,850,000
Schedule:		
(a) Flood Control Subventions	11,400,000	
(b) Mundey Property Acquisition	450,000	
Provisions:		
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 1987–88. No expenditures shall be made until the local organizations 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		

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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.

3860-101-744—For local assistance, Department of Water Resources, payable from the 1986 Water Conservation and Water Quality Bond Fund 42,750,000

3860-301-036—For capital outlay, Department of Water Resources, payable from the Special Account for Capital Outlay 11,242,000

Schedule:

(1) 30.95.010—Sacramento Riverbank Protection Project	3,422,000
(2) 30.95.015—Fairfield Vicinity Streams Project	4,150,000
(3) 30.95.020—San Joaquin River Channel Project	100,000
(4) 30.95.030—Merced County Streams Project	650,000
(6) 30.95.060—Yuba River Debris Control Project	300,000
(7) 30.95.065—Cache Slough Project ..	1,320,000
(8) 30.95.070—M&T Flood Relief Structure Replacement—Acquisition	1,300,000

Provisions:

1. The amounts appropriated in categories (1), (2), (3), (4), (7) and (8) of this item are for acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pit, spoil

Item		Amount
	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 obligation 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 (2), (7) and (8) 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 shall be available for expenditure only during the 1987–88 fiscal year.	
	6. The Reclamation Board shall be authorized to construct, repair, and operate the M&T Flood Relief Structure as part of the Sacramento River Flood Control Project.	
	7. None of the funds appropriated in categories (2) and (4) shall be available for expenditure by the Department of Water Resources for costs that are in excess of revised cost sharing limits imposed on federal projects.	
	8. (a) Prior to certifying lands and rights-of-way to the United States Corps of Engineers for the San Joaquin River Channel Project, the Reclamation Board shall submit a report to	

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the legislative fiscal committees and the Joint Legislative Budget Committee by November 1, 1987, on the financing plan for mitigation and enhancement or their progress to date in preparing the plan. The plan shall recommend the appropriate federal, state, and local share of all past and future costs and an implementation schedule for the plan.

The Department of Fish and Game shall review the financing plan or progress report and report to the Legislature by December 1, 1987, on the adequacy of the plan or report.

(b) 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 objectives of net long-term enhancement, as provided in Chapter 1530, 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 annually to the Legislature on the implementation and effectiveness of the mitigation plan.

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3860-490—Reappropriation, Department of Water Resources. Notwithstanding any other provisions of law, the balance of the appropriation provided in Item 3860-101-740 of the Budget Act of 1986 is reappropriated, on the effective date of this act, for the purpose provided for in this appropriation, and shall be available for expenditure until June 30, 1988.

3860-491—Reappropriation, Department of Water Resources. Notwithstanding any other provisions of law, the 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, 1988.

036—Special Account for Capital Outlay

(1) Item 3860-301-036 (3), Budget Act of 1985, as reappropriated by Item 3860-490, Budget Act of 1986, Merced Stream Channel Improvement.

Provisions:

1. Notwithstanding the provisions of Section 28.00, funds may be transferred, with the approval of the Department of Finance, between the project specified in this item and projects specified in categories (1), (2), (4) and (8) of Item 3860-301-036 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 36,393,000

Schedule:

(a) 10-Water Quality	54,374,000
(b) 20-Water Rights	6,674,000
(c) 30.01-Administration	6,835,000
(d) 30.02-Distributed Administration	−6,835,000
(e) Reimbursements	−2,714,000
(f) Amount payable from the Hazardous Waste Control Account, General Fund (Item 3940-001-014)	−451,000

Item		Amount
(fx) Amount payable from the California Environmental License Plate Fund (Item 3940-001-140)		−50,000
(g) Amount payable from the Underground Storage Tank Fund (Item 3940-001-475)		−1,188,000
(h) Amount payable from the Underground Container Inventory Account, General Fund (Item 3940-001-476)		−66,000
(i) Amount payable from the Surface Impoundment Assessment Account, General Fund (Item 3940-001-482)		−2,013,000
(j) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-740)		−521,000
(k) Amount payable from the 1986 Water Conservation & Water Quality Bond Fund (Item 3940-001-744)		−82,000
(*l*) Amount payable from the Federal Trust Fund (Item 3940-001-890)		−17,570,000

Provisions:

1. The State Water Resources Control Board shall adopt emergency regulations which increase the maximum water quality permit application fees to $20,000. All additional revenue collected as a result of this fee increase shall be deposited in the General Fund.
2. Of the funds appropriated in this item, $250,000 shall be available to conduct a study of the causes of nitrate contamination of groundwater and provide recommendations on how to prevent such pollution.

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	451,000
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	50,000

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Provisions:

1. Of the funds appropriated in this item, $50,000 shall be used to fund a study by the Southern California Association of Governments on the effects of ocean pollution on human health and the marine environment. The State Water Resources Control Board shall allocate these funds only if it determines that (a) federal funds are not available to fund this study, and (b) the study will result in implementable recommendations on ways to reduce or correct ocean pollution in southern California.

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 1,188,000

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 1987–88 fiscal year. This surcharge shall be transmitted to the State Water Resources Control Board and deposited in this Underground Storage Tank Fund.
2. The Department of Finance shall reduce this appropriation by budget revision to reflect the actual costs once the State Water Resources Control Board completes contract negotiations with the California Association of Environmental Health Administrators to input and store underground tank permit information on the "SWEEPS" database system and the final cost is known.

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 66,000

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 2,013,000

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 521,000

Item		Amount
3940-001-744—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the 1986 Water Conservation & Water Quality Bond Fund		82,000
3940-001-890—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Federal Trust Fund		17,570,000
3940-101-744—For local assistance, State Water Resources Control Board, Program 10, Water Quality, payable from the 1986 Water Conservation & Water Quality Bond Fund		22,000,000
Provisions:		
1. None of the funds appropriated in this item may be expended until the State Water Resources Control Board has obtained legislative authorization as specified in Sections 13466 and 13467 of the Water Code.		
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		3,993,000
Schedule:		
(a) 10-State Council Operations	860,000	
(b) 20-Community Program Development	1,008,000	
(c) 30-Allocation to Area Boards	2,125,000	
Provisions:		
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	2,125,000	

Item		Amount
(b) Reimbursements	−2,125,000	
4120-001-001—For support of Emergency Medical Services Authority		893,000
Schedule:		
(a) 10-Emergency Medical Services Authority	1,120,000	
(b) Amount payable from the Federal Trust Fund (Item 4120-001-890)...	−227,000	
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		227,000
4120-101-001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies		1,726,000
Provisions:		
1. It is the intent of the Legislature that General Fund support for poison control centers shall augment, but not replace, local expenditures for existing poison control center services. These funds shall be used primarily to increase services to underserved counties and populations and for poison prevention and information services. The Director of the Emergency Medical Services Authority may contract with eligible poison control centers for the distribution of these funds.		

Item		Amount
4120-101-890—For local assistance, Emergency Medical Services Authority, Program 10, payable from the Federal Trust Fund		1,512,000
4130-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Agency Data Center Revolving Fund		52,690,000
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		1,522,000
Schedule:		
(a) 100000-Personal Services	11,920,800	
(b) 300000-Operating Expenses and Equipment	11,199,000	
(c) Reimbursements	−114,000	
(d) Amount payable from the Hospital Building Account, Architecture Public Building Fund, (Item 4140-001-121)	−15,548,800	
(e) Amount payable from the California Health Data and Planning Fund (Item 4140-001-143)	−5,231,000	
(g) Amount payable from the Health Facilities Construction Loan Insurance Fund (Health and Safety Code Section 436.26)	−704,000	
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		15,548,800

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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	5,231,000
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 physicians' assistants, as well as contracts with 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 available for fiscal years 1988–89, 1989–90, and 1990–91. The amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1988.
2. The Office of Statewide Health Planning and Development shall spend $500,000 to expand and/or increase family physician residency capitation programs established under the Song-Brown program. The allocation of the funds shall be approved by the Health Manpower Policy Commission.

4140-495—Reversion, the Office of Statewide Health Planning and Development. As of June 30, 1987, the unencumbered balance of the appropriation provided in Chapter 1186 of the Statutes of 1979 shall revert to the General Fund.

4170-001-001—For support of Department of Aging	4,760,000
Schedule:	
(a) 10-Nutrition	2,222,000
(b) 20-Senior Community Employment Service	326,000
(c) 30-Supportive Services and Centers	1,393,000
(d) 40-Special Projects	4,878,000
(e) 50.01-Administration	4,440,000
(f) 50.02-Distributed Administration	−4,440,000

Item		Amount
(g)	Reimbursements	−1,611,000
(h)	Amount payable from the Federal Trust Fund (Item 4170-001-890)	−2,448,000

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 shall continue to allocate funds in the 1987–88 fiscal year to conduct the following Multi-Senior Service Programs (MSSP) tasks in conjunction with maintenance of the Management Information System (MIS) system:
   (1) The development and implementation of the targeting and service award algorithms.
   (2) The implementation of an electronic telecommunications network.

   The Department of Aging shall also continue to allocate funds in the 1987–88 fiscal year to collect data and to provide MSSP impact analysis information in the annual report to the Legislature, in addition to producing the reports required by the Health Care Financing Administration (HCFA), as follows:
   (1) Ad hoc reports.
   (2) Data detailing the Medicare institutional and home health care costs for all MSSP clients.
   (3) Data on the characteristics of all clients for MSSP as a whole and by site, including statistics regarding Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL) indices.
   (4) A written analysis of the impact of MSSP,

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including information regarding the number of institutional days saved, increased longevity, the types of clients served most efficiently by MSSP, and the costs or savings to both the state and federal governments as a result of MSSP.			
The Department of Aging shall include the impact analysis information in the MSSP annual report to the Legislature.			
4170-001-890—For support of Department of Aging, for transfer to Item 4170-001-001, payable from the Federal Trust Fund			2,448,000
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			38,751,000
Schedule:			
(a) 10-Nutrition		62,818,640	
(1) 10.10-Congregate nutrition	46,291,680		
(2) 10.20-Home delivered nutrition	16,526,960		
(b) 20-Senior Community Employment Service		4,995,000	
(c) 30-Supportive Services and Centers (for match)		26,849,080	
(d) 40-Special Projects		34,255,280	
(e) Reimbursements		−10,755,000	
(f) Amount payable from the Federal Trust Fund (Item 4170-101-890)		−79,412,000	

Item		Amount
Provisions:		
1. Provision 1 of Item 4170-001-001 is also applicable to this item.		
2. The Director of Finance is hereby authorized to augment the General Fund appropriation in this item by the amount necessary to match any additional federal funds which become available to the state's Multi-Senior Services Program (MSSP) as a result of an expanded Title XIX waiver. The director shall notify the Legislature of any such augmentation through the process set forth in Section 28.00.		
3. In allocating funds appropriated by Chapter 1218 of the Statutes of 1986, the department's first priority shall be to fund 10 new centers rather than to expand existing centers.		
4. It is the intent of the Legislature that funds for additional Alzheimer's Day Care Resource Centers shall be targeted, to the extent possible, at geographic areas with a demonstrated high incidence of Alzheimer's disease.		
4170-101-890—For local assistance, Department of Aging, for transfer to Item 4170-101-001, payable from the Federal Trust Fund		79,412,000
Provisions:		
1. Provision 1 of Item 4170-001-890 is also applicable to this item.		
4180-001-001—For support of Commission on Aging		234,000
Schedule:		
(a) 10-Commission on Aging	441,000	
(b) Amount payable from the Federal Trust Fund (Item 4180-001-890)	−207,000	
4180-001-890—For support of Commission on Aging, for transfer to Item 4180-001-001, payable from the Federal Trust Fund		207,000
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		7,150,000
Schedule:		
(a) 10-Alcohol Program	5,790,000	
(b) 20-Drug Program	5,930,000	

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(c) 30.01-State administration	4,739,000	
(d) 30.02-State administration—distributed	−4,739,000	
(e) Reimbursements	−858,000	
(f) Payable from the Federal Trust Fund (Item 4200-001-890)	−3,044,000	
(g) Payable from Drinking Driver Program Licensing Trust Fund (Item 4200-001-139)	−333,000	
(h) Payable from Methadone Program Licensing Trust Fund (Item 4200-001-243)	−335,000	

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this appropriation and Item 4200-101-001.

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 333,000

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 335,000

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 3,044,000

Provisions:

1. Upon order of the Director 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 71,795,000

Schedule:

(a) 10-Alcohol Program	56,677,500
(b) 20-Drug Program	70,712,500
(d) Reimbursements	−4,580,000
(e) Amount payable from the Federal Trust Fund (Item 4200-101-890)	−51,015,000

Provisions:

1. Provision 1 of Item 4200-001-001 is also applicable to this item.

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2. The Director of 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.
3. The Department of Alcohol and Drug Programs shall require counties to provide a local match for their S/CPPP funds from the schools or school districts participating in the program.
5. In allocating funds to counties for local alcohol and drug programs, the Director of the Department of Alcohol and Drug Programs shall ensure that counties are funding an adequate prevention effort. An adequate prevention effort is one which: (1) helps young people to develop the positive values, knowledge, and skills to lead productive, drug-free lives; (2) presents accurate information on the root causes of substance abuse; (3) explores ways in which the use of alcohol and drugs by young people coincide with low self-image and self-esteem; (4) explores ways in which substance abuse can result in other adverse behavior which has long-term consequences for individuals' families and society as a whole, such as low academic performance, truancy and dropping out of school, teenage pregnancy, and delinquency; and (5) includes familial relationships and family dynamics within prevention strategies, as appropriate.

4200-101-890—For local assistance, Department of Alcohol and Drug Programs, for transfer to Item 4200-101-001, payable from the Federal Trust Fund 51,015,000

Provisions:

1. Provision 1 of Item 4200-001-890 is also applicable to this item.
2. The Director of the Department of Finance may authorize the transfer of the Local Assistance Federal Block Grant 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.

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4. It is the intent of the Legislature that, in allocating the $4.5 million in Federal Anti-Drug Abuse Act Education and Prevention funds that are transferred from the State Department of Education to the Department of Alcohol and Drug Programs, the Department of Alcohol and Drug Programs shall give first priority to developing programs related to Fetal Alcohol Syndrome.
5. The Department of Alcohol and Drug Programs shall allocate $150,000 for a pilot project to assess the effectiveness of using acupuncture as an alternative to methadone in the treatment of drug addiction. The project shall evaluate the effectiveness of acupuncture by:
   (a) Comparing the costs of treatment of acupuncture and methadone on a per patient basis.
   (b) Determining the validity and efficiency of acupuncture as a treatment modality for drug abuse.
   (c) Developing treatment standards to ensure consistent treatment practices.

   The department shall report to the Legislature on or before January 1, 1989, on the effect of the program.
6. The Departments of Health Services and Alcohol and Drug Programs shall submit to the Legislature, on or before July 15, 1987, a memorandum of understanding which details each department's responsibility in addressing the AIDS epidemic in substance abusers.

   The Departments of Health Services and Alcohol and Drug Programs shall submit to the Legislature, on or before August 1, 1987, an assessment of services needed to deal with the AIDS epidemic in substance abusers.

   As a condition of using any funds received from the federal Anti-Drug Abuse Act, rollover funds from prior year federal allocations, or new Alcohol, Drug Abuse and Mental Health block grant funds, a county shall ensure that clients of county alcohol and substance abuse programs receive information on HTLV-III infection.

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7. The Department of Alcohol and Drug Programs shall allocate $5,000,000 of the funds provided under the federal Anti-Drug Abuse Act to counties to increase treatment programs related to IV drug use. The department shall allocate 80 percent of the funds to the 20 counties with the highest AIDS caseloads based on reported IV drug abuse cases. The director shall allocate the remaining 20 percent to counties based on their needs for addressing the AIDS epidemic.
8. The Department of Alcohol and Drug Programs shall allocate $175,000 of the funds provided under the federal Anti-Drug Act to contract for a computer-based information and referral project in one county.
9. In allocating funds to the counties for local alcohol and drug programs, the director of the Department of Alcohol and Drug Programs shall ensure that counties are funding an adequate prevention effort. An adequate prevention effort is one which: (1) helps young people to develop the positive values, knowledge, and skills to lead productive, drug-free lives; (2) presents accurate information on the root causes of substance abuse; (3) explores ways in which the use of alcohol and drugs by young people coincides with low self-image and self-esteem; (4) explores ways in which substance abuse can result in other adverse behavior which has long-term consequences for individuals' families and society as a whole, such as low academic performance, truancy, and dropping out of school, teenage pregnancy, and delinquency; and (5) includes familial relationships and family dynamics within prevention strategies, as appropriate.
10. In conducting its evaluation of programs funded with federal Anti-Drug Abuse Act funds, the department shall include in its evaluation criteria an assessment of whether counties have used the funds to support an adequate prevention effort. The adequacy of the prevention effort shall be assessed using the criteria detailed above.

4220-001-001—For support of Child Development Programs Advisory Committee appointed pursuant to Section 8254 of the Education Code 213,000

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4260-001-001—For support of Department of Health Services		135,175,100
Schedule:		
(a) 100000-Personal Services	156,064,650	
(b) 300000-Operating expenses and equipment	120,977,250	
(d) Reimbursements	−10,966,000	
(e) Reimbursements (Toxics)	−2,592,000	
(f) Amount payable from the Hazardous Waste Control Account, General Fund (Item 4260-001-014)	−3,697,600	
(g) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-044)	−313,000	
(h) Amount payable from the Water Device Certification Special Account (Chapter 1247, Statutes of 1986)	−109,000	
(i) Amount payable from the Vital Records Improvement Project Fund (Item 4260-001-137)	−4,683,000	
(j) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-203)	−22,516,000	
(k) Amount payable from the Sanitarian Registration Fund (Item 4260-001-335)	−131,000	
(*l*) Amount payable from the Hazardous Substances Account, General Fund (Item 4260-001-455)	−1,274,000	
(m) Amount payable from the Mosquito Borne Disease Surveillance Account (Item 4260-001-478)	−8,000	
(n) Amount payable from the Hazardous Substance Cleanup Fund (Item 4260-001-710)	−3,399,400	
(o) Amount payable from the Federal Trust Fund (Item 4260-001-890)	−88,941,800	
(p) Amount payable from the Local Health Capital Expenditure Account (Item 4260-001-900)	−146,000	
(q) Amount payable from Chapter 1405, Statutes of 1986	−75,000	
(r) Amount payable from Chapter 1312, Statutes of 1986	−15,000	

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(s) Amount payable from the AIDS Vaccine Research and Development Grant Fund (Chapter 1462, Statutes of 1986) ..... —3,000,000

Provisions:

1. Funds for state services, administration, research and training projects as identified as Special Projects of the 1987–88 Governor's Budget, 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.
2. 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 1987–88 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 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.
4. The Director of Finance, pursuant to a request by the State Director of Health Services, may augment the amount available for expenditure in Item 4260-001-001 and establish positions in the Audits and Investigations Division and Medi-Cal Eligibility Quality Control Branch related to the Income and Eligibility Verification System. Funds may be transferred from Item 4260-101-001 to the extent that the State Director of Health Services can demonstrate to the Director of Finance that the positions established will result in savings in Item 4260-101-001 which exceed the amount transferred. Any transfer may be authorized pursuant to this provision not sooner than 30 days after notification in writing is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint

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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.

5. The Department of Social Services (DSS) and Department of Health Services (DHS) in conjunction with the County Welfare Directors' Association (CWDA) shall develop a timetable for conducting county work measurement studies of the intake and continuing eligibility work activities in the Aid to Families with Dependent Children (AFDC), Nonassistance Food Stamps, and Medi-Cal programs. The intent of the Legislature is that work measurement studies be conducted in time for consideration of the results during the deliberations for the budget for fiscal year 1989–90. The timetable shall set out the steps necessary to do the following:
   (1) Group the 40 largest counties into no more than three groups. Counties may be grouped before or after work measurement studies are conducted and a survey may be used to collect data for grouping counties as the departments and CWDA determine necessary;
   (2) Identify representative counties for work measurement;
   (3) Develop the methodology for work measurement including the projected cost of conducting the studies;
   (4) Complete work measurement studies.

   The DSS and DHS in conjunction with CWDA shall report to the Joint Legislative Budget of Committee on the timetable developed by February 1, 1988.

   By March 1, 1989, the DSS and DHS shall submit a joint report to the Legislature regarding the findings of work measurement studies on a county-specific basis. The report shall include the following:
   (1) An analysis of the fiscal impact on the federal, state, and county governments should the budget process for eligibility worker caseloads be based upon the findings of the work measurement studies;
   (2) A description of the methodology that

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would be used to set county targets utilizing the results of the studies;

(3) An estimate of the cost of fully implementing the findings of the studies taking into account: salary expenditures (direct salary, fringe benefits, and overhead); actual total caseload size or projections; eligibility supervisors; and appropriate isolated supportive eligibility functions.

(4) Other options for implementing the study findings and the fiscal impacts related to each option.

(5) The alternatives that could be used to address the unique special circumstances which may exist in some counties that would be adversely affected by the transferability of the work measurement data.

It is the intent of the Legislature that county welfare departments which have unique circumstances which would adversely affect the transferability of work measurement data shall have those unique circumstances considered and alternatives shall be developed by the departments to address those unique circumstances.

The DSS and DHS shall consult with the County Welfare Directors Association (CWDA) and the Service Employees International Union (SEIU) on the design, findings, and implementation recommendations of the study. It is the intent of the Legislature that, for fiscal year 1988–89, the DSS shall utilize the lowest two of the most recent three years for which there is data to set the targets for the AFDC and Food Stamp programs. The department shall implement no more than 25% of the target change based upon the new methodology in fiscal year 1988–89 from the level budgeted in fiscal year 1987–88. The targets for the Medi-Cal program shall not be changed in the 1988–89 fiscal year from the level budgeted in the 1987–88 fiscal year.

Of the amounts appropriated under Item 4260-001-001 for support of the DHS, $100,000 shall be appropriated for department costs associated with the work measurement study of eligibility casework activities in the Medi-Cal program.

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The DSS and the DHS shall make those administrative changes necessary to permit fund transfers effective January 1, 1988, between the local assistance budget items for county eligibility work activities (Item 5180-141-001 and Item 4260-101-001) in the 18 counties in California with the smallest caseloads.

(7) Effective July 1, 1987, the annual fee for a general acute care hospital, acute psychiatric hospital, special hospital, general acute care rehabilitation hospital, psychiatric health facility, and chemical dependency recovery hospital shall be $16.99 per bed. Effective July 1, 1987, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $79.01 per bed.

Department of Health Services fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 115 of the Health and Safety Code, added by Chapter 327 of the Statutes of 1982, shall be increased by 31.9 percent effective January 1, 1988.

Departmental fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 116 of the Health and Safety Code, as added by Chapter 327 of the Statutes of 1982, shall be increased by 5.9 percent effective January 1, 1988.

Departmental 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 shall be increased 4.3 percent plus 0.56 percent for each 1 percent increase in employee compensation granted in the 1987 Budget Act.

The Director of Finance shall propose language to implement fee adjustments in the 1988 Budget Bill.

8. The Department of Health Services shall ensure that a staff member from an appropriate civil service classification is assigned to oversee all budget and fiscal matters relating to the initiation, implementation, and ongoing management of the statewide cancer registry program. The duties of this staff shall include, but not be limited to, (a) reviewing budget documents

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prepared by the contractor or subcontractors for consistency with state budgeting practices and (b) defining, in conjunction with program and contractor staff, appropriate interim target dates for implementation of each of the regional appropriate interim target dates for implementation of each of the regional registries, and periodic review of progress in complying with these dates.

9. Of the amount appropriated in this item, $232,000 shall be available for a study of adverse reproductive effects of chemicals only if AB 2433 of the 1987–88 Regular Session of the Legislature is enacted.

The Department of Health Services shall direct the Hazards Evaluation System and Information Service (HESIS) to assess 100 chemicals, according to criteria of volume and/or concentration, identified in California's hazardous waste stream in accordance to data collected by the department's Toxics Reduction Analysis Project. HESIS shall evaluate 100 waste stream chemicals identified by the Department of Health Services' Toxics Reduction Analysis Project to accomplish each of the following tasks no later than December 31, 1989: (a) to list those tests which are necessary to assess reproductive effects; (b) to identify what tests and information are available from all literature sources; (c) to determine whether each chemical contains valid, complete, and adequate studies to assess reproductive effects; and (d) to determine whether available studies indicate adverse reproductive effects.

10. The Department of Health Services shall establish fees for the Neural Tube Defects program and the Newborn Screening program that are sufficient to cover the variable costs that may reasonably be attributed to providing services to each participant.
11. Notwithstanding any other provision of law, of the amount appropriated in this item, $552,000 shall be available to (a) supplant any federal funds budgeted in Item 8350-001-890 for support of Cal-OSHA activities in the Department of Health Services performed pursuant to the interagency agreements executed in satisfac-

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tion of Section 147.2 of the Labor Code, or (b) replace federal fund support for HESIS in the event that such support is not forthcoming.	
12. Of the amount appropriated in this item, $1,000,000 shall be available for the promotion of spinal cord injury research, which funds shall be distributed only upon the recommendation and direction of the Spinal Cord Injury Task Force, regarding the distribution of spinal cord research funds to designated and defined spinal cord research projects, and only if SB 1026 of the 1987–88 Regular Session of the Legislature is enacted.	
4260-001-014—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Hazardous Waste Control Account, General Fund	3,697,600
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Waste Control Account, General Fund.	
2. Upon the request of the Department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-014 and Item 4260-011-014 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	
4260-001-044—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Motor Vehicle Account, State Transportation Fund	313,000
4260-001-135—For transfer by the State Controller from the AIDS Vaccine Research and Development Grant Fund to the General Fund amounts received in the AIDS Vaccine Research and Development Grant Fund in excess of $4,000,000	(7,000,000)
4260-001-137—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Vital Records Improvement Project Fund	4,683,000
4260-001-203—For support of Department of Health Services, for transfer to Item 4260-001-001 payable from the Genetic Disease Testing Fund	22,516,000

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Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Genetic Disease Testing Fund.	
4260-001-335—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Sanitarian Registration Fund	131,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Sanitarian Registration Fund.	
4260-001-455—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Hazardous Substance Account, General Fund	1,274,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Substance Account, General Fund.	
2. Upon the request of the Department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-455 and Item 4260-011-455 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	
4260-001-478—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Mosquito Borne Disease Surveillance Account	8,000
4260-001-710—For support of the Hazardous Substance Cleanup Bond Act program in the Department of Health Services, for transfer to Item 4260-001-001, payable from the Hazardous Substance Cleanup Fund	3,399,400
Provisions:	
1. Upon the request of the Department and the approval of the Department of Finance, the Controller shall transfer between Item 4260-001-710 and Item 4260-011-710 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	

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4260-001-890—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Federal Trust Fund	88,941,800
Provisions:	
1. Limitations and conditions applicable to Item 4260-001-001 are also applicable to this item if appropriate.	
2. Funds appropriated in this item for support of public health programs shall be transferred to the Public Health Federal Fund.	
3. Upon the request of the Department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-890 and Item 4260-011-890 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	
4260-001-900—For support of Department of Health Services, in lieu of the amounts which would otherwise be appropriated in the Local Health Capital Expenditure Account of the County Health Services Fund pursuant to Chapter 1351, Statutes of 1980, for transfer to Item 4260-001-001, payable from the Local Health Capital Expenditure Account	146,000
Provisions:	
1. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Local Health Capital Expenditure Account.	
4260-005-890—For support of Department of Health Services, payable from the Federal Trust Fund	210,810,000
Provisions:	
1. Funds appropriated in this item shall be transferred to the Public Health Federal Fund.	
4260-011-001—For support of Department of Health Services (Toxic Substances Control Division), for transfer to the Hazardous Waste Control Account, General Fund	10,000,000
Provisions:	
1. The amount provided in this item shall be a loan from the General Fund, repayable from the Hazardous Waste Control Account over two years, with interest accrued at the Pooled Money Investment Account rate.	

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4260-011-014—For support of Department of Health Services (Toxics Substances Control Division)		27,654,000
Schedule:		
(a) 100000-Personal Services	27,505,000	
(b) 300000-Operating Expenses and Equipment	34,229,000	
(bx) 500033-Unclassified—Superfund Federal Special Projects	32,605,000	
(c) Amount payable from Hazardous Substance Account (Item 4260-011-455)	−7,585,000	
(d) Amount payable from Federal Trust Fund (Item 4260-011-890) ..	−4,252,000	
(e) Amount payable from Hazardous Waste Management Planning Account (Item 4260-011-428)	−395,000	
(f) Amount payable from Hazardous Substance Cleanup Fund (Item-4260-011-710)	−12,848,000	
(g) Amount payable from Hazardous Substance Cleanup Fund (Item 4260-012-710)	−7,500,000	
(gx) Amount payable from Federal Trust Fund (Item 4260-021-890) ..	−32,605,000	
(h) Amount payable from Special Account for Capital Outlay (Item 4260-011-036)	−1,500,000	

Provisions:

1. The Department of Health Services shall seek reimbursement to projected expenses associated with monitoring hazardous waste mitigation projects operated under an agreement with responsible parties prior to initiation of such activities.
2. Notwithstanding subdivision (a) of Section 25353 of the Health and Safety Code, funds from the Hazardous Substance Account appropriated by this Act may be used by the Department to provide for state oversight of the abatement of hazardous waste sites located on property owned and operated by the federal government including federal military installations.

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3. If a responsible party, or parties, pay(s) the department in advance for the state's costs incurred in montoring responsible-party cleanups, funds budgeted in the Hazardous Substance Account shall not be spent unless the Legislature is provided 30 days' advance notice.
4. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Waste Control Account, General Fund.
6. Upon the request of the department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-014 and Item 4260-011-014 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.
7. Of the funds appropriated in category (e) from the Hazardous Waste Management Planning Account, $220,000 shall not be available to the State Department of Health Services until after 30 days' notice, to the chairperson of the committee which considers appropriations in each house and the Chairperson of the Joint Legislative Budget Committee, of the department's intention to encumber the funds.
8. Two of the seven positions which the State Department of Health Services has proposed for site mitigation and one of the 7.3 positions proposed for community relations shall be provided to the Fresno office.
9. The department shall, on or before January 15, 1988, review the fee rates established pursuant to Sections 25174, 25714.6, and 25205.5 of the Health and Safety Code to determine if adjustments shall be necessary to the rates to ensure funding at the level appropriated in the Budget Act of 1987 and in subsequent legislation. The department shall pursue any necessary adjustment of fees through the process set forth in Section 25174.9 of the Health and Safety Code.

4260-011-036—For support of Department of Health Services (Toxic Substances Control Division), payable from the Special Account for Capital Outlay 1,500,000

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4260-011-428—For support of Department of Health Services (Toxics Substances Control Division), for transfer to Item 4260-011-014, payable from the Hazardous Waste Management Planning Subaccount	395,000
4260-011-455—For support of Department of Health Services (Toxics Substances Control Division), for transfer to Item 4260-011-014, payable from the Hazardous Substance Account	7,585,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Substance Account.	
2. Upon the request of the department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-455 and Item 4260-011-455 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	
3. Notwithstanding Section 25351.1 of the Health and Safety Code, $5,000,000 shall not be transferred from the Hazardous Substance Account to the Hazardous Substance Clearing Account, because the funds are not needed to pay debt service costs in the 1987–88 fiscal year.	
4260-011-710—For support of Department of Health Services (Toxics Substances Control Division), for transfer to Item 4260-011-014, payable from the Hazardous Substance Cleanup Fund	12,848,000
Provisions:	
1. Upon the request of the department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-710 and Item 4260-011-710 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	
4260-011-890—For support of Department of Health Services (Toxics Substances Control Division), for transfer to Item 4260-011-014, payable from the Federal Trust Fund	4,252,000

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Provisions:

1. Upon the request of the department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-890 and Item 4260-011-890 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.

4260-012-710—For support of Department of Health Services (Toxic Substances Control Division), for transfer to Item 4260-011-014, payable from the Hazardous Substance Cleanup Fund 7,500,000

Provisions:

1. Of the funds appropriated by this item, $7,500,000 shall be available only for support of (1) local oversight activities related to responsible-party cleanup activities at leaking underground tank sites and (2) state activities related to administering the local oversight program and for overseeing responsible-party cleanups of leaking underground tanks where local oversight efforts are insufficient.
2. To the extent that funds are not needed to support state and local oversight activities related to responsible-party cleanups of underground tank sites, these funds shall revert to schedule (c) of Section 7 of Chapter 1439 of the Statutes of 1985. These funds may subsequently be transferred to schedule (a) or (b) pursuant to provision (4) as set forth in schedule (c) of Section 7 of Chapter 1439 of the Statutes of 1985.

4260-013-014—For transfer to the General Fund, for repayment of one-half of the loan made from Item 4260-011-001, plus accrued interest, payable from the Hazardous Waste Control Account, General Fund 5,800,000

Provisions:

1. On or before June 30, 1988, the Controller shall transfer $5,000,000, plus interest accrued at the Pooled Money Investment Account rate, in an amount not to exceed $5,800,000, from the Hazardous Waste Control Account to the General Fund for repayment of the loan provided for in Item 4260-011-001. Any unpaid interest resulting from an underestimate of the actual Pooled Money Investment Account rate charged to this loan shall be included in the second year's

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repayment appropriation.		
4260-020-455—For support of Department of Health Services (Toxics Substances Control Division), payable from the Hazardous Substance Account, General Fund		942,000
4260-021-890—For support of Department of Health Services (Toxic Substances Control Division), for transfer to Item 4260-011-014, payable from the Federal Trust Fund		32,605,000
4260-101-001—For local assistance, Department of Health Services, Medical Assistance Program, payable from the Health Care Deposit Fund (912) after transfer from the General Fund		2,770,422,000
Schedule:		
(aa) 50.10-Eligibility (County Administration)	147,907,000	
(a) 50.11-Benefits (Medical Care and Services)	5,383,611,000	
(ax) 50.12-Special adjustment (Contracts with Disproportionate Share Hospitals)	25,000,000	
(ay) 50.50-Fiscal Intermediary Management	45,578,000	
(b) Reimbursements	−19,420,000	
(c) Amount payable from the Federal Trust Fund (Item 4260-101-890)	−2,812,254,000	
Provisions:		
1. After June 30, 1988, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation incurred pursuant to this item.		
2. Notwithstanding any other provision of law, both the federal and nonfederal shares of any money recovered for previously paid health care services, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.		

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3. Notwithstanding any other provision of law, accounts receivable, for recoveries as described in Provision 2 above, shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund. Notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the State Controller to the General Fund without regard to the appropriation from which it was drawn.
4. Without regard to fiscal year, the General Fund shall make a loan available not to exceed a cumulative total of $45 million to be transferred as needed to the Health Care Deposit Fund to meet cash needs. Such loans are subject to repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of $45 million shall be processed in the manner prescribed by Section 16351 of the Government Code.
5. Notwithstanding any other provision of law, the Director of Health Services may give public notice relative to proposing or amending any rule or regulation which could result in increased costs in the Medi-Cal program only after approval by the Department of Finance as to the availability of funds; and any rule or regulation adopted by the Director of Health Services and any communication which revises the Medi-Cal program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.
7. 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.
9. Of the funds appropriated by this item, up to $25,000 may be allocated for attorney fees pursuant to Section 10962 of the Welfare and Institutions Code without prior notification to the Legislature. Individual settlements authorized under this language are limited to no more than $5,000. The semiannual estimates of Medi-

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Cal expenditures due to the Legislature in January and May shall reflect attorney fees paid fifteen (15) or more days prior to the transmittal of the estimate.

14. The State Department of Finance, pursuant to a request by the State Department of Health Services, may augment the amount available for expenditure in Item 4260-001-001 for support of the San Mateo County field office by transfer from Item 4260-101-001 pending the implementation of the San Mateo County Organized Health System. Any transfer may be authorized pursuant to this section not sooner than 30 days after notification in writing 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 case determine.
15. When a date for public hearing has been established for a change in any program, rule, or regulation, or the Department of Finance has approved any communication revising any department program, the two fiscal committees and the Joint Legislative Budget Committee shall be notified if the annual General Fund cost of the proposed change is $1 million or more.
16. (a) Long-term care facilities with labor costs below medians established for each reimbursement category by the State Department of Health Services shall pass through to nonadministrative employees a portion of the payment rate increase attributable to the salaries, wages, and benefits component of the Medi-Cal cost-of-living adjustment for skilled nursing facilities, intermediate care facilities, intermediate care facilities/developmentally disabled, and intermediate care facilities/developmentally disabled-habilitative, as defined in Section 1250 of the Health and Safety Code. It is the intent of this section to provide increases to nonadministrative employees, exclusive of administrators or

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administrators-in-training.

(b) The department shall adopt regulations setting forth a median nonadministrative labor cost base per patient day calculated on the basis of actual facility labor costs within each reimbursement category. The median established for each category shall reflect all data reported by facilities, provided that the data base includes a statistically valid number of facility certifications which capture facility spending pursuant to Chapters 10 and 11 and 111 of the Statutes of 1985 for the period of August 1, 1986, through July 31, 1987. Both freestanding and hospital-based facilities shall file certifications for this period with the department before September 15, 1987, and the department shall use these certifications to publish medians by reimbursement category before November 1, 1987.

(c) Each long-term health care facility shall compare its actual nonadministrative labor costs per patient day, including nurse registry and contract labor expenses in an amount consistent with wages paid employees performing similar duties, during the August 1, 1986, through July 31, 1987, base period to the median labor cost base established for its category. Facilities with actual labor costs below the median shall increase labor costs by an amount sufficient to reach the median, or a specific percentage of the rate increase attributable to labor costs as follows:

(1) Facilities with labor costs in the 26th through 49th labor cost percentiles must increase these costs by 75 percent of the rate increase attributable labor.

(2) Facilities with labor costs in the first through 25th labor cost percentiles must increase these costs by 87.5 percent of the increase attributable to labor.

Facilities with labor costs equal to or greater than the median labor cost base established for their category

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shall not be subject to this requirement.

(d) The Cost-of-Living Adjustment (COLA) median labor cost base process established in this section represents a consolidated requirement which encompasses facility spending requirements associated with the wage pass-through provisions of Chapters 10 and 11 of the Statutes of 1985 and Chapter 19 of the Statutes of 1978. With the exception of the specific wage levels required under Section 1439.7 of the Health and Safety Code, this process shall be used exclusively by the department to monitor facility compliance with all previous pass-through requirements in lieu of existing monitoring mechanisms after the effective date of this act.

(e) Long-term care facilities shall document, in a certification submitted to the department by September 15, 1987, their Cost-of-Living Adjustment (COLA) pass-through obligation and compliance with the requirements of this section. The department shall audit these certifications to ensure that facilities subject to these requirements increase labor cost per patient day by the appropriate amount during the period of August 1, 1987, through July 31, 1988. In assessing facility compliance, the department shall compare facility labor costs per patient day during this period to those reported for the base period described in subdivision (c) above. The department shall also consider documented operational efficiencies which impact overall labor costs in this comparison.

(f) Effective with facility certifications filed for the July 1, 1985, through July 31, 1986, period, facilities shall be allowed to carryover any excess or shortage within 25 percent of their pass-through obligation from one certification period to another, provided that this carryover is spent in addition to any new labor cost increase required during the second certification period. Shortages in excess of 25 percent in

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	the first facility fiscal period, or any shortages which remain at the end of the second fiscal period, shall be distributed by the facility with a 10 percent penalty through a one-time payment to all employees within 60 days of the end of the certification period or the date of final post-appeal audit findings. Facilities which do not meet their pass-through obligation, except as specified above, shall be subject to recovery of that portion of the Medi-Cal Cost-of-Living Adjustment (COLA) pertinent to the compliance period not distributed to employees and other actions pursuant to Section 14017.4 of the Welfare and Institutions Code. Money recovered pursuant to this section shall revert to the General Fund.	
	(g) The department shall provide a waiver to the Cost-of-Living Adjustment (COLA) pass-through requirements when it determines that a facility will be unable to provide adequate care for patients or maintain financial stability without diverting these funds from labor to other costs. Waiver requests shall be submitted by December 1, 1987, and decisions rendered by February 1, 1988. Life threatening/emergency situations will be processed by the department on an individual case/situation basis. Waivers shall only be granted on a prospective basis; retroactive adjustments shall be handled through the existing audit/appeal process.	
	(h) The department shall develop the specific methodology and procedures necessary to implement this act with consultation from labor, providers, and legislative committee representatives. Prior to implementation of these provisions, the Department of Health Services shall advise the fiscal committee of each house of the Legislature. Facilities shall be provided with complete instructions and monitoring guidelines prior to implementation of these procedures.	
	(i) The department shall report with input from the parties identified in (a) above to	

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the Legislature by May 1, 1989, on the effectiveness of this section in ensuring the required pass-through of wages, including a report on the number of facilities and the dollar amounts involved in compliance audits resulting in the imposition of penalties required by this section. In conjunction with this report, the department shall also implement a plan for integration of these procedures with the standard Medi-Cal and disclosure report process by December 1, 1989.

17. The State Department of Health Services shall seek from the federal Department of Health and Human Services a waiver from existing Medicaid regulations for the purpose of obtaining federal financial participation in funding home and community-based services to Medi-Cal eligible individuals with AIDS or with AIDS-related conditions who would have to receive inpatient or nursing home care but for the provision of home and community-based services. Home and community-based services that shall be included in the waiver application include, but are not limited to, case management, home health attendant aid, homemaker, adult day care, and respite care. Room and board shall be specifically excluded from the waiver application. The department shall submit the waiver request no later than September 1, 1987.
18. The State Department of Health Services shall increase by $150 the rate for prenatal care provided by comprehensive perinatal care providers if the providers have initiated care for the pregnant woman during the first trimester of pregnancy and have provided at least nine prenatal visits.
19. Where regulations involve changes to the Medi-Cal Drug Formulary which could result in increased costs to the Medi-Cal program, it shall not be necessary for the Director of the State Department of Health Services to secure approval by the Department of Finance prior to the director's giving of public notice relative to the proposed or amended regulations. However, after the public hearing, the director

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shall submit those regulations which propose the addition of drugs to, or the deletion of drugs from, the Medi-Cal Drug Formulary to the Department of Finance for final approval prior to the submission of those regulations to the Office of Administrative Law for review and filing with the Secretary of State.

20. The State Department of Health Services shall add Motrin 800-milligram to the Medi-Cal Drug Formulary, and immediately promulgate emergency regulations for this purpose.
21. The State Department of Health Services shall add pentoxifylline to the Medi-Cal Drug Formulary, to be used for treatment of intermittent claudication. The department shall immediately promulgate emergency regulations for this purpose.
22. The Director of the State Department of Health Services shall not impose rate reductions pursuant to Section 14120 of the Welfare and Institutions Code on Medi-Cal services that do not exceed their allocations in the period in which the proposed rate reduction determination is made.
23. None of the funds appropriated by this item shall be used for induced abortions. The exclusive means for paying for induced abortions shall be through the appropriation made in Item 4260-105-001.
24. Notwithstanding any other provision of law, the Department of Health Services shall not assess fiscal sanctions against any county during 1987–88 and thereafter based solely upon a state-established error rate standard. The department shall pass on to counties any federal sanction imposed upon the state based on the following program:
    (a) The department shall institute an eligibility determination of a sample of persons in each county granted Medi-Cal eligibility under Section 14005.4, 14005.7, or 14005.8 or Article 4.4 (commencing with Section 14140) of the Welfare and Institutions Code.
    (b) A review period shall be defined as one year and shall coincide with the federal fiscal year. The department shall draw a

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random sample of cases for each period. The random sample shall be drawn to ensure a minimum number of cases reviewed in each county in each review period according to the following:

(1) All cases shall be sampled in any county with less than 50 Medi-Cal cases.
(2) 50 cases in any county with 0.01% to 0.50% of the Medi-Cal cases.
(3) 75 cases in any county with 0.51% to 1.00% of the Medi-Cal cases.
(4) 100 cases in any county with 1.01% to 3.00% of the Medi-Cal cases.
(5) 125 cases in any county with 3.01% to 10.00% of the Medi-Cal cases.
(6) 650 cases in any county with more than 10.00% of the Medi-Cal cases.

(c) When family members maintain separate residences, but eligibility is determined as a single unit because of the provisions of Section 14008 of the Welfare and Institutions Code, the county to which the parent or parents reside shall determine the eligibility for the entire unit.

(d) In administering the provisions of law and regulations related to eligibility determination, the director shall impose such fiscal penalties as provided by this section to assure adequate county administrative performance.

(e) The director shall hold counties financially liable for payments made on behalf of ineligible persons or persons with an incorrect share of costs.

When a sampled case is found to include an ineligible person or a person with an incorrect share of cost, written notification will be sent to the county department which describes the error and requests a written response within two weeks. The county must indicate whether it agrees or disagrees with the findings. If the county disagrees, the department shall reevaluate the error findings, taking into consideration any additional facts contained in the county's response. The county shall again be notified of the department's findings. If

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the county continues to disagree with the error findings, the county may appeal to the Chief, Audits and Investigations Division, requesting that the department review the case and render a final decision. The director may reduce or waive the fiscal liability of a county if the department is unable to meet the minimum sample requirements as earlier defined or if an individual county experienced a natural disaster, job actions, or other occurrences which impacted the findings in an individual county as determined by the director.

(f) The department shall utilize the methodology detailed in this subdivision to establish counties' fiscal penalties. The department shall determine each county's case error rate for each review period by dividing the number of cases reviewed in that county found in error by the number of cases reviewed in that county. State-caused errors shall not be included in this calculation. Case error rates shall be arrayed, from highest to lowest. From this array, the department shall determine the percentage of counties liable as follows:

(1) The 60% of counties with the highest case error rates shall be liable if the state's dollar error rate exceeds the federal standard by 0.01% to 1.00%.

(2) The 70% of counties with the highest case error rates shall be liable if the state's dollar error rate exceeds the federal standard by 1.01% to 2.00%.

(3) The 80% of the counties with the highest case error rates shall be liable if the state's dollar error rate exceeds the federal standard by 2.01% to 3.00%.

(4) The 90% of counties with the highest case error rates shall be liable if the state's dollar error rate exceeds the federal standard by 3.01% to 4.00%.

(5) All counties shall be liable if the state's dollar error rate exceeds the federal standard by 4.01% or more.

As used herein the state's dollar error rate means the Medicaid dollar er-

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ror rate reported to the department by the Department of Health and Human Services less any portion of this error rate attributable to state caused errors. The term federal standard means the Medicaid dollar error rate standard to which the accountable.

For each county determined liable, the department shall calculate a penalty multiple which shall be the product of a liable county's case error rate multiplied by the liable county's percentage of statewide Medi-Cal cases. Each county's fiscal penalty shall be the product of a county's penalty multiple divided by the sum of all penalty multiples, multiplied times the penalty bank. The penalty bank includes all federal fiscal sanctions, federal withholds, federal disallowances, and any associated General Fund expenditures, minus the value of any state caused errors.

If after the department has assessed fiscal penalties to counties the federal government reduces or eliminates any federal fiscal sanction, federal withhold, or federal disallowances, the department shall reduce or eliminate the corresponding fiscal penalty assessment including any associated General Fund expenditures to liable counties.

(g) When a county welfare department contravenes state eligibility processing regulations and written instructions in a way that produces increased program benefits or administrative expenses but does not result in an increase in the federal eligibility dollar error rate, the director shall recoup from that county the additional administrative or program benefit costs above those which would have been incurred had that county not contravened the established state eligibility processing regulations and written instructions. This provision shall not be construed to interfere with the rights of counties to outstation eligibility

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staff.

(h) Notwithstanding the number of counties determined liable for fiscal penalties under this section, Individual County Corrective Action Plans as prescribed by the department shall be required from all counties which exceed a 15% case error rate.

(i) Any penalties imposed under this system shall be collected through direct repayment from liable counties rather than through any reduction in funds otherwise due to counties.

The Director of Health Services shall adopt emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code to implement this program. The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, or safety. Notwithstanding any provision of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the Department of Health Services to implement this program shall not be subject to any review, approval, or disapproval by the Office of Administrative Law at any stage of the rulemaking process. These regulations shall become effective immediately upon filing with the Secretary of State.

25. 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, 1986, shall be determined by multiplying the county's number of approved applications by the ratio of nonapproved applications to approved applications processed by the county during the 1983–84 fiscal year.

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26. The State Department of Health Services shall test a variety of followup thresholds under the Income and Eligibility Verification System (IEVS) program in order to determine the amount of followup that is needed to ensure that the program generates savings in excess of its operating costs. The department shall also take appropriate action to ensure that counties use automated followup to the maximum possible extent. The department shall report to the Legislature by December 15, 1987, on its estimate of the savings that will be generated by IEVS.	
27. Change orders to the medical or the dental fiscal intermediary contract for amounts exceeding a total cost of $250,000 shall be approved by the Director of Finance not sooner than 30 days after written notification of the change order is provided to the chairpersons of the fiscal and policy committees in each house and to the Chairperson of the Joint Legislative Budget Committee or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may designate. If there are changes or potential changes in federal funding, the Department of Finance shall provide timely written notification of the changes to the chairperson of the fiscal committee in each house and the Chairperson of the Joint Legislative Budget Committee.	
28. When a date for public hearing has been established for a change in any program, rule, or regulation, or the Department of Finance has approved any communication revising any department program, the two fiscal committees and the Joint Legislative Budget Committee shall be notified if the annual General Fund cost of the proposed change is $1,000,000 or more.	
29. Recoveries of advances made to counties in prior years pursuant to Section 14153 of the Welfare and Institutions Code are hereby reappropriated to the Health Care Deposit Fund for reimbursement of those counties where allowable costs exceeded the amounts advanced. Recoveries in excess of the amounts	

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required to fully reimburse allowable costs shall be transferred to the General Fund. When a projected deficiency exists in the Medical Assistance Program, these funds, subject to notification to the Chairperson of the Joint Legislative Committee, are hereby appropriated and shall be expended as soon as practicable for the state's share of payments for medical care and services, county administration, and fiscal intermediary services.

30. (a) The $25,000,000 appropriation provided in Schedule (ax), Program 50.12, Special Adjustment-(Contracts with Disproportionate Share Hospitals), shall be to fund rate increases negotiated after June 30, 1987, by the California Medical Assistance Commission for hospitals serving a disproportionate share of Medi-Cal patients. The Commission shall allocate $2,000,000, $1,000,000 from the General Fund and $1,000,000 from federal funds, for rural, distressed safety-net providers and county-operated hospitals with less than 100 acute care beds which serve a preponderance of persons residing in rural areas.

(b) Amounts shall be allocated from Schedule (ax) to Schedule (a) of this item in the appropriate fiscal years to cover the annualized cost for each rate increase provided from these funds, by executive order of the Department of Finance, based on the estimate of annualized cost and fiscal year costs made by the commission. Any rate increases resulting from these funds shall be in addition to any other rate increases which hospitals would have received.

(c) Disproportionate share hospitals are hospitals which serve a disproportionate number of Medi-Cal beneficiaries or patients not covered by other third party payors as referenced in subdivision (k) of Section 14083 of the Welfare and Institutions Code and as determined by the California Medical Assistance Commission. The commission may contract at rates above a facility's costs if the financial viability of that facility

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is threatened.

(d) The aggregate cost of these rate increases shall not exceed an annualized cost of $25,000,000. Furthermore, notwithstanding Section 2.00 of this act, the funds provided in this schedule shall be available for expenditure for the 1987–88, 1988–89, and 1989–90 fiscal years. Funds in this schedule shall be appropriated in Items 4260-101-001 and 4260-101-890.

31. 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.

32. Of the amount appropriated in this item, $2,000,000 transferred from Item 4260-101-890 and $2,000,000 from the General Fund shall be for rate increases for non-contract small and rural hospitals. Small and rural hospital means an acute care hospital which is designated by the Office of Statewide Health Planning and Development to meet the criteria for designation within peer group six or eight, as defined in the report entitled Hospital Peer Grouping for Efficiency Comparison, dated December 20, 1982, or an acute care hospital which meets the criteria for designation within peer group five or seven.

Hospitals which do not elect to contract with the California Medical Assistance Commission shall be exempt from those provisions of Section 51536 of Title 22 of the California Administrative Code relating to the all-inclusive rate per discharge.

The State Department of Health Services shall seek all federal waivers necessary to implement this provision.

4260-101-890—For local assistance, Department of Health Services, for transfer to Item 4260-101-001, payable from the Federal Trust Fund 2,812,254,000

Provisions:

1. The amount payable from this item is scheduled as follows:

(a) 50.10-Eligibility (County Administration) 75,849,000

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(b) 50.11-Benefits (Medical Care and Services)	2,690,118,000
(bx) 50.12-Special Adjustment—Contracts with Disproportionate Share Hospitals	12,500,000
(c) 50.50-Fiscal Intermediary Management	33,787,000

2. Any provision from Item 4260-101-001 relevant to this item shall also be applicable to this item.

4260-105-001—For abortions, Department of Health Services, Program 50.11—Medical Assistance Program, benefits, for transfer to the Special Financing Fund 12,858,000

Provisions:

1. This item shall be the sole source of general funds for abortions.
2. The expenditures of funds appropriated by this item for induced abortions shall be limited for persons eligible for the Medi-Cal program to the extent that federal matching funds are available for these purposes; except that, regardless of whether federal matching funds are available, funds may be provided for induced abortions for these persons under any of the following circumstances:
   (a) Where the life of a woman would be endangered if the pregnancy were allowed to continue, and when so certified under penalty of perjury by two physicians, one of whom, where practicable, is a specialist in the affected medical discipline, and documentation thereof is provided with the claim for payment.
   (b) Where the pregnancy results from an act punishable under Section 261 of the Penal Code, and this act has been reported, within 60 days of its occurrence, to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency, and the abortion occurs during the first trimester.
   (c) Where the pregnancy results from an act punishable under Section 261.5 of the Penal Code, and the female is under 18 years of age, and the abortion is performed no later than the first trimester, provided that the female's parent or guardian or, if none, an

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	adult of the female's choice, is notified at least five days prior to the abortion by the physician who performs the abortion. Regulations governing the notice requirement shall be promulgated by the Director of Health Services.	
	(d) Where the pregnancy results from an act punishable under Section 285 of the Penal Code, and this act has been reported to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency, and the abortion occurs not later than during the second trimester.	
	(e) Where it is determined by prenatal studies limited to amniocentesis, fetal blood sampling, fetal angiography, ultrasound, x-ray, or maternal blood examination that the woman will give birth to a child with severe genetic or congenital abnormality and the abortion occurs not later than the second trimester.	
	3. (a) The provider's claim for payment for abortion services shall be accompanied by documentation which specifies the circumstances under which the abortion was performed. Claims without this documentation shall not be paid.	
	(b) In every case, prior to abortion, the provider shall make available to the woman appropriate counseling regarding the situation, complications, risks, benefits, and alternatives.	
	(c) By May 1, 1988, the Department of Health Services shall provide the Legislature a report listing the number of abortions theretofore paid for during the fiscal year 1987–88 pursuant to this act. The report shall specify the number of abortions performed under each category, and further specify the reasons or conditions within each category which qualified the particular pregnancy for the abortion and payment pursuant to this provision.	
	4. Nothing in this item shall be interpreted to prohibit payment for drugs or devices to prevent implantation of the fertilized ovum.	

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5. Limitation on payment for abortions provided for in this item shall apply only to abortions performed after August 15, 1987.
6. None of the funds appropriated by any other item in this act shall be used to pay for abortions.
7. The Controller shall place all funds appropriated by this item into the Special Financing Fund, which is hereby created. Henceforth, the director shall direct payment, and the Controller shall draw warrants for payments as allowed by this item, only from the Special Financing Fund.
8. As promptly as possible, the director shall notify providers and beneficiaries of the restrictions imposed by this item. The restrictions upon providers and beneficiaries shall become effective as soon as practicable after they receive notice from the director.
9. If any provision of this item or the application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

4260-106-001—For cost-of-living increases, Department of Health Services, to be transferred to and in augmentation of programs upon approval of the Department of Finance, in accordance with the following schedule 23,179,000

Schedule:

(a) 50.11-Benefits (Medical Care and Services) (for transfer to Item 4260-101-001) 46,358,000

(b) Amount payable from the Federal Trust Fund (Item 4260-106-890) —23,179,000

Provisions:

1. The department shall reimburse for adult day health care services at a daily rate of $42.97.
2. Of the amounts appropriated in this item, $10,000,000 transferred from Item 4260-106-890 and $10,000,000 from the General Fund are for rate increases to hospitals that the Director of the State Department of Health Services determines to be disproportionate outpatient providers. For the purposes of this provision, a disproportionate outpatient provider is a hospital that exceeds the mean value of the dispropor-

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tionate provider factor for all hospitals as determined by the director based on the most recent annual disclosure data administered by the Office of Statewide Health Planning and Development. In making this determination, the director may give special consideration to hospitals that previously had not submitted necessary data elements and that certify to changes in relevant data subsequent to the most recent state report.

This factor shall be the proportion of total outpatient gross revenue attributable to Medi-Cal gross revenue and "Other" outpatient deductions from revenue. Medi-Cal gross revenue shall include Medi-Cal revenue from eligible persons who are members of prepaid health plans, as defined in Section 14251 of the Welfare and Institutions Code.

The rate increases shall be effective August 1, 1987, and shall be in amounts that (1) are in proportion to the degree by which each hospital's disproportionate outpatient factor exceeds the mean, and (2) shall be calculated by the director based on his or her most recent estimate of Medi-Cal outpatient utilization in such a way as to cost $20,000,000 ($10,000,000, General Fund) during fiscal year 1987–88.

3. Of the amount appropriated in this item, $8,450,000 ($4,225,000 General Fund and $4,225,000 Federal funds) shall be for providers of Obstetrical/Gynecological (OB/GYN) services for purposes of providing a 18.6 percent rate increase. All other Medi-Cal fee-for-service, nonhospital providers, except long-term care and physician services, shall receive a rate increase of one percent.

4260-106-890—For cost-of-living increases, Department of Health Services, for transfer to Item 4260-106-001, payable from the Federal Trust Fund 23,179,000

4260-111-001—For local assistance, Department of Health Services 1,243,268,000

Schedule:

(a) 11-Preventive Medical Services.... 18,503,000
(b) 15-AIDS 18,873,000
(c) 20-Family Health Services..... 138,601,000
(d) 40-Rural and Community Health.....1,067,291,000

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Provisions:

1. Program 11-Preventive Medical Services:

(a) 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.

(b) The State Department of Health Services shall redirect $200,000 of the funds appropriated for lupus erythematosus to fund studies of transfusion-related AIDS or hepatitis. The department shall contract with up to three university medical schools or medical schools affiliated with university medical schools to conduct the studies. The contracts shall be approved by that body which approves contracts for research into lupus erythematosus.

The studies shall compare results in three categories: (1) patients receiving pooled, random platelet transfusions of 6 to 10 platelet packs; (2) patients receiving platelet pheresis concentrates from volunteer donors; and (3) patients receiving platelet pheresis concentrate from compensated donors.

Both voluntary and compensated donors whose platelet pheresis products are screened for potential transfusion purposes at these medical schools and clinics shall also receive donor and platelet product laboratory testing. Laboratory tests to be included in this survey are those associated with patient safety from transfusion-related infectious diseases and include all of the followings tests: hepatitis surface antigen, antibody to hepatitis core antigen, HTLV-III antibody, and ALT test for elevated liver enzymes.

(c) Of the additional funds for Alzheimer's programs contained in the 1987–88 budget for the State Department of Health Services, $1.5 million shall be allocated to existing centers, $3.5 million shall be allocated for up to 10 new centers, $60,000 shall be allocated

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to state support, $70,000 shall be allocated to evaluation, and $4,870,000 shall be spent for additional Alzheimer's research projects.

(d) Of the funds appropriated in this item, $215,000 shall be used to support existing senior medication education programs which have demonstrated the ability to provide a comprehensive array of educational services through a cost-efficient, collaborative regional approach. An evaluation report shall be submitted to the State Department of Health Services and the Legislature by April 15, 1988. Participating counties shall be required to provide 50% matching funds, or an equal value in in-kind staff and materials.

1.5. Program 15-AIDS:

(a) Of the funds provided for the alternative test site program, the department shall allocate $1,000,000 to (1) establish an early diagnostic treatment program in the test sites, and (2) support mobile anonymous testing programs.

(b) The department shall create a reserve of $125,000 from the amount appropriated in this item for AIDS programs. The reserve may be allocated for special local assistance projects identified during the year which were not anticipated during the budget process. Funds allocated from this reserve are subject to the provisions of Section 28.00.

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 by CCS in excess of $750,000 shall be used to offset the General Fund appropriation to those pro-

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grams.

(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) There shall be allocated $1,000,000 to the Office of Family Planning to fund the testing and treatment of Chlamydia for individuals who are eligible for services pursuant to Section 14503 of the Welfare and Institutions Code.

(e) There shall be allocated $3,000,000 to the Office of Family Planning to fund family planning services pursuant to Section 14501 of the Welfare and Institutions Code.

(f) The sum of $750,000 is hereby appropriated from the General Fund to the Maternal and Child Health Program in the State Department of Health Services for allocation for the establishment and operation of school-based health clinics.

These funds shall not be appropriated for this purpose unless SB 717 of the 1987–88 Regular Session is chaptered.

(g) By October 1, 1987, the Superintendent of Public Instruction and the Departments of Health Services and Mental Health shall submit for public comment the proposed regulations implementing Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 2 of the Government Code, concerning interagency responsibilities for providing services to handicapped children.

By November 1, 1987, the Departments of Developmental Services and Health Services (including representation from California Children's Services and Medi-Cal) shall negotiate an interagency agreement concerning clients concurrently eligible for services. The interagency agreement shall delineate the service responsibilities of each agency as it relates to

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mutual clients. The Department of Education shall provide technical assistance pursuant to Section 300.600 of Title 34 of the Code of Federal Regulations to ensure that the agreement is written in compliance with all applicable federal laws concerning delivery of services to handicapped children.

(h) The State Department of Health Services shall increase by $1,000,000 funds for community-based perinatal programs. The department shall allocate the funds through a request-for-proposal to counties in which low-income women are experiencing problems in accessing prenatal care.

(i) The State Department of Health Services shall increase by $320,000 funds for diabetes in pregnancy programs. The department shall use the funds to fully fund four programs which are partially funded and to establish two additional programs at $60,000 each.

(j) The State Department of Health Services shall increase by $510,000 funds for perinatal regionalization programs. The department shall use the funds to fully fund those regions in Fresno and Los Angeles Counties which presently are unfunded or under-funded.

(k) The State Department of Health Services shall submit by September 1, 1987, a request to the federal government for federal financial participation for implementing county costs incurred in comprehensive perinatal services.

(*l*) Of the funds appropriated in this item, one million dollars ($1,000,000) shall be allocated to the Department of Health Services to administer the California Special Supplemental Food Program for Women, Infants, and Children for the purpose of providing the department with the means to fully use existing federal funds. These funds shall ensure that enough money is allocated locally to expend the entire federal grant for food, administrative and direct nutrition services in the same proportion as set forth in the state special project existing on January 1,

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1986. It is expected that all or most of the appropriation shall revert to the General Fund on June 30, 1988, and that subsequent appropriations shall be set aside through the annual Budget Act.

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.

(c) Of the amount appropriated in this Item for the Medically Indigent Services Program, Los Angeles County shall use at least $9,900,000 from its allocation to expand its support of emergency medical and trauma services.

(d) Of the amount appropriated in this item, $20,000,000 shall be allocated to reimburse physicians and hospitals for a percentage of the losses they incur in providing emergency medical services. These funds shall be available for allocation upon enactment of legislation specifying the procedures for reimbursement of these providers.

(c) 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	535,000
(5) County-Clinic Linkages	130,000

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	(6) Elder Care Projects 505,000	
	(7) Medication Education Program for Seniors 250,000	
	If the funding applications of local jurisdictions request fewer funds from one 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 priorities listed above.	
	(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 State 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.	
4260-111-137—For local assistance, Department of Health Services		520,000
4260-111-890—For local assistance, Department of Health Services, for transfer to the Public Health Federal Fund payable from the Federal Trust Fund		23,460,000
	Schedule:	
	(a) 20-Family Health Services..... 22,875,000	
	(b) 40-Rural and Community Health 585,000	
	Provisions:	
	1. Subdivisions (a) and (c) of Provision 2 of Item 4260-111-001 are also applicable to this item.	

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4260-301-036—For capital outlay, Department of Health Services, payable from the Special Account for Capital Outlay		1,505,000
Schedule:		
(1) 94.50.010-Minor Projects	197,000	
(2) 94.80.015-Los Angeles: Acquisition of Laboratory—Acquisition	1,308,000	

4260-490—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the unencumbered balance, as of June 30, 1987, of the following appropriations are hereby reappropriated for the purposes specified:

001-General Fund

(1) For construction of the San Francisco General Hospital Multidisciplinary AIDS Research Center, the unspent funds from the $1,500,000 appropriated for this purpose in Item 4260-001-001 of the Budget Act of 1986.

Provisions:

1. The department shall allocate funds for preliminary plans no sooner than 30 days after submitting to the Joint Legislative Budget Committee and the legislative fiscal committees a project planning guide for the project. The Joint Legislative Budget Committee shall report on the adequacy of the plans within 30 days of receipt of the preliminary plans. After approval of the preliminary plans, changes affecting the scope or cost of the project shall be submitted under the above review process to the Chair of the Joint Legislative Budget Committee and the chair of the fiscal committee in each house prior to implementing the proposed change. The department shall ensure that the City and County of San Francisco shall expedite the development of preliminary plans for this project. It is the intent of the Legislature that this project shall be expedited to make possible the start of construction in the 1987–88 fiscal year.

(2) For support of the Pilot Project for Chronically and Terminally Ill Children, maintained by Children's Respite Care Inc., the $32,000 in unspent funds from the $250,000 appropriated for this purpose in Item 4260-001-001 of the Budget Act of 1986.

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014-Hazardous Waste Control Account, General Fund

(1) For use in a first-month fixed payment of rent to subsequently reduce monthly costs of leased laboratory space, $158,400 of the amount appropriated in Item 4260-001-014 for this purpose in the Budget Act of 1986.

203-Genetic Disease Testing Fund

(1) For use in a first-month fixed payment of rent to subsequently reduce monthly costs of leased laboratory space, $223,200 of the amount appropriated in Item 4260-001-203 for this purpose in the Budget Act of 1986.

4260-495—Reversion, Department of Health Services. As of June 30, 1987, 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.

001—General Fund

(1) Item 4260-001-001, Budget Act of 1986, support, Department of Health Services, $275,000 appropriated for the Medi-Cal automated case management system.

710—Hazardous Substance Cleanup Fund

(1) Chapter 1439, Statutes of 1985, $22,420,000 appropriated for site cleanup.

890—Federal Funds

(1) Item 4260-001-890, Budget Act of 1986, support, Department of Health Services, $275,000 appropriated for the Medi-Cal automated case management system.

4260-496—Reversion, Department of Health Services. Notwithstanding any other provision of law, as of June 30, 1987, 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 1986, Item 4260-301-036:

(3) 94.80.015—Los Angeles: Acquisition of Laboratory—Environmental Assessment and Appraisal

4270-001-001—For support, California Medical Assistance Commission 894,000

Schedule:

(a) 100000-Personal Services 1,313,000

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(b) 300000-Operating Expenses and Equipment	475,000	
(c) Reimbursements	−894,000	
4300-001-001—For support of Department of Developmental Services		20,200,000
Schedule:		
(a) 10-Community Services Program	11,021,000	
(b) 20-Developmental Centers Program	10,443,000	
(c) 35.01-Administration	17,149,000	
(d) 35.02-Distributed Administration	−17,149,000	
(e) Reimbursements	−979,000	
(f) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-172)	−190,000	
(g) Amount payable from the Federal Trust Fund (Item 4300-001-890)	−95,000	
Provisions:		
1. Under order of the Director of Finance, the State Controller shall transfer funds as are necessary between this item and Item 4300-101-001 to provide for the continuing costs of fair hearings.		
4300-001-172—For support of Department of Developmental Services, for transfer to Item 4300-001-001, payable from the Developmental Disabilities Program Development Fund		190,000
4300-001-890—For support of Department of Developmental Services, for transfer to Item 4300-001-001, payable from the Federal Trust Fund		95,000
Provisions:		
1. Upon order of the Director of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-111-890.		
4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers		404,440,000
Schedule:		
10.10-Regional Centers		
(a) 10.10.010-Operations	118,110,000	
(b) 10.10.020-Purchase of services	288,898,000	
(c) 10.20.010-Program Development	2,303,000	
(d) 10.20.030-Cultural Center for the Handicapped	147,000	
(e) Reimbursements	−1,295,000	

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(f)	Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-172)	−3,723,000

Provisions:

1. Upon order of the Director of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item, and Item 4300-111-001. Provided further, that the Director of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for developmental services provided to persons eligible under the California Medical Assistance Program.
2. (a) In order to ensure that services to eligible clients are available throughout the contract period, it is the intent of the Legislature in enacting this provision that each regional center administer the contract within the level of funding available pursuant to Sections 4621 and 4633 of the Welfare and Institutions Code and this act. If additional funds are appropriated by the Legislature, the Department of Developmental Services shall revise the contract amounts. The regional centers shall then administer the contracts within the revised contract amounts.

   To carry out the intent of this provision, each regional center contract shall include provisions which ensure the regional center will provide services to eligible clients within the funds available in the contract throughout the contract term. If the regional center or the Director of Developmental Services determines that there are insufficient funds in a regional center contract for the provision of client services, the regional center shall continue to administer the contract within the funds provided and report to the director of the Department of Developmental Services on the type, amount, and costs of client services which cannot be provided directly or through purchase because of insufficiency of funds. The director of the department shall use these

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data in preparing reports pursuant to subdivision (c) of Section 4631 and Section 4779 of the Welfare and Institutions Code, and subdivision (b) of this provision.

The regional center shall develop a written plan which specifies how the center intends to address the funding deficiency. If at any time the director of the department determines that a regional center's plan does not adequately address the funding deficiency during the contract period, the director may require the use of operational funds to reduce the deficiency in purchase of services.

(b) The Director of Developmental Services shall report on the financial status of all regional centers and their operations to the Joint Legislative Budget Committee by February 15, 1988, and May 15, 1988. The reports shall:

(1) Identify all projections of regional center budget deficits during the reporting period.

(2) Analyze the accuracy of each identified deficit projection.

(3) Analyze the feasibility of eliminating the projected deficits by reductions in expenditures, reallocations of appropriated funds, and budget augmentation.

(4) Indicate the actions planned to eliminate the projected deficits, including a description of the impact of such actions on the receipt of services needed by regional center clients during the remainder of the fiscal year.

3. Upon order of the Director of the Department of Finance, the State Controller shall transfer funds as are necessary between this item and Item 5160-101-001, to provide for the conversion of Day Programs, Supported Work Programs and Work Activity Programs to meet client service needs.

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4. The Department of Developmental Services shall continue to conduct the department's Residential Care Rate Proposal Demonstration Project mandated in Item 4300-101-001 of the Budget Act of 1985.
5. Any funds available from cost-of-living adjustments in the Supplemental Security Income/State Supplementary Program (SSI/SSP) shall be used to offset General Fund costs for residential care services.
6. By November 1, 1987, the Departments of Developmental Services and Health Services (including representation from California Children's Services and Medi-Cal) shall negotiate an interagency agreement concerning clients concurrently eligible for services. The interagency agreement shall delineate the service responsibilities of each agency as it relates to mutual clients. The Department of Education shall provide technical assistance pursuant to Section 300.600 of Title 34 of the Code of Federal Regulations to ensure that the agreement is written in compliance with all applicable federal laws concerning delivery of services to handicapped children.

4300-101-172—For local assistance, Department of Developmental Services, for transfer to Item 4300-101-001, payable from the Developmental Disabilities Program Development Fund 3,723,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Department of Developmental Services in excess of the amount appropriated, no sooner than 30 days after notification in writing of 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.

4300-111-001—For local assistance, Department of Developmental Services, for State Hospitals 34,354,000

Schedule:

(a) 20-State Hospital Services Program 468,506,000
(b) Reimbursements ..... -433,208,000

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	(c) Amount payable from the Federal Trust Fund (Item 4300-111-890) ..	−944,000

Provisions:

1. Upon order of the Director of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 4300-101-001, 4440-011-001, and 4440-101-001.
2. Without regard to fiscal year, the General Fund shall make a loan available to the Department of Developmental Services not to exceed a cumulative total of $100 million. The loan funds will be transferred to this item as needed to meet cash flow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and subject to the repayment provisions of Section 16351 of the Government Code.
3. Of the amount appropriated in Schedule 20, $15,000 is provided for payment of energy service contracts as required in connection with issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.
4. The Department of Finance may transfer to Item 4440-141-001 any funds received by the department as a result of Medi-Cal long-term care cost-of-living adjustments (COLAs) in excess of $28,002,000 for purposes of funding a deficiency in funds available for COLAs to Institutions for Mental Disease (IMD). Any funds in excess of the amount needed for IMD COLAs shall revert to the General Fund.
5. The Prison Industries Authority (PIA) is prohibited from subcontracting Department of Developmental Services' contracted services to private firms where the PIA cannot complete the work itself. In determining its ability to complete the work, PIA shall consider the feasibility of additional prisoner worktime, including voluntary overtime. When the PIA cannot complete the work itself, state civil servants shall be employed for the work originally contracted to the PIA.

4300-111-890	—For local assistance, Department of Developmental Services, for transfer to Item 4300-111-001, payable from the Federal Trust Fund	944,000

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Provisions:			
1. Upon order of the Director of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-001-890.			
4300-301-036—For capital outlay, Department of Developmental Services, payable from the Special Account for Capital Outlay			12,768,000
Schedule:			
(1) 55.10.205-Minor Projects		1,136,000	
(2) 55.20.210-Camarillo: Construct Children's Units—Construction		3,706,000	
(3) 55.20.225-Camarillo: Fire and Life Safety and Environmental Improvements, Units 11, 12, 13, 14, and 15—Construction		6,139,000	
(4) 55.20.260-Camarillo: Fire and Life Safety and Environmental Improvements, Units 18, 19, 30, 31, 32, and 33—Preliminary Plans and Working Drawings		582,000	
(5) 55.25.215-Fairview: Install New Water Distribution System—Preliminary Plans and Working Drawings		92,000	
(6) 55.25.220-Fairview: Remodel Lab —Preliminary Plans and Working Drawings		29,000	
(7) 55.50.210-Porterville: Handicapped Accessibility, Phase II—Working Drawings and Construction		213,000	
(8) 55.65.100-Statewide: DD Units Personal Alarm Systems, Phase I—Preliminary Plans, Working Drawings, and Construction		871,000	
Provisions:			
1. An amount not to exceed $12,000 of the funds provided for the Children's Units at Camarillo, scheduled in (2) above, is available for design of personal alarm systems in order to include this work into the scope of the project prior to receiving bids.			

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2. Prior to expenditure of funds for working drawings provided under schedule (5), the State Fire Marshal shall complete an analysis of the required fire flows necessary to meet code requirements for fire protection at the Fairview Developmental Center and the preliminary plans for this project shall reflect the code-required fire flows indicated by the State Fire Marshal's analysis.

4440-001-001—For support of Department of Mental Health 23,384,000

Schedule:

(a) 10-Community Services	18,328,000
(b) 20-State Hospital Services	7,326,000
(c) 35.01-Departmental Administration	8,322,000
(d) 35.02-Distributed Departmental Administration	−8,322,000
(e) Reimbursements	−1,708,000
(g) Amount payable from the Federal Trust Fund (Item 4440-001-890) ..	−562,000

Provisions:

1. Certain counties have not assumed the administrative, fiscal, and program responsibilities for mental health social services programs as required by Chapter 1330, Statutes of 1984. It is the intent of this proviso to enable the transfer of state employees to county employment in such a way that personnel benefits are protected. Upon order of the Director of Finance, the State Controller shall transfer between this item and Item 4440-101-001 such funds as are necessary to enable the transfer of state employees to county employment in such a way that personnel benefits are protected.
2. Upon the order of the Director of Finance, the Controller shall transfer between this item and Item 4440-016-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.

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3. By October 1, 1987, the Superintendent of Public Instruction and the Departments of Health Services and Mental Health shall submit for public comment the proposed regulations implementing Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code.		
4. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-141-001 those funds that are necessary for administration of the SNF/STP program.		
5. The Department of Mental Health, in conjunction with other state departments when appropriate, shall maximize federal revenue for mental health services:		
(a) The department shall assist the Department of Health Services in preparing an amendment to the state's Medicaid plan to provide Medicaid reimbursement for case management services.		
(b) The department shall review recent federal legislation relating to changes in social security, Medicaid, vocational rehabilitation, and mental health to identify potential federal revenue and programs for improving services for the mentally disabled, and develop recommendations for applying for these funds.		
4440-001-890—For support of Department of Mental Health, for transfer to Item 4440-001-001, payable from the Federal Trust Fund		562,000
4440-011-001—For support of the State Hospitals, Department of Mental Health		293,565,000
Schedule:		
(a) 20.10-Lanterman-Petris-Short Act	180,457,000	
(b) 20.20-Penal Code and Judicially Committed	113,823,000	
(c) 20.30-Other State Hospital Services	28,614,000	
(d) Reimbursements	−28,614,000	
(e) Amount payable from the Special Account for Capital Outlay (Item 4440-011-036)	−715,000	

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Provisions:	
1. The amounts appropriated above are for support of the hospitals for the mentally ill for judicially committed patients, patients committed pursuant to the Penal Code or patients committed per the Lanterman-Petris-Short Act.	
2. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 4440-101-001, 4300-111-001, 5240-001-001, and 5460-001-001.	
3. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-016-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.	
4. Of the amount appropriated in Schedule 20.10, $8,200 is provided for payment of energy service contracts as required in connection with issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.	
4440-011-036—For support of the State Hospitals, Department of Mental Health, for transfer to Item 4440-011-001, payable from the Special Account for Capital Outlay	715,000
4440-016-001—For support, Department of Mental Health, 10-Community Services, For Conditional Release Services	17,200,000
Provisions:	
1. The funds in this item shall be used to provide community services as provided in Section 5709.8 of the Welfare and Institutions Code. These funds shall support direct community services, as well as administrative and ancillary services related to the provision of direct services.	
2. Upon order of the Director of Finance, the Controller shall transfer between this item and Items 4440-001-001, 4440-011-001 and 4440-101-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.	
4440-101-001—For local assistance, Department of Mental Health	490,718,000

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Schedule:		
(a)	10.15-Community Residential Treatment System	15,910,000
(b)	10.25-Community Services—other treatment	514,071,000
(c)	10.35-Primary Prevention Projects	738,000
(d)	10.55.020-Targeted Supplemental Services: Alternatives to inappropriate jail placement	5,200,000
(e)	10.55.030-Targeted Supplement Services: Priority population services	5,000,000
	(1) Inappropriate jail placements	
	(2) Mentally disordered persons who require secure facilities	
	(3) Mentally disabled, elderly, and veterans	
	(4) Juvenile sex offenders and juvenile victims of sex offenses	
	(5) Victims with AIDS	
(f)	10.65-Residental Care Services	14,057,000
(g)	10.75-Homeless Mentally Disabled	20,200,000
(h)	Reimbursements	−67,869,000
(i)	Amount payable from the Federal Trust Fund (Item 4440-101-890)	−16,589,000

Provisions:

1. The amounts appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code, Department of Mental Health, and in addition, any amounts transferred from the Health Care Deposit Fund shall augment and be available for expenditure for the purposes specified above.
2. The Director of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for mental health services provided to patients eligible under the California Medical Assistance Program.

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3. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-011-001 those funds which are necessary to provide for overuse of allocated state hospital days. Other transfers between this item and Item 4440-011-001 may be made 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/her designee, may in each instance determine.
4. Certain counties have not assumed the administrative, fiscal, and program responsibilities for mental health social services programs as required by Chapter 1330, Statutes of 1984. It is the intent of this proviso to enable the transfer of state employees to county employment in such a way that personnel benefits are protected. Upon order of the Director of Finance, the State Controller shall transfer between this item and Item 4440-001-001 such funds as are necessary to enable the transfer of state employees to county employment in such a way that personnel benefits are protected.
5. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-016-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.
6. In administering the residential care rate supplement program, the department shall continue its procedures to ensure that the program is operated within the available appropriation as scheduled in category (f).
7. Notwithstanding any other provisions of law, funds identified in Item 4440-101-001 of the Budget Act of 1986, for rollover by the counties in fiscal year 1987–88, shall be used only for the specified purpose for which they were allocated.

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8. Funds in categories (d) and (e) are hereby appropriated to the Targeted Supplement Fund to provide services to priority populations as specified in this item.
9. Notwithstanding any other provisions of this act, no funds in category (a), (d), (e), (f) or (g) shall be transferred to other categories within this item or to any other items except as specified in Provision 10.
10. In order to provide relief from administrative requirements and budget restrictions which would create an undue hardship, small counties may combine allocations from categories (d), (e) and (g) into category (b) to be used for Short-Doyle funded programs with the approval of State Director of Mental Health provided that the following conditions are met:
    a. Local unmet priorities are identified in Part B, County Plan Executive Summary.
    b. The county agrees to comply with all required submissions for data collection.
    c. The county has demonstrated that specific needs do not exist to establish special programs with categorical funds and/or categorical funds do not exist in amounts that make it programmatically or fiscally feasible to implement programs. The county must show that an attempt to maximize the use of public funds for identified populations has been made on a regional basis.

Small counties are defined as those with a population of less than 1% of the total statewide population based on the most current Department of Finance population estimate.

11. The Department of Mental Health may enter into, or continue, an agreement with Los Angeles County which allows the county to operate the La Paz Program for Lanterman-Petris-Short mental health patients on Metropolitan State Hospital grounds, only if the agreement is included in the 1987–88 county plan and provides both of the following:
    (a) The county shall be fiscally responsible for any increased costs to the General Fund over the actual net General Fund costs in the 1985–86 fiscal year for operation of the program on the state hospital grounds.

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(b) When determining the amount of any increased costs to the General Fund for the operation of the program on the state hospital grounds, state hospital cost savings shall be taken into consideration.

12. Notwithstanding Section 5715 of the Welfare and Institutions Code, a county may expend funds in 1987–88 from its 1986–87 Short-Doyle rollover funds for capital outlay purposes, subject to the approval of the State Department of Mental Health. It is not the intent of the Legislature that community services programs be reduced to provide funds to rollover for capital outlay purposes.
13. Funds received by Los Angeles County under this item shall first be allocated to Service Area 5 to correct the unmet service needs identified in the June 1987 report of the Social and Human Services Mental Health Subcommittee of the 1986–87 Los Angeles County Grand Jury.

4440-101-890—For support of Department of Mental Health, for transfer to Item 4440-101-001, payable from the Federal Trust Fund 16,589,000

Provisions:

1. The amounts appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code.
2. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4200-101-890.
3. The Department of Mental Health may authorize advance payments of federal ADAMH block grant funds on a monthly basis to the counties for grantees. Such advance payments may not exceed one-twelfth of the individual grant award for 1987–88. No General Fund money may be used in making grant awards under the provisions of the federal ADAMH block grant.
4. The least possible amount of block grant funds shall be utilized for purposes of administration at both the state, local and direct provider levels. The department's administrative expenditures shall not exceed 10 percent of any block grant.

Item		Amount
4440-111-001—For local assistance, Department of Mental Health, for services to brain damaged adults ..		6,683,000

Provisions:

1. Of the amount appropriated in this item, $120,000 shall be made available to the Statewide Resources Consultant under Chapter 1658 of the Statutes of 1984, as a "sole source contract" for no more than two demonstration projects which will be contracts with community-based, nonprofit corporations which have experience in developing and operating day activity or supported employment projects for adults with acquired head injuries.

   In making determinations of contractors, the Statewide Resources Consultant, in consultation with the department, shall give highest priority to proposed projects which will maximize federal funding for recipients of services from the Federal Rehabilitation Act of 1973, as amended, and which will involve a community college and other local resources in a collaborative venture.

4440-131-001—For local assistance, Department of Mental Health		18,700,000

Schedule:

(a) 10.80-Assessments, treatment and case management of special education pupils pursuant to Chapter 1747 of the Statutes of 1984 and Chapter 1274 of the Statutes of 1985	19,375,000	
(b) Reimbursements	−675,000	

Provisions:

1. In allocating to the counties funds for services to severely emotionally disturbed children as defined by paragraph 8 of subdivision (b) of Section 300.5 of Title 34 of the Code of Federal Regulations, the Department of Mental Health may allocate the funds based on the individual county's needs, in lieu of Section 5600 of the Welfare and Institutions Code.
2. Notwithstanding Section 7587 of the Government Code, the emergency regulations developed to implement Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code shall not be subject to automatic repeal until the final regulations take effect on or before June 30, 1988.

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3. Expenditure of funds appropriated in this item shall be made in consultation with the California Conference of Local Mental Health Directors and representatives of counties which have a high number of children in special education with unmet mental health needs.
4. Notwithstanding any other provision of law, counties shall not be required to match funds in this item for services provided pursuant to Chapter 1747 of the Statutes of 1984 and Chapter 1274 of the Statutes of 1985.

4440-141-001—For local assistance, Department of Mental Health 41,288,000

Schedule:

(a) 10.95 Institutions for Mental Diseases 41,288,000

Provisions:

1. The funds appropriated in this item shall be used to provide mental health services for persons between the ages of 21 and 64, in the 40 existing skilled nursing facilities/special treatment programs (SNF/STP) in accordance with Division 5 (commencing with Section 5000) of the Welfare and Institutions Code.
2. Notwithstanding any other provision of law, counties shall not be required to match funds in this item.
3. In allocating funds for services to patients in the 40 existing SNF/STP programs, the Department of Mental Health may allocate funds based on an individual county's usage of SNF/STP beds in lieu of Section 5600 of the Welfare and Institutions Code.
4. Notwithstanding any other provision of law, the Department of Mental Health may authorize estimated or advanced payments to existing SNF/STP programs until such time as a permanent allocation/payment system is implemented. These payments will be adjusted, as necessary, to reflect actual utilization and to be offset by revenues, when appropriate. These payments shall not be limited to nonprofit facilities.
5. The operation of SNF/STP programs shall be consistent with Department of Mental Health policies and regulations for 24-hour care facilities.

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6. Prior to any payment being made, a provider shall enter into an agreement with the Department of Mental Health and those counties deemed appropriate.
7. Notwithstanding any provision of Article 4 (commencing with Section 10335) of Chapter 2 of Part 3 of Division 2 of the Public Contract Code, if the Director of Mental Health determines that it is in the best interest of the state to enter into a contract for payment of claims for the 40 existing SNF/STP programs, the director may enter into a sole sourse contract.
8. Upon order of the Director of Finance, the Controller shall transfer, between this item and Item 4440-001-001, those funds that are necessary for administration of the SNF/STP program. The amount of this transfer shall not exceed the $500,000 included in this item for reimbursement of the administrative costs of the SNF/STP program.
9. The $500,000 for administrative costs may be expended only for documented costs. Any funds not needed for this purpose shall revert to the General Fund. The department shall maintain data on its own costs and costs incurred by counties for purposes of establishing future funding levels for administration.
10. Rates of payment for SNF/STPs in this item shall be limited to the Medi-Cal SNF/STP rate. In order to receive this level of payment, SNF/STPs shall continue to provide the level of services required prior to the loss of federal funding. Any reductions in services below this level shall be accompanied by rate reductions equal to the savings in costs attributable to reducing services.
11. Upon order of the Director of Finance, the Controller shall transfer, between this item and Item 4300-111-001, those funds exceeding $2,279,000 that are necessary to fund a long-term care cost-of-living adjustment. The amount of this transfer shall be agreed upon in advance by the Department of Finance, subject to the requirements of Section 28.00, and shall not exceed the amount that is necessary to provide the specific rate increase, as determined by the Department of Health Services,

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for these facility categories. Any funds appropriated in this item that are in excess of the amount needed for funding COLAs shall revert to the General Fund.

12. (a) The Department of Mental Health, in consultation with the Health and Welfare Agency and other relevant departments, shall submit to the Legislature a preliminary report by December 1, 1987, and a final report by February 15, 1988. The report shall outline a plan for serving mental health clients currently in skilled nursing facilities. The plan shall include, but not be limited to, all of the following:
    (1) Licensing and program certification standards for guiding placement of individuals in the least restrictive and most cost-effective level of care.
    (2) Ratesetting and payment mechanisms for providers.
    (3) Recommendations regarding whether IMD services should be incorporated into Short-Doyle plans and budget ratios that should be employed.
    (4) County responsibilities.
    (5) The appropriate use of a range of community services, including community residential treatment system programs to meet the needs of clients in a continuum of care.
    (6) Data on characteristics of the IMD caseload and payments for IMD services. For example, the report should identify in total and by county (A) the number of clients; (B) the functional and behavioral characteristics of the population; (C) the number receiving full and partial SSI/SSP; (D) the reasons the remaining clients are not eligible for SSI/SSP; (E) the payments made by counties for IMD services; and (F) the amount of revenue collected by facilities and other providers for medical and ancillary services provided to IMD patients—both before and after the loss of federal funding for SNF/STPs.

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	(b) To facilitate preparation of the report described in subdivision (a), the department shall require counties to submit data regarding the characteristics of the IMD caseload and payments for IMD services.	
	(c) In developing the plan required by subdivision (a), the department shall hold at least one public hearing to allow the public, local mental health providers, local mental advisory boards, local mental health directors, the advisory committee specified in Section 5462 of the Welfare and Institutions Code, the California Association of Health Facilities, and other interested parties to provide testimony on the proposed plan.	
4440-301-036—For capital outlay, Department of Mental Health, payable from the Special Account for Capital Outlay		23,689,000
Schedule:		
(1) 55.10.205-Minor Projects	754,000	
(2) 55.18.140-Atascadero: Construct Office Buildings—Construction	4,738,000	
(3) 55.18.220-Atascadero: Fire and Life Safety Improvements and Remodel Patient Living Areas—Preliminary Plans and Working Drawings	734,000	
(4) 55.18.225-Atascadero: Fire and Life Safety Improvements, Support Areas—Preliminary Plans, Working Drawings, and Construction	459,000	
(5) 55.35.215-Metropolitan: Fire and Life Safety and Environmental Improvements, R & T Building—Additional Working Drawings	37,000	
(6) 55.35.225-Metropolitan: Remodel Laundry Building—Preliminary Plans and Working Drawings	38,000	
(7) 55.35.230-Metropolitan: Install Personal Alarm System, CTE Building—Preliminary Plans, Working Drawings, and Construction	624,000	

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(8) 55.35.235-Metropolitan: Install Personal Alarm System, CTW Building—Preliminary Plans and Working Drawings	68,000
(9) 55.40.220-Napa: Fire and Life Safety and Environmental Improvements, Building 195—Construction	6,326,000
(10) 55.40.230-Napa: Fire and Life Safety and Environmental Improvements, Building 199—Preliminary Plans and Working Drawings	1,007,000
(10.5) 55.40.235-Napa: Upgrade Electrical Distribution System—Preliminary Plans, Working Drawings, and Construction	612,000
(11) 55.45.220-Patton: Fire and Life Safety and Environmental Improvements and Enclose Porches, N Building—Construction	7,317,000
(12) 55.45.225-Patton: Fire and Life Safety and Environmental Improvements, 30 Building—Preliminary Plans	206,000
(13) 55.45.235-Patton: Handicapped Accessibility, Phase 2—Working Drawings and Construction	267,000
(14) 55.45.240-Patton: Install Personal Alarm System, R & T Building—Preliminary Plans, Working Drawings, and Construction	502,000

Provisions:

1. Funds for the working drawings for the R & T Building at Metropolitan, in Schedule (5) above, are available for the design of personal alarm systems in order to include this work in the scope of the project prior to receiving bids.
2. An amount not to exceed $60,000 of the funds provided for the N Building at Patton, in Schedule (11) above, is available for the design of personal alarm systems in order to include this work into the scope of the project prior to receiving bids.

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4440-490—Reappropriation, Department of Mental Health. Notwithstanding any other provision of law, the 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, 1988.

036—Special Account for Capital Outlay:

Item 4440-301-036, Budget Act of 1985, as reappropriated by Item 4440-490, Budget Act of 1986:

(4) 55.35.205—Metropolitan, CTW Building: Fire and Life Safety and Environmental Improvements—Construction.

4440-491—Reappropriation, Department of Mental Health. Notwithstanding any other provision of law, the 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 those appropriations, and shall be available for expenditure until June 30, 1988.

001—General Fund

(1) Item 4440-001-001—Budget Act of 1986, for support of the Department of Mental Health, provided that the amount of the reappropriation is not to exceed $219,000 for the procurement of office automation equipment, related software systems, and training and technical support related to implementation of an office automation system.

(2) Item 4440-101-001 (f)—Residential Care Services, Budget Act of 1986, for local assistance, provided an amount not to exceed $6,000,000 is reappropriated for transfer to Item 4440-131-001 of the Budget Act of 1987 for Assessments, Treatment, and Case Management of Special Education Pupils.

(3) Item 4440-101-001 (b)—Community Services—Other Treatment, Budget Act of 1986, for local assistance, provided that upon completion of final costs settlements, all available unexpended funds not approved for rollover appropriated to the Department of Mental Health are reappropriated and shall be applied to the costs of state hospital services in counties who have exceeded their allocations due to lack of

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alternative mental health services.	
5100-001-001—For support of Employment Development Department, for transfer to Item 5100-001-870	29,296,000
5100-001-184—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the Employment Development Department Benefit Audit Fund	6,677,000
5100-001-185—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the Employment Development Contingent Fund	20,854,000

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, 1988, which is in excess of the $1,000,000 reserve required by Section 1590 of the Unemployment Insurance Code.
4. An amount not to exceed $250,000 is provided for purposes of EDD contracting with an independent consultant to develop a work management system for the Unemployment Insurance and the Disability Insurance Programs. This system shall accomplish all of the following objectives:
   (a) Evaluate work activities and identify measurable and nonmeasurable activities.
   (b) Identify and document operational improvement opportunities.
   (c) Develop work standards for measurable work tasks.
   (d) Develop effectiveness/quality measures.
   (e) Develop a workload forecasting procedure to document staffing needs and support future budget requests.

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	(f) Formulate new budgeting procedures utilizing the work standards and workload forecasts.	
	5. To the extent that federal funds are not provided for the Targeted Jobs Tax Credit Program, additional funds are appropriated to this item, not to exceed $1,800,000.	
5100-001-514—For support of Employment Development Department, for transfer to Item 5100-001-870 payable from the Employment Training Fund		60,566,000
	Provisions:	
	1. Notwithstanding Section 2 of this act, any unexpended balance in the Employment Training Fund as of June 30, 1987, 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.	
	4. Notwithstanding Section 2.00 of this act, funds disencumbered from Employment Training Fund job training contracts during fiscal year 1987–88 are 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 Fund. The Employment Development Department shall notify the Legislature by September 1, 1988, of the actual amount of funds appropriated pursuant to this provision.	
	5. Interest income earned from investments of the Employment Training Fund during fiscal year 1987–88 is hereby appropriated for transfer to and in augmentation of this item for allocation by the Employment Training Panel for job training contracts. The panel shall not expend any of this allocation for training contracts sooner than 30 days after notification in writing to the chairperson of the committee in each house which considers appropriations and the Chair-	

Item		Amount
person of the Joint Legislative Budget Committee.		
5100-001-588—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the Unemployment Compensation Disability Fund		65,180,000
Provisions:		
1. 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 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		61,842,000
Schedule:		
(a) 60.11-Administrative Cost Pool	9,683,000	
(b) 60.20-Incentive and Technical Assistance	10,613,000	

Item		Amount
(c) 60.30-Older Workers	5,633,000	
(d) 60.40-Educational Linkages	15,021,000	
(e) 60.51-Special Local Projects	359,000	
(f) 60.60-Displaced Workers	19,733,000	
(g) 60.65-Veterans	800,000	
Provisions:		
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.		
5100-001-870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal		318,259,000
Schedule:		
(a) 10-Employment and Employment Related Services	144,324,000	
(b) 20-Tax Collection and Benefit Payments	323,447,000	
(c) 30.01-General Administration	35,967,000	
(d) 30.02-Distributed General Administration	−31,415,000	
(e) 50-Employment Training Panel	58,764,000	
(f) Reimbursements	−27,267,000	
(g) Amount payable from the General Fund (Item 5100-001-001)	−29,296,000	
(h) Amount payable from the Employment Development Department Benefit Audit Fund (Item 5100-001-184)	−6,677,000	
(i) Amount payable from the Employment Development Contingent Fund (Item 5100-001-185)	−21,854,000	
(j) Amount payable from the Employment Training Fund (Item 5100-001-514)	−60,566,000	
(k) Amount payable from the Unemployment Compensation Disability Fund (Item 5100-001-588)	−65,180,000	
(*l*) Amount payable from Federal Unemployment Fund (Item 5100-001-871)	−1,493,000	
(m) Amount payable from the School Employees Fund (Item 5100-001-908)	−495,000	

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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 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 available federal funding is insufficient to support employment data and research positions at the budgeted level, funds shall be appropriated from the Employment Development Contingent Fund, 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 1,493,000

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Item	Amount
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 1987–88 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 1987–88 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	495,000
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 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, in addition to the transfers required by Provision 4, Item 5100-001-908, Budget Act of 1986, the State Controller shall transfer $5,000,000 to the General Fund from the School Employees Fund 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	(318,259,000)
5100-016-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Fund	(1,493,000)

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5100-021-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund	(61,842,000)
5100-101-185—For local assistance, Employment Development Department, for transfer to Item 6100-196-001, to reimburse the State Department of Education for Job Training Partnership Act (JTPA) child care, payable from the Employment Development Contingent Fund	400,000
5100-101-588—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Compensation Disability Fund	1,366,100,000

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.
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 ap-

Item	Amount
proved 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	208,109,000
Schedule:	
(a) 60.70-Adult and Youth Training Programs ... 146,456,000	
(b) 60.80-Summer Youth Programs ... 61,653,000	
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.	
5100-101-871—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Federal Unemployment Fund	2,100,466,000
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	(208,109,000)
5100-101-908—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the School Employees Fund	16,990,000
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.	

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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 ..... (2,103,376,000)
Schedule:
(a) For transfer to the Federal Unemployment Fund (871) .... (2,100,466,000)
(b) For transfer to the Unemployment Administration Fund (870) (2,910,000)

5100-301-185—For capital outlay, Employment Development Department, payable from the Employment Development Department Contingent Fund for transfer to the Unemployment Administration Fund—Federal 539,000

5100-301-588—For capital outlay, Employment Development Department, payable from the Unemployment Compensation Disability Fund, for transfer to the Unemployment Administration Fund—Federal 209,000

5100-301-870—For capital outlay, Employment Development Department, payable from the Unemployment Administration Fund—Federal 1,776,000
Schedule:
(1) 80.23.001—Chico: Handicapped Access and Alterations—Preliminary Plans, Working Drawings, and Construction 247,000
(2) 80.37.040—Minor Projects 1,529,000
Provisions:
1. The first priority use of funds appropriated under this item for minor capital outlay shall be to provide handicapped accessibility to all facilities within Employment Development Department-owned field offices. The Employment Development Department shall initiate construction of, or enter into construction contracts for, all these handicapped accessibility projects during the 1987–88 fiscal year.

5100-301-890—For capital outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal ..... (1,028,000)

Item	Amount
5100-490—Reappropriation, Employment Development Department. As of June 30, 1987, the unexpended balance of the appropriation made by Item 5100-101-869, Budget Act of 1986, is hereby appropriated for transfer to and in augmentation of Item 5100-101-869, Budget Act of 1987, and shall be available for encumbrance and expenditure through June 30, 1988.	
Provisions:	
1. The Employment Development Department shall notify the Legislature by December 1, 1987, of the actual amount of 1986–87 Federal Job Training Partnership Act local assistance funds carried forward into 1987–88 for expenditure.	
5160-001-001—For support of Department of Rehabilitation	20,370,000
Schedule:	
(a) 10-Vocational Rehabilitation Services	129,131,000
(b) 20-Habilitation Services	2,098,000
(c) 30-Support of Community Facilities	6,918,000
(d) 40.01-Administration	11,245,000
(e) 40.02-Distributed Administration	−11,245,000
(f) Reimbursements	−5,064,000
(g) Amount payable from the Federal Trust Fund (Item 5160-001-890)	−112,713,000
Provisions:	
1. An evaluation study of the Mental Health Initiative shall be submitted to the Legislature on or before December 15, 1987. 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.	
2. 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.	
5160-001-890—For support of Department of Rehabilitation, for transfer to Item 5160-001-001, payable from the Federal Trust Fund	112,713,000

Item			Amount
Provisions:			
1. The Department of Rehabilitation shall take all necessary steps to work with other agencies to secure a match and apply for federal funds available under the Rehabilitation Act of 1973, as amended. In addition, the department shall pursue any necessary waivers in order to maximize federal funds which could be available for independent living centers.			
The department also shall annually prepare a priority list of projects which it would fund should additional federal funds become available.			
In the event that the department does not apply for those federal funds, it shall notify the fiscal committees of both houses of the Legislature and shall provide the reasons for not applying for those funds.			
5160-101-001—For local assistance, Department of Rehabilitation			74,829,000
Schedule:			
(a) 10-Vocational Rehabilitation Services		512,000	
(b) 20-Habilitation Services		69,042,000	
(1) 20.10 Work Activity Program	56,865,000		
(2) 20.30 Counselor-Teacher and Reader Services	103,000		
(3) 20.40 Supported Employment Services	12,074,000		
(c) 30-Support of Community Facilities		5,275,000	
Provisions:			
1. Upon order of the Director 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. 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.			

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3. For purposes of the 1987–88 fiscal year, the allocation of available General Fund moneys by the department to eligible independent living centers (ILC) shall be in accordance with the following criteria:
   (a) Each ILC shall receive a $150,000 base grant.
   (b) The allocation of these funds for the "population" factor shall be based upon the percentage of the general population in an ILC's catchment area as it relates to the total population of all ILC catchment areas.
   (c) No ILC shall receive fewer combined base grant and population funds than it received in the 1986–87 fiscal year.
   (d) The "base year" for purposes of state matching funds for private funds raised by the new ILCs funded in the 1986–87 fiscal year shall be their first full year of operation with Department of Rehabilitation/Independent Living Center funding. The base amount for matching purposes shall be either 10% of the ILC grant for that period or the actual private fundraising amount, whichever is greater.

5180-001-001—For support of Department of Social Services 75,351,000

Schedule:

(a) 10-Welfare Program Operations ..	56,270,000
(b) 20-Social Services Programs	24,562,000
(c) 30-Community Care Licensing	31,061,000
(d) 40-Disability Evaluation Program	106,839,000
(f) 60.01-Administration	72,215,000
(g) 60.02-Distributed Administration	−65,795,000
(h) Reimbursements	−8,228,000
(i) Amount payable from the Federal Trust Fund (Item 5180-001-890)	−141,573,000

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 is for payment of attorney fees pursuant to Section 10962 of the Welfare and Institutions Code.

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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.
4. Of the funds appropriated by Item 5180-001-001 (b), $140,000 is for transfer to Item 5180-001-131 to operate and maintain the Foster Family Home and Small Family Home Insurance Fund and $248,000 is for transfer to Item 5180-001-131 for claims payments.
5. Of the funds appropriated in Schedule (c), $951,000 shall be allocated to address child care needs related to GAIN.
6. Of the amounts appropriated under this item for support of the Department of Social Services, $100,000 is for department costs associated with the work measurement study of eligibility casework activities in the AFDC and Food Stamps programs.
7. The Department of Social Services and the Department of Health Services shall make those administrative changes necessary to permit fund transfers effective January 1, 1988, between the local assistance budget items for county eligibility work activities (Items 5180-141-000 and 4260-101-001) in the 18 counties in California with the smallest caseloads.

Item		Amount
8. Of the amount appropriated in Section 22 of this act, $100,000 is for the support of an interagency contract between the Department of Social Services (DSS) and the Employment Development Department (EDD). The interagency contract should identify the nature and scope of the activities provided with these funds. It is the intent of the Legislature that this contract support the cost of two staff persons dedicated to providing technical assistance to county welfare departments in designing labor market assessments, conducting surveys, assessing client training needs, and other areas in which EDD has expertise. It is also the intent of the Legislature that DSS notify EDD whenever a county plan appears to be severely deficient in the extent to which labor market or client assessments actually identify potential job opportunities or client needs.		
5180-001-131—For support of Department of Social Services, for claims payments and the operation and maintenance of the Foster Family Home and Small Family Home Insurance Fund		603,000
(a) Administration	215,000	
(b) Claims payments	388,000	
5180-001-890—For support of Department of Social Services, for transfer to Item 5180-001-001, payable from the Federal Trust Fund		141,573,000
Provisions:		
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 refugees.		

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3. Of the funds appropriated by this item, $88,000 is for transfer to Item 5180-001-131 to operate and maintain the Foster Family Home and Small Family Home Insurance Fund and $127,000 is for transfer to Item 5180-001-131 for claims payments.

5180-101-001—For local assistance, Department of Social Services 2,026,844,000

Schedule:

(a) 10.04.005-Aid to Families with Dependent Children 4,010,518,000

(ax) 10.04.005.001-Seriously emotionally disturbed children-foster care 5,400,000

(b) 10.04.010-Child Support Incentives 38,116,000

(c) 10.04.015-Aid for Adoption of Children/Adoption Assistance Program 22,476,000

(d) Reimbursements ..... −7,383,000

(e) Amount payable from the Federal Trust Fund (Item 5180-101-890) ..... −2,042,283,000

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,

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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 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, 1987, 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 1987–88 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

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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 review 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 1987–88 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 $105,000,000 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.

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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, there shall be a deduction for the appropriate amount of county child support collection incentives.	
7. The funds appropriated in Schedule (ax) 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. Pursuant to Provision 12 of Item 6100-161-001, the Director of Finance shall review this transfer at the 1988 May revision to determine the actual amounts of cost savings to the Department of Education and the cost increases to the Department of Social Services. If necessary, the Director of Finance shall adjust the transfer amount at that time.	
5180-101-890—For local assistance, Department of Social Services, for transfer to Item 5180-101-001, payable from the Federal Trust Fund	2,042,283,000
Provisions:	
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	1,764,657,000
Schedule:	
(a) 10.08-SSI/SSP 1,773,917,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-111-890) .. −9,260,000	
Provisions:	
1. Provision 1 of Item 5180-101-001 is also applicable to this item.	
5180-111-890—For local assistance, Department of Social Services, for transfer to Item 5180-111-001, payable from the Federal Trust Fund	9,260,000
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	2,682,000

Item		Amount
Schedule:		
(a) 10.12-Special Adult Programs	2,757,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-121-890)	−75,000	
Provisions:		
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		43,433,000
Provisions:		
1. The Department of Social Services shall continue the current Refugee Cash Assistance and Refugee Medical Assistance programs, which provide cash and medical assistance to needy refugees not eligible for the Aid to Families with Dependent Children program or the Supplemental Security Income/State Supplemental Program, for the period of full federal subsidy for these programs.		
5180-141-001—For local assistance, Department of Social Services, Program 10.20—County Administration		155,654,000
Schedule:		
(a) 10.20-County Administration	565,282,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-141-890)	−409,628,000	
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 Director 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.		

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2. During the 1987–88 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. 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.
6. 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 for the first counties' share for no more than five

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SAWS systems.

7. 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 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 on or before March 15, 1988, to the Joint Legislative Budget Committee and the legislative fiscal committees. The report shall describe the following subjects for calendar year 1987: 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 pro-

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gram 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 with respect to counties that have a benefit-cost ratio in this program of less than 2 to 1 for fiscal year 1985–86. The report shall also identify any counties that refer more than 10 percent of their applicants to the program for fiscal year 1985–86 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 no more than four times per year 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.

8. (a) The Department of Social Services and the Department of Health Services, in conjunction with the County Welfare Directors' Association, shall develop a timetable for conducting county work measurement studies of the intake and continuing eligibility work activities in the AFDC, Nonassist-

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ance Food Stamps, and Medi-Cal programs. The intent of the Legislature is that work measurement studies shall be conducted in time for consideration of the results during the deliberations for the fiscal year 1989–90 Budget. The timetable shall set out the steps necessary to:

(1) Group the 40 largest counties into no more than three groups. Counties may be grouped before or after work measurement studies are conducted, and a survey may be used to collect data for grouping counties as the Department of Social Services, the Department of Health Services, and the County Welfare Directors' Association determine necessary.

(2) Identify representative counties for work measurements.

(3) Develop the methodology for work measurement, including the projected cost of conducting the studies.

(4) Complete work measurement studies.

(b) The Department of Social Services and the Department of Health Services, in conjunction with the County Welfare Directors' Association, shall report to the Joint Legislative Budget Committee on the timetable developed pursuant to subdivision (a) by February 1, 1988.

(c) By March 1, 1989, the Department of Social Services and the Department of Health Services shall submit a joint report to the Legislature regarding the findings of the work measurement study on a county-specific basis.

The report shall include:

(1) An analysis of the fiscal impact on the federal, state, and county governments should the budget process for eligibility worker caseloads be based upon the findings of the work measurement study.

(2) A description of the methodology that would be used to set county targets utilizing the results of the study.

(3) An estimate of the cost of fully imple-

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	menting the findings of the study taking into account: salary expenditures (direct salary, fringe benefits, and overhead); actual total caseload size or projections; eligibility supervisors; and appropriate isolated supportive eligibility functions.	
	(4) Other options for implementing the study findings and the fiscal impacts related to each option.	
	(5) The alternatives that could be used to address the unique special circumstances which may exist in some counties that would be adversely affected by the transferability of the work measurement data.	
	(d) It is the intent of the Legislature that county welfare departments which have unique special circumstances that would adversely affect the transferability of work measurement data shall have those special circumstances considered. Alternatives shall be developed by the departments to address those unique circumstances.	
	(e) The Department of Social Services and the Department of Health Services shall consult with the County Welfare Directors' Association and the Service Employees International Union on the design, findings, and implementation recommendations of the study.	
	(f) It is the intent of the Legislature that, for the 1988–89 fiscal year, the Department of Social Services shall utilize the lowest two of the most recent three years for which there is data to set the targets for the AFDC and Food Stamps programs. The Department of Social Services shall implement no more than 25% of the target change based upon the new methodology in the 1988–89 fiscal year. The targets for the Medi-Cal program shall not be changed in the 1988–89 fiscal year from the level budgeted in the 1987–88 fiscal year.	
5180-141-890—For local assistance, Department of Social Services, for transfer to Item 5180-141-001, payable from the Federal Trust Fund		409,628,000

Item		Amount
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		538,285,000
Schedule:		
(a) 20.30-Other County Social Services	335,139,000	
(1) 20.30.010-Child Welfare Services Grant	272,428,000	
(2) 20.30.030-County Services Block Grant	62,711,000	
(b) 20.35-Specialized Adult Services	479,061,000	
(1) 20.35.220-In-Home Supportive Services	473,365,000	
(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	116,810,000	
(d) 20.42-Adoptions	21,005,000	
(e) 20.45-Refugee Assistance Services	40,364,000	
(f) 20.47-Child Abuse Prevention	17,801,000	
(fx) Reimbursements	−1,400,000	
(g) Amount payable from the Federal Trust Fund (Item 5180-151-890)	−470,495,000	
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		

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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, $496,170,000, consisting of $473,365,000 scheduled in (b) (1) of this item and $22,805,000 in county funds is the designated level of funding for the In-Home Supportive Services Program for fiscal year 1987–88.
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.
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. 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.
9. The Department of Social Services shall submit

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quarterly reports to the fiscal and policy committees of the Legislature, the Joint Legislative Budget Committee, and the Joint Oversight Committee on the Greater Avenues for Independence Act (GAIN) specifying: (1) the total cost of county GAIN plans approved to date; and (2) the average new per-participant costs of approved plans.

If the cost exceeds the amount assumed in this act, the report shall specify how the department will revise its GAIN spending plan in order to accommodate the higher than anticipated county costs. The department shall also discuss all of the following: (1) whether funding allotted for approved county plans shall be reduced: (2) whether the reduction in available funding will jeopardize the department's commitments to provide additional support to counties that have been promised this support if actual program experience warrants; and (3) whether the higher costs of approved plans will jeopardize the starting date for counties that are anticipated for approval during the fiscal year. If the potential shortfall necessitates reductions in approved county budgets or available funding for counties yet to be approved, the department shall advise the committees of how it proposes to achieve the reductions.

10. It is the intent of the Legislature that caseload-related funds appropriated for Child Welfare Services (CWS) shall be allocated to counties based upon a 100 percent weighting of the CWS caseloads by the 1988–89 fiscal year. For the 1988–89 fiscal year, the department shall develop a formula which separately allocates CWS funds for caseload and direct costs, which shall include, but not be limited to, county-operated emergency shelters and other purchase of service costs. For the 1987–88 fiscal year, the Department of Social Services shall implement a formula for allocating CWS funds that is based upon a weighting of 75 percent for CWS caseloads. In addition, the 1987–88 fiscal year CWS allocation shall take into consideration an adjustment to individual county allocations for counties with county-operated emergency shelter care facilities. No county shall receive

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fewer CWS funds in the 1987–88 fiscal year than were received by the county in the 1986–87 fiscal year. The department shall develop the allocation formulas in consultation with the County Welfare Directors' Association (CWDA).

13. The Department of Social Services shall submit by January 1, 1988, a state plan for GAIN implementation. If the department has not submitted a plan by January 1, 1988, no new county plans shall begin operating unless the Department of Finance certifies to the Joint Legislative Budget Committee, the Joint Oversight Committee on GAIN Implementation, and the policy committees of both houses that the plans comply with the provisions of Chapter 1025 of the Statutes of 1985 and control language in this act regarding GAIN related child care, cost reporting, interdepartmental agreements and technical assistance to the counties, and that the county is ready to begin operation after January 1, 1988.

The plan shall be developed by the department and the Departments of Employment Development, Commerce, Economic Opportunity, and Education, the Chancellor's office of the California Community Colleges, and the State Job Training Coordinating Council and submitted to the Joint Legislative Budget Committee, the Joint Oversight Committee on GAIN Implementation, and the policy committees of both houses of the Legislature pursuant to Section 28.00 of this act. This plan shall include the following specific guidelines:

(a) A description of how county plans will be assessed for conformity with, and effects on, the state economy and labor market according to a five-year forecast of the state and local labor markets.

(b) Unit cost measurements of program components and services that clearly specify the process and procedure for determining these costs and allowable variances from normal and usual unit costs.

(c) Detailed plans for use of community college resources according to the statewide plan and standards for levels of participa-

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tion by community college districts required by Section 71050 of the Education Code.

(d) A description of how county plans will conform with guidelines for education and child care services for GAIN clients as developed by the Department of Social Services and the State Department of Education. These guidelines shall not preclude approval of innovative county child care plans that meet unit cost guidelines.

(e) A description of how county plans would be assessed with respect to the impact on State Department of Education child care resources in the county and statewide.

(f) A description of how county plans would be assessed with respect to the impact on adult and vocational education resources in the state and conformity with the state plans for providing these education services.

(g) An identification of the process for ensuring necessary local use of state and local Employment Development Department job services and labor market research, Community Services Block Grant, Refugee Social Services, and state and local Job Training Partnership Act resources.

(h) Conditions under which the department will approve higher-than-normal budget costs, or nontraditional programs such as computer-assisted education or assessment for education, job training, and supportive services for GAIN clients.

16. The Department of Social Services shall develop and maintain personnel or consulting resources to provide County Welfare Departments with technical assistance on planning and implementing supported work, grant diversion, and preemployment preparation services for GAIN participants. The department shall provide operational guidelines on preemployment preparation services which emphasize the prohibition against displacement of employees in any preemployment preparation worksite. The department shall also maintain a library of, conduct information-

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al seminars on, and otherwise disseminate information about, and provide technical assistance for, model programs and successful program prototypes to increase county awareness of GAIN services that have proved especially successful for GAIN clients.

17. The Department of Social Services (DSS) shall enter into interdepartmental agreements with all agencies that are proposed to provide services to GAIN participants. These agreements, which shall be worked out in consultation with the County Welfare Directors' Association (CWDA), shall describe how DSS and the other state agencies shall:
    (a) Develop or encourage standard local procedures for referring GAIN participants to other programs, as appropriate.
    (b) Determine how local expenditures for services provided to GAIN clients will be accounted for and reported to the appropriate state agency.
    (c) Encourage local agency participation in state and local GAIN planning process.
    (d) Ensure that local agency resources are considered among existing local resources in county GAIN plans.

    The department shall enter into such agreements with the following agencies: the Department of Economic Opportunity, the Employment Development Department, the Job Training Coordinating Council, the Employment Training Panel, the State Personnel Board, the State Department of Education, and the California community colleges.
18. In the event that the federal government reduces or eliminates Emergency Assistance Program funding because of noncompliance with current federal Emergency Assistance Program requirements, 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 1987–88 fiscal year. No county shall be held financially liable for any Emergency Assistance costs incurred in fiscal year 1987–88 which are claimed in accordance with state policies and procedures that are in effect in

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1987–88 but which are disallowed by the federal government.	
19. The Department of Social Services shall develop and maintain personnel or consulting resources to provide county welfare departments with technical assistance on planning and implementing Supported Work, Grant Diversion and Preemloyment Peparation services for GAIN participants. The department shall provide operational guidelines on preemployment preparation services which emphasize the prohibition against displacement of employees in any preemployment preparation worksite. The department shall also maintain a library of, conduct informational seminars on, and otherwise disseminate information about, and provide technical assistance for, model programs and successful program prototypes to increase county awareness of GAIN services that have proved especially successful for GAIN clients.	
20. Notwithstanding Section 18970 of the Welfare and Institutions Code, $3.0 million from the State Children's Trust Fund shall be made available for projects otherwise funded through Item 5180-151-001 (f) 20.47, Child Abuse Prevention. It is the intent of the Legislature that this shall be a one-time transfer and that funds made available in this item from the State Children's Trust Fund shall be replaced with money from the General Fund in the Budget Act of 1988.	
21. 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.	
22. 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	

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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 person for the same time-period.

The Department of Social Services and SDE shall enter into a memorandum of understanding that specifies a maintenance-of-effort requirement by SDE programs for AFDC recipients. This memorandum of understanding shall use data collected by the Auditor General which establishes a maintenance-of-effort level for SDE programs.

23. On the effective date of this act, and notwithstanding any other provisions of law, in the event that the department receives federal Title IV-A Emergency Assistance (EA) Program funds provided in Item 5180-151-890 for the 1986–87 fiscal year, those funds shall be used to replace state funds which were made available pursuant to Section 21.50 of the Budget Act of 1986. In turn, those funds which are replaced shall be carried forward to the 1987–88 fiscal year to be used for the EA Program.

5180-151-890—For local assistance, Department of Social Services, for transfer to Item 5180-151-001, payable from the Federal Trust Fund 470,495,000

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.

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2. 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.	
4. The balance of unexpended funds authorized pursuant to Chapter 1282 of the Statutes of 1983 for purposes of the Job Training Partnership Act program, above the $400,000 that is allocated to the In-Home Supportive Services program in 1986–87, shall be available for expenditure in the 1987–88 fiscal year for that same purpose.	
5180-161-001—For local assistance, Department of Social Services	8,785,000
Schedule:	
(a) 30-Community Care Licensing 13,493,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-161-890) .. −4,708,000	
Provisions:	
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.	
2. Of the funds appropriated by this item, $402,000 shall be allocated to address child care needs related to GAIN, in lieu of any normally applied allocation formula.	
5180-161-890—For local assistance, Department of Social Services, for transfer to Item 5180-161-001, payable from the Federal Trust Fund	4,708,000

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Provisions:

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, 1987, in accordance with the following schedule 122,475,000

Schedule:

(a) 10.08—SSI/SSP (for transfer to Item 5180-111-001)	67,701,000
(b) 20—Social Services Program (for transfer to Item 5180-151-001)	4,527,000
(c) 10.04.005—Aid to Families with Dependent Children (for transfer to Item 5180-101-001)	112,397,000
(ca) 10.24—Refugee cash assistance (for transfer to Item 5180-131-890)	594,000
(cb) 30.00—Community care licensing (for transfer to Item 5180-161-001)	281,000
(d) Amount payable from the Federal Trust Fund (Item 5180-181-890) ..	−63,025,000

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, 1987 63,025,000

5180-490—Reappropriation, Department of Social Services. On the effective date of this act, notwithstanding any other provisions of law, the appropriation provided in Chapter 1159, Statutes of 1985, for 1986–87 is reappropriated for the same purposes for 1987–88.

On the effective date of this act, notwithstanding any other provisions of law, the appropriation for the special Title XX training funds provided in Item 5180-001-890 (c), Chapter 186, Statutes of 1986 is reappropriated for the same purpose for 1987–88.

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5180-495—Reversion, Department of Social Services. Notwithstanding any other provision of law, the unencumbered balance contained in Section (b) of Chapter 16, Statutes of 1986, as of June 30, 1987, shall be reverted to the General Fund.

YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-001—For support of Department of Corrections 1,267,602,000

Schedule:

(a) 21-Institution Program 1,234,320,000
(b) 31-Community Correctional Program 130,254,000
(c) 41.01-Administration 104,286,000
(d) 41.02-Distributed Administration—104,157,000
(dx) 97.20-Unallocated Reduction .....—41,000,000
(e) Reimbursements .....—11,876,000
(f) Amount payable from Special Account for Capital Outlay (Item 5240-001-036) .....—13,288,000
(g) Amount payable from 1986 Prison Construction Fund (Item 5240-001-746) .....—11,334,000
(h) Amount payable from Federal Trust Fund (Item 5240-001-890) .. —208,000
(i) Amount payable from Inmate Welfare Fund (Item 5240-001-917) ....—19,395,000

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 therefor, to the legislative fiscal committees and the Joint Legislative Budget Committee.
2. Of the amount appropriated in Schedule (a), $12,451,000 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).

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3. Of the amount appropriated in Schedule (a), up to $10,065,000 shall be available for transfer by executive order of the Department of Finance to the Department of Forestry and Fire Protection to augment Item 3540-001-001. The amount transferred shall be sufficient for the support of newly activated conservation camps during the 1987–88 fiscal year. Funds not used for this specific purpose shall revert to the General Fund.
5. No positions for the new prisons and camps proposed for activation in the 1987–88 fiscal year 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.
6. 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, or prior to whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine, the Director of Corrections shall submit the proposed final contract to the legislative fiscal committees and the Joint Legislative Budget Committee. Program management services shall include all services provided by the department's capital expenditure managers (Kitchell CEM or any successor) to assist in the planning and implementation of the department's new prison construction program.
7. 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 those funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefor to the legislative fiscal committees and the Joint Legislative Budget Committee.
8. Of the amount appropriated in category (a), $200,000 is provided to continue the Personal Development and Life Management Training programs operated by Vital Issues.

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9. Of the amount appropriated in category (a), $11,025,000 is provided for staffing and related support in order for the Department of Corrections to obtain licensure of its prison hospitals. Funds not used for this specific purpose shall revert to the General Fund.	
5240-001-036—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from Special Account for Capital Outlay	13,288,000
5240-001-746—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from 1986 Prison Construction Fund	11,334,000
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	19,395,000
5240-011-001—For support, Community Return-to-Custody Facilities with Per Capita Costs of $17,000 or less, Department of Corrections, Program 31	3,000,000
Provisions:	
1. If the average per capita costs of community return-to-custody facilities funded in Item 5240-001-001 is equal to or less than $17,000 (including Department of Corrections staff), funds provided in this item may be used to support additional community return-to-custody facilities at a per capita cost of $17,000 or less. If the average per capita costs exceed $17,000, funds provided in this item may instead be used to support replacement overcrowding beds in existing prison facilities at an average per capita rate of $10,400.	
5240-012-001—For transfer to Item 5240-001-001 for inmate housing if legislation to extend the work/training incentive program to all parole violators is not chaptered, Department of Corrections	10,165,000
Provisions:	
1. Funds provided in this item shall be available for transfer to Item 5240-001-001 to support housing for inmates only if legislation to extend the work/training incentive program to all parole violators is not chaptered prior to June 30, 1988.	
5240-101-001—For local assistance, Department of Corrections	35,386,000
Schedule:	
(a) 21-Institution Program 6,791,000	

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(b) 31-Community Correctional Program 28,595,000

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 filed by local jurisdictions shall be filed 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.

      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. The Department of Corrections, with the approval of the Department of Finance, may transfer funds from Item 5240-101-001, Schedule (a) to Item 5240-001-001, Schedule (a), to pay for private vendor contract costs for

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transportation of prisoners or fugitives, and subject to Provisions (a) and (b) of Item 5240-101-001.

d. To pay court costs and county charges, payable under Sections 4700.1, 4700.2, 4750–4755 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.

e. To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims for retroactive rate adjustments to original claims are exempt from this six months' limitation. 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.

Provided further, that the Department of Corrections, with the approval of the Department of Finance, may transfer funds from Item 5240-101-001, Schedule (b) to Item 5240-001-001 Schedule (b) for the purpose of contracting with private providers for the placement of inmates prior to release on parole or in lieu of return to prison, subject to the condition that the Department of Corrections can demonstrate that such contracts are cost effective.

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5240-301-746—For capital outlay, Department of Corrections, payable from the 1986 Prison Construction Fund		10,734,000
Schedule:		
(0.5) 61.01.006-Statewide: Capital program management—technical and professional services	518,000	
(1) 61.01.017.101-McCain Valley Conservation and Maintenance Camp —Acquisition, Preliminary Plans, Working Drawings and Construction	2,905,000	
(1.2) 61.01.017.102-McCain Valley Conservation and Maintenance Camp, Kitchen Improvements—Preliminary Plans	10,000	
(1.3) 61.01.017.103-McCain Valley Conservation and Maintenance Camp, Master Plan for Permanent Site Improvements	10,000	
(2) 61.03.200-California Correctional Center, Susanville-Emergency Electrical System Improvements —Preliminary Plans and Working Drawings	18,000	
(3) 61.04.200-California Correctional Institution, Tehachapi—Emergency Electrical System Improvements—Working Drawings	13,000	
(5) 61.05.200-Correctional Training Facility—Emergency Electrical System Improvements—Working Drawings	85,000	
(6) 61.05.404-Correctional Training Facility, Soledad—Recreation Yard Lighting—Working Drawings and Construction	506,000	
(7) 61.06.005-Deuel Vocational Institution—Rehabilitate Sewage Treatment Plant—Working Drawings and Construction	1,447,000	
(7.1) 61.06.005.872-Deuel Vocational Institution—Rehabilitate Sewage Treatment Plant, Phase II; Dual Media—Preliminary Plans and Working Drawings	62,000	

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(8) 61.06.006-Deuel Vocational Institution—Flood Control—Studies....	45,000
(9) 61.06.007-Deuel Vocational Institution—New Domestic Water Supply—Working Drawings and Construction	721,000
(10) 61.06.200-Deuel Vocational Institution—Emergency Electrical System Improvements—Working Drawings	43,000
(11) 61.07.200-California State Prison, Folsom—Emergency Electrical System Improvements—Working Drawings	32,000
(12) 61.07.201-California State Prison, Folsom—Construct Two Security Processing Facilities—Study, Preliminary Plans and Working Drawings	104,000
(13) 61.08.008-California Institution for Men—Renovate Locking Devices—Preliminary Plans	21,000
(14) 61.08.501-California Institution for Men—Expand/Rehabilitate Sewage Treatment Plant—Construction	1,301,000
(15) 61.08.514-California Institution for Men—Hospital Licensing—Working Drawings	182,000
(16) 61.09.002-California Medical Facility—Hospital Licensing—Working Drawings	306,000
(17) 61.09.200-California Medical Facility—Emergency Electrical System Improvements—Working Drawings	24,000
(18) 61.10.400-California Men's Colony—Emergency Electrical System Improvements—Working Drawings	46,000
(19) 61.10.401-California Men's Colony—Hospital Licensing—Working Drawings	155,000
(20) 61.12.400-San Quentin State Prison—Emergency Electrical System Improvements—Working Drawings	31,000

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(20.5) 61.12.401-San Quentin State Prison Neumiller Hospital—Preliminary Plans, Working Drawings and Construction	881,000
(21) 61.13.200-California Institution for Women—Emergency Electrical System Improvements—Working Drawings	13,000
(22) 61.14.030-Minor Projects	1,156,000
(23) 61.15.200-California Rehabilitation Center, Norco—Emergency Electrical System Improvements—Working Drawings	69,000
(24) 61.16.200-Sierra Conservation Center, Jamestown—Emergency Electrical System Improvements—Working Drawings	30,000

Provisions:

1. Notwithstanding any other provisions of law, funds appropriated for preliminary plans or working drawings under categories (2), (3), (5), (10), (11), (17), (18), (20), (21), (23), and (24) shall not be augmented by the Public Works Board.
2. The Department of General Services shall consummate the purchase funded in category (1) for the McCain Valley Conservation and Maintenance Camp no later than August 1, 1987, or within 30 days of the effective date of this act, whichever is later. If not, within seven (7) days thereafter, the Director of General Services shall submit a report to the Chairman of the Joint Legislative Budget Committee, and the chairs of the legislative fiscal committees explaining (a) the reason for the delay and (b) his or her plan for financing the additional state cost resulting from the delay.
3. Unless the Marin v. Rushen settlement agreement is modified and approved by the court by October 1, 1987, so that Neumiller Hospital is not required to operate as an acute care hospital, then all funds appropriated under Item 5240-301-746 or reappropriated under Item 5240-491 for Neumiller Hospital shall be used to prepare preliminary plans and working drawings for an acute care hospital at San Quentin.

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4. The department shall submit a life-cycle cost analysis comparing remodeling Neumiller Hospital to serve as an acute care facility (or new infirmary) with constructing a new acute care hospital (or new infirmary) on the prison grounds. The department shall (a) notify the Joint Legislative Budget Committee of the results of the study, and (b) develop preliminary plans in accordance with the option that has the least life-cycle cost and is consistent with the department's systemwide medical care services plan.
5. The funds appropriated under category (1) shall be allocated to fund an interagency agreement with the California Department of Forestry for construction of the additional buildings and the upgrading and expansion of the sewer system.
6. Notwithstanding any other provision of law, the department may contract for development of preliminary plans/working drawings and for construction that is directly related to hospital remodeling required to meet licensing standards at the California Institution for Men (Chino), the California Medical Facility (Vacaville), and the California Men's Colony (San Luis Obispo).

5240-490—Reappropriation, Department of Corrections. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated, on the effective date of this act, and shall be available for expenditure until June 30, 1988, for the purposes provided for in those appropriations and any additional purposes provided for in this item, and notwithstanding the provisions of Section 16304.1 of the Government Code the liquidation period for any projects therein which were encumbered prior to June 30, 1985, is extended to June 30, 1988:

723—New Prison Construction Fund: Budget Act of 1982, Item 5240-301-723:

(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, Section 57 (1st Extraordinary Session) and reappropriated by the Budget Act of 1986:

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(6) 61.06.004-Deuel Vocational Institution: 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, and reappropriated by the Budget Act of 1986:

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: emergency electrical system improvements for:

(11) 61.08.200-California Institution for Men—preliminary plans and working drawings.

724—1984 Prison Construction Fund:

Budget Act of 1986, Item 5240-301-724:

(5) 61.01.800.862-Statewide: hospital licensure projects—preliminary plans and working drawings.

(7) 61.04.201-California Correctional Institution-brine ponds—preliminary plans, working drawings, and construction.

(9) 61.05.501-Correctional Training Facility-expand domestic water system—construction.

(10) 61.08.501-California Institution for Men-expand/rehabilitate sewage treatment plant—working drawings and construction.

(12) 61.13.505-California Institution for Women-purchase additional sewage capacity.

Budget Act of 1984, Item 5240-301-724, reappropriated by Budget Act of 1986:

(3) 61.05.033.841-Correctional Training Facility-sewage treatment plant expansion—construction.

Provisions:

1. In addition to the purposes established in prior statutes, reappropriations identified in this item shall be available for the additional purposes within the project for which the funds were originally appropriated, as necessary, of acquisition, site studies, and suitability reports, environmental impact reports, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead items.

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2. At least 10 days prior to approval of a new use of these funds, the Director of Finance shall advise the Chairs of the Joint Legislative Budget Committee and the fiscal committees of each house of the new use.

5240-491—Reappropriation, Department of Corrections. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated, on the effective date of this act, and shall be available for expenditure until June 30, 1988, for the purposes provided in these apppropriations and any additional purposes provided for in this item, and notwithstanding the provisions of Section 16304.1 of the Government Code, the liquidation period for any projects therein which were encumbered prior to June 30, 1985, is extended to June 30, 1988:

723—New Prison Construction Fund:

Chapter 326, Statutes of 1982, Item 5240-301-723 (15), as amended by Chapter 1743, Statutes of 1984 and reappropriated by Chapter 111, Statutes of 1985:

(15) 61.13.004-California Institution for Women, Special Housing Unit—EIR, Initial Studies, Preliminary Plans, Working Drawings, and Construction. Chapter 1743, Statutes of 1984, Section 6(a) reappropriated by Chapter 111, Statutes of 1985:

61.09.010.050-California Medical Facility South-one 1200-bed (Level II) Facility—Construction. Chapter 958, Statutes of 1983, Section 10(d) amended by Chapter 1743, Statutes of 1984, Section 5.5, and reappropriated by Chapter 111, Statutes of 1985:

(1) 61.09.010-California Medical Facility, South-one 1200-bed (Level I and II) Facility—Studies, Site Acquisition, Master Plan, Preliminary Plans, and Working Drawings.

(2) 61.09.011-California Medical Facility, South-one 1200-bed (Level III) Facility—Preliminary Plans, Working Drawings, and Construction.

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(3) 61.09.012-California Medical Facility, South—Long Lead Items.
Chapter 958, Statutes of 1983, Section 10(f), as amended by Chapter 1743, Statutes of 1984, Section 5.5, and reappropriated by Chapter 111, Statutes of 1985:
(1) 61.17.001-California State Prison-Avenal-One 3000-bed (Level I and II) Facility—Studies, Site Acquisition, Master Plan, Preliminary Plans, and Working Drawings.
(2) 61.17.002-California State Prison-Avenal—Long Lead Items.
Chapter 324, Statutes of 1983, Item 5240-311-723, as reappropriated by Chapter 111, Statutes of 1985:
(2) 61.07.004.001-California State Prison-Folsom-Maximum Security Units A, B, and C—Working Drawings and Construction.
Chapter 326, Statutes of 1982, Item 5240-301-723, as amended by Chapter 1743, Statutes of 1984, and reappropriated by Chapter 111, Statutes of 1985:
(2.1) 61.07.005-California State Prison-Folsom—Construct Site Development and Utilities.
Chapter 958, Statutes of 1983, Section 10(e), as amended by Chapter 1743, Statutes of 1984, Section 5.5, and reappropriated by Chapter 111, Statutes of 1985:
(1) 61.18.021-California State Prison-Ione-One 1200-Bed (Levels I and II) Facility—Studies, Site Acquisition, Preliminary Plans, Working Drawings, and Construction.
(2) 61.18.022-California State Prison-Ione-One 1200-Bed Facility—Long Lead Items.
(3) 61.18.023-California State Prison-Ione-One 1200-Bed Facility-Offsite Development and Utilities—Preliminary Plans and Working Drawings.
Chapter 326, Statutes of 1982, Item 5240-301-723, as amended by Chapter 1743, Statutes of 1984, and reappropriated by Chapter 111, Statutes of 1985:

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(9) 61.20.008-California State Prison-Los Angeles —Land Acquisition, EIR, Initial Studies, Planning, Master Planning Schematics.
Chapter 326, Statutes of 1982, Item 5240-301-723, as amended by Chapter 1743, Statutes of 1984, and reappropriated by Chapter 111, Statutes of 1985:

(10) 61.22.010-California State Prison-Riverside—Land Acquisition, EIR, Initial Studies, Planning, Master Planning, and Schematics.
Chapter 1743, Statutes of 1984, Section 6 (b), as reappropriated by Chapter 111, Statutes of 1985:

61.11.005.010-California State Prison-San Diego—Offsite Development and Utilities—Preliminary Plans, Working Drawings, and Construction.
Chapter 324, Statutes of 1983, Item 5240-311-723, as reappropriated by Chapter 111, Statutes of 1985:

(6) 61.11.002.015-California State Prison-San Diego-Medium Security Units and Minimum Security Support Service Complex—Preliminary Plans and Working Drawings.

(7) 61.11.003.015-California State Prison-San Diego-Site Development and Utilities—Preliminary Plans, Working Drawings, and Construction.

(7.2) 61.11.005-California State Prison-San Diego-Offsite Development and Utilities—Preliminary Plans, Working Drawings, and Construction.
Chapter 326, Statutes of 1982, Item 5240-301-723, as amended by Chapter 1743, Statutes of 1984, and reappropriated by Chapter 111, Statutes of 1985:

(3) 61.11.002-California State Prison-San Diego-Medium Security Units and Minimum Support Service Complex—Preliminary Plans and Working Drawings.
Chapter 324, Statutes of 1983, Item 5240-311-723, reappropriated by Chapter 111, Statutes of 1985:

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(12) 61.19.015-Northern California Women's Facility—Initial Studies, EIR, Programming, Master Planning, Schematics, and Preliminary Plans for Total Facility. Chapter 326, Statutes of 1982, Item 5240-301-723, as amended by Chapter 1743, Statutes of 1984, and reappropriated by Chapter 111, Statutes of 1985:	
(4) 61.04.002-Southern Maximum Security Complex, Tehachapi-Unit IVA and IVB—Working and Drawings and Construction.	
(4.1) 61.04.003-Southern Maximum Security-Support Services Facilities—Construction.	
724—1984 Prison Construction Fund: Chapter 258, Statutes of 1984, Item 5240-311-724:	
(9) California Institution for Women-Special Housing Unit—Equipment. Chapter 258, Statutes of 1984, Item 5240-311-724:	
(10) 61.09.500-California Medical Facility, South—Construct Facilities and Offsite Development Utilities for Level II and III.	
(11) 61.09.510-California Medical Facility, South-Level II and III Facility—Equipment. Chapter 258, Statutes of 1984, Item 5240-311-724:	
(4) 61.17.050-California State Prison-Avenal-3000-Bed Level I and II—Site Development and Construction.	
(5) 61.17.002.050-California State Prison-Avenal-3000-Bed Level I and II Facility—Long Lead Items. Chapter 258, Statutes of 1984, Item 5240-311-724:	
(7) 61.07.004.841-California State Prison-Folsom-Minimum Security Support Services Complex —Construction.	
(1) 61.07.009-California State Prison-Folsom-Total Facility—Equipment. Chapter 258, Statute of 1984, Item 5240-311-724:	
(17) 61.11.500.841-California State Prison-San Diego-Level I Support Services Complex and Level III Facilities—Construction.	

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(18) 61.11.500.841-California State Prison-San Diego-Level I Support Services Complex and Level III Facilities—Equipment.
Chapter 258, Statutes of 1984, Item 5240-301-724, as reappropriated by Chapter 111, Statutes of 1985:
(45) 61.10.010.841-Northern California Women's Facility—Design Development and Working Drawings.
(46) 61.19.010.842-Northern California Women's Facility-Total Facility—Working Drawings.
Chapter 258, Statutes of 1984, Item 5240-311-724:
(15) 61.19.020-Northern California Women's Facility-Total Facility—Construction.
Chapter 258, Statutes of 1984, Item 5240-301-724:
(43) 61.04.003.001-Southern Maximum Security Complex, Tehachapi-Units IVA and IVB—Equipment.
(44) 61.04.003.002-Southern Maximum Security Complex, Tehachapi-Support Services Facility—Equipment.
Chapter 258, Statutes of 1984, Item 5240-311-724:
(13) 61.01.017-Conservation Camps—Construction and Maintenance Equipment.
Chapter 111, Statutes of 1985, Item 5240-301-723:
(4) 61.04.004-Southern Maximum Security Complex, Tehachapi—Additional Moveable Equipment.

Provisions:

1. In addition to the purposes established in prior statutes, reappropriations identified in this item shall be available for the additional purposes, within the project for which the funds were originally appropriated, as necessary, of acquisition, site studies and suitability reports, environmental impact reports, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead items.

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2. At least 10 days prior to approval of a new use of funds appropriated by this item, the Director of Finance shall advise the Chairs of the Joint Legislative Budget Committee and the fiscal committee of each house of the new use.		
5240-495—Reversion, Department of Corrections. Notwithstanding any other provision of law, the unencumbered balance of the appropriation in Section 4 of Chapter 932 of the Statutes of 1985 as of June 30, 1987, shall be reverted to the unappropriated surplus of the General Fund.		
5430-001-001—For support of Board of Corrections		485,000
Schedule:		
(a) 11-Standards for Detention Facilities	485,000	
(b) 12-County Jail Construction Financing Program	1,503,000	
(c) 21-Standards and Training for Local Officers	1,581,000	
(d) Program 31.01-Administration	538,000	
(e) Program 31.02-Distributed Administration	−538,000	
(f) Amount payable from the Corrections Training Fund (Item 5430-001-170)	−1,581,000	
(g) Amount payable from the County Jail Capital Expenditure Fund, Bond Act of 1981 (Item 5430-001-725)	−875,000	
(h) Amount payable from the County Correctional Facility Capital Expenditure Fund, Bond Act of 1986	−628,000	
5430-001-170—For support of Board of Corrections, for transfer to Item 5430-001-001, payable from Corrections Training Fund		1,581,000
5430-001-711—For support of Board of Corrections, for transfer to Item 5430-001-001, payable from the County Correctional Facility Capital Expenditure Fund, Bond Act of 1986		628,000
5430-001-725—For support of Board of Corrections, for transfer to Item 5430-001-001, payable from the County Jail Capital Expenditure Fund, Bond Act of 1981		875,000
5430-011-170—For transfer by the Controller, notwithstanding any other provision of law, from the Corrections Training Fund to the Restitutions Fund on July 1, 1987		(2,783,000)

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5430-101-170—For local assistance, Board of Corrections, payable from Corrections Training Fund, Program 21	11,274,000
5440-001-001—For support of Board of Prison Terms, Program 10	7,921,000
5440-011-001—For Expansion of the Inmate Work/Training Incentive Program to All Parole Violators, Board of Prison Terms	850,000
Provisions:	
1. The amount appropriated in this item shall be available to support the Board of Prison Terms if the board adopts a policy to allow technical parole violators to earn work credits during the budget year in the same manner and to the same extent that inmates earn credits under the existing Inmate Work/Training Incentive program. The board may exempt a limited number of technical parole violators from this policy who are charged with violent criminal conduct while on parole.	
5450-001-001—For support of Youthful Offender Parole Board, Program 10	2,782,000
Provisions:	
1. Notwithstanding any other provision of law, the Youthful Offender Parole Board shall not administratively adopt, amend, or repeal any regulation, including any emergency regulation, relating to parole consideration dates for wards of the Department of the Youth Authority, which would result in a net increase in cost to the department. Any such parole consideration date changes may be considered only as statutory proposals subject to review and approval by the Legislature.	
5460-001-001—For support of Department of the Youth Authority	262,274,000
Schedule:	
(a) 10-Prevention and Community Corrections	4,114,400
(b) 20-Institutions and Camps	246,701,200
(c) 30-Parole Services	27,121,900
(d) 50.01-Administration	14,937,000
(e) 50.02-Distributed Administration	−14,687,000
(f) Reimbursements	−15,062,500
(g) Amount payable from the Federal Trust Fund (Item 5460-001-890)	−851,000

Item			Amount
5460-001-746—For support of Department of the Youth Authority, payable from the 1986 Prison Construction Fund, Program 20			200,000
5460-001-814—For support of Department of the Youth Authority, payable from the California State Lottery Education Fund, Program 20			378,000
Provisions:			
1. All funds received pursuant to Proposition 37 that are allocable to the Department of the Youth Authority 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. Such additional funds may be expended only upon written approval of the Department of Finance.			
5460-001-890—For support, Department of the Youth Authority, for transfer to Item 5460-001-001, payable from the Federal Trust Fund			851,000
5460-101-001—For local assistance, Department of the Youth Authority			74,705,000
Schedule:			
(a) 10-Prevention and Community Corrections		70,105,000	
(b) 20-Institutions and Camps		95,000	
(c) 30-Parole Services		4,505,000	
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 1987–88 fiscal year for purposes specified in Section 1806 of the			

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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.		
4. Of the amount appropriated within Schedule (c), $4,505,000 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.		
6. Of the amount in Schedule (a), $500,000 is available only if legislation is enacted during the 1987–88 Regular Session of the Legislature reauthorizing the Regional Youth Education Center project.		
5460-301-036—For capital outlay, Department of the Youth Authority, payable from the Special Account for Capital Outlay		1,569,000
Schedule:		
(0.5) 60.01.020-Statewide: Modular Classrooms and Furniture—Equipment	411,000	
(1) 60.52.025-El Paso de Robles School—Expand and Relocate Visiting—Preliminary Plans and Working Drawings	69,000	
(2) 60.67.020-Youth Training School—Visitor's Security Entrance—Preliminary Plans, Working Drawings, and Construction	253,000	
(3) 60.90.010-Minor Projects	836,000	
5460-301-746—For capital outlay, Department of the Youth Authority, payable from the 1986 Prison Construction Fund		14,531,000

Item		Amount
Schedule:		
(2)	60.02.020.871-Preston School of Industry—Pre-Camp Facility—Construction	2,926,000
(3.5)	60.02.020.873-Preston School of Industry—Forestry Equipment for Pre-Camp—Equipment	116,000
(4)	60.02.025-Preston School of Industry-Electric Doors for Living Units —Preliminary Plans	15,000
(4.5)	60.51.010—El Paso de Robles School—Equip New Maintenance Building—Equipment	263,000
(4.6)	60.52.015—El Paso de Robles School—Forestry and Other Equipment for Youth Camp—Equipment	336,000
(5)	60.52.020.871-El Paso de Robles School-Living Unit and Education Facility—Construction	4,313,000
(6)	60.52.020.872-El Paso de Robles School-Offsite Utilities for Living Unit and Education Facility—Construction	99,000
(7.5)	60.54.015-Fred C. Nelles School —Equip New Living Unit and Education Facility—Equipment	288,000
(8)	60.58.015.871-Ventura School-Public Service Living Unit—Construction	4,005,000
(9.5)	60.58.015.873-Ventura School—Forestry Equipment for Public Service Living Unit—Equipment	530,000
(9.6)	60.71.005-Fenner Canyon Camp —Forestry Equipment for Camp Expansion—Equipment	57,000
(10)	60.90.010-Minor Projects	1,583,000

Provisions:

1. Notwithstanding Section 15792 of the Government Code, the Department of the Youth Authority is authorized to incur obligations during the 1987–88 fiscal year not to exceed $428,000 for the purchase of long-lead items of equipment related to the projects included in categories (2), (5), and (8). Long-lead items of equipment shall be limited to (a) hand-held radios and personal alarms, (b) furniture for dormitories, ad-

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ministration, classrooms, vocational shops, serving kitchen and maintenance, (c) liners and clothing, and (d) vehicles.

5460-490—Reappropriation, Department of the Youth Authority. Notwithstanding any other provisions of law, the 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 shall be available for expenditure until June 30, 1988:

746—1986 Prison Construction Fund Item 5460-301-746;

Budget Act of 1986:

(1) 60.02.015-Preston School of Industry-Renovate Infirmary Building—Construction

(1.5) 60.02.020-Preston School of Industry-Pre-camp Facility—Working Drawings

(2) 60.52.010-El Paso de Robles School-New Maintenance Building—Construction

(3) 60.52.015.861-El Paso de Robles School-Youth Conservation Camp—Construction

(4) 60.52.015.862-El Paso de Robles School-Offsite Utilities—Construction

(4.5) 60.52.020-El Paso de Robles School-Living Unit and Education Facility—Working Drawings

(5) 60.54.015-Fred C. Nelles School-Living Unit and Education Facility—Construction

(6) 60.58.010-Ventura School-Enlarge Visiting Room—Construction

(6.5) 60.58.015-Ventura School-Public Service Living Unit—Working Drawings

(7) 60.71.005-Fenner Canyon Camp-Replace Barracks—Construction

(8) 60.90.010-Minor Projects

5770-001-001—For support of the Robert Presley Corrections Research and Training Institute, Unscheduled 150,000

EDUCATION

6100-001-001—For support of Department of Education 38,551,000

Schedule:

(a) 10-Instruction	29,220,000
(b) 20-Instructional Support	29,577,000
(c) 30-Special Programs	13,947,000

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(d)	41.00-Executive Management and Special Services	8,085,000
(e)	42.01-Department Management and Special Services	26,933,000
(f)	42.02-Distributed Department Management and Special Services	−26,933,000
(g)	Reimbursements	−4,104,000
(h)	Amount payable from Federal Trust Fund (Item 6100-001-890)	−38,174,000

Provisions:

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 1987–88 fiscal year:
   (a) Professional development and program improvement centers.
   (b) Indian education centers.
   (c) Alternative schools.
   (d) Bilingual teacher corps.
2. Of the funds appropriated in this item, $80,400 shall be utilized solely for California's participation in the Education Commission of the States. Further, of the funds appropriated in this item, $7,200 shall be utilized solely for the reimbursement of prior and current expenses of California's members for attendance at the annual meetings of 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 other litigation. These funds 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, $40,000 is available only for reimbursement of travel expenses, data processing costs and costs for research of the Special Education Task Force established pursuant to the Budget Act of 1986. In no case shall reimbursement of travel expenses exceed the rates established for state employees. The Department of Education shall provide all necessary staff and support to the

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task force. If the task force determines that additional data are necessary for its purposes, the department will provide survey instruments and the required support for such surveys.

The task force shall submit a report no later than November 15, 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. The report shall include fiscal estimates for each alternative presented.

6. For the purpose of conducting the special education study authorized in provision 5, 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 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.
9. Of the funds included in this item, an amount not to exceed $4,415,000 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.

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10. Of the funds transferred from Item 6100-121-001, an amount not to exceed $250,000 shall be available only for the State Department of Education to contract for an independent study of the Economic Impact Aid/State Compensatory Education program. The State Department of Education may use up to $12,500 of the funds allocated for the purposes of this contract for necessary administrative costs.
11. Of the funds transferred from Item 6100-117-001, an amount not to exceed $100,000 shall be available only for the State Department of Education to contract for an independent study of the Miller-Unruh Reading program. The State Department of Education may use up to $5,000 of the funds allocated for the purposes of this contract for necessary administrative costs.
12. Of the funds transferred from Item 6100-117-001, an amount not to exceed $30,000 shall be available only for the State Department of Education to conduct an evaluation of the Native American Indian Early Childhood Education program.
13. Of the funds transferred from category (b) of Item 6100-119-001, an amount not to exceed $50,000 shall be available only for the State Department of Education to conduct an evaluation of Specialized Secondary Schools.
14. The following provision applies to the evaluations required to be conducted by Provisions 12 and 13.

    The State Department of Education shall establish an advisory committee which shall: (1) assist the department in developing a proposed workplan, and (2) advise the department during all phases of the study. The advisory committee shall be composed of representatives from all of the following: the educational policy and fiscal committees of the Assembly and the Senate; the Office of the Legislative Analyst; the Department of Finance; and the State Department of Education. A majority of the advisory committee members shall consist of representatives from the educational policy and fiscal committees of the Assembly and the Senate and the Office of the Legislative Analyst.

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15. The following provisions apply to the studies specified in Provisions 10 and 11.

Notwithstanding Section 1213 of the State Administrative Manual or any other provision of law, the State Department of Education shall convene an advisory committee to develop the Request for Proposals (RFP) and to evaluate the proposals submitted. The advisory committee shall be composed of representatives from the education policy and fiscal committees of the Assembly and the Senate; the Office of the Legislative Analyst; the Department of Finance; and the State Department of Education. A majority of the advisory committee members shall consist of representatives of the Assembly and the Senate and the Office of the Legislative Analyst.

Notwithstanding Section 1213 of the State Administrative Manual or any other provision of law, cost shall not be considered in evaluating proposals; instead, the State Department of Education shall select, from among the proposals submitted, the proposal which displays the most technical merit within the amount of funds specified. Nothing in this provision shall be construed to prevent utilization of the preference points which may be allowed for certain categories of contractors, as specified in the State Administrative Manual (commencing with Section 1200). The final decision regarding selection of a contractor shall rest solely with the State Department of Education.

16. The State Department of Education shall develop rules and regulations governing all programs administered by the Child Development Division. These rules and regulations shall specifically address the conditional status process and the waiver process for all child development programs, especially school-aged child care programs. These rules and regulations shall be prepared in draft form for public hearing by December 1, 1987, and shall be submitted in final form to the Office of Administrative Law by April 1, 1988.

If these rules and regulations are not prepared for public hearing by December 1, 1987, the Department of Finance shall not approve any

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out-of-state travel requested by the State Department of Education with the sole exception of the Superintendent of Public Instruction. In addition, the Controller shall no honor any travel claim for out-of-state travel occurring on or after December 2, 1987. This prohibition shall remain in effect until the regulations are prepared in draft form by the State Department of Education.

17. Of the funds transferred from Item 6100-191-001, an amount not to exceed $25,000 shall be available only for the State Department of Education to furnish a written report to the Legislature displaying all of the following information for the 1986–87 fiscal year for each school district and county office of education in the state.

(a) The amount apportioned by the Superintendent of Public Instruction from each applicable item and subschedule of the Budget Act of 1986 and pursuant to any other legislation enacted during the 1986–87 fiscal year, to each school district and county office of education. In the report, a zero (0) shall be shown in cases where the school district or county office receives no funding from an item, subschedule, or other program category.

The report shall be formatted so that all the funding from the various sources for each school district and county office is listed on consecutive lines and pages. The report shall include, at a minimum, the total dollars, the dollars per pupil in average daily attendance, and appropriate comparative funding statistics developed in consultation with the fiscal staffs of the Assembly and Senate. The report shall exclude funds apportioned by the Office of Local Assistance, Department of General Services, and funds apportioned from Item 6100-196-001 of the Budget Act of 1986. In addition, the report shall include funds apportioned by the Controller's Office, provided that such information is submitted by the Controller's Office to the State Department of Education within 60 days of

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	the end of the 1986–87 fiscal year.	
	(b) The amounts received in total and per pupil in average daily attendance by each school district and county office of education from property taxes.	
	(c) The amounts received in total and per pupil in average daily attendance by each school district and county office of education from sources other than property taxes that are used to offset revenue limit entitlements.	
	(d) The total amounts and total per pupil in average daily attendance of all revenues identified in paragraphs (a), (b), and (c).	
	(e) The total amounts and total per pupil in average daily attendance of all revenues identified in paragraphs (a), (b), and (c) excluding state apportionments for adult education, apportionments from the State Lottery Fund, and apportionments of federal funds. The report shall display the total amounts and total per pupil in average daily attendance of adult education funds, lottery funds, and federal funds.	
	(f) The total base revenue limit and base revenue limit per pupil in average daily attendance.	
	(g) The total amounts and total per pupil in average daily attendance identified in paragraph (e) less the total base revenue limit and the base revenue limit per pupil in average daily attendance, respectively.	
	(h) The following student information shall be included with the fiscal report for each school district and county office of education:	
	(i) The number and percentage of enrollment of students identified as Limited English Proficient (LEP).	
	(ii) The number and percentage of enrollment of students aged 5 to 17, inclusive, who are in families receiving Aid to Families with Dependent Children (AFDC).	
	(iii) The number and percentage of enrollment of students identified as in need of special education pursuant to	

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an Individualized Education Plan (IEP).

(iv) Other student characteristics developed in consultation with the fiscal staffs of the Assembly and Senate.

(i) For purposes of this report, average daily attendance shall be actual average daily attendance in 1986–87 as determined at the second principal apportionment.

(j) The Superintendent of Public Instruction shall consult with the fiscal staffs of the Assembly and Senate during the preparation of the report required in this section.

(k) If the report required by this provision is not submitted to the Legislature by October 31, 1987, the Department of Finance shall not approve out-of-state travel requests for the Executive Management of the State Department of Education and, in addition, the Controller shall not pay travel claims for Executive Management travel occurring on or after November 1, 1987. This prohibition shall remain in effect until the required report has been submitted to the Legislature.

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 811,000

6100-001-305—For support of Department of Education, Program 30.30—Postsecondary Education, payable from the Private Postsecondary Education Administration Fund 971,000

Schedule:

(a) 30.30-Postsecondary Education 971,000

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.

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2. Notwithstanding any other provision of law, $46,000 of the amount appropriated in this item shall be transferred to Item 6420-001-001 to reimburse staff costs of the California Postsecondary Education Commission (CPEC) associated with the evaluation of private postsecondary education institutions unless a statute is chaptered prior to October 1, 1987, amending subdivision (f) of Section 94305 of the Education Code and removing the requirement that members of the special committees shall serve at no expense to the state.

6100-001-344—For support of Department of Education, Program 20.30 Administrative Services to local educational agencies, payable from the State School Building Lease-Purchase Fund 1,250,000

Provisions:

1. Funds appropriated by this item are for support of the activities of the School Facilities Organization and Transportation Division and are to be used exclusively for activities authorized by statute or memorandum of understanding between the Department of Education and the Department of General Services, Office of Local Assistance, which are related to local school construction, reconstruction, rehabilitation, modernization, maintenance, deferred maintenance and school site acquisition.
2. Of the funds appropriated in this item, up to $100,000 may be used for consultant and professional services to assist the Department in reviewing and approving school sites and school plans.

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

Provisions:

1. Notwithstanding the provisions of Vehicle Code Section 1660.8, $13,000 shall be appropriated to the Department of Education for the Drug and Alcohol Abuse Prevention Pilot Program prior to the abolishment of the First Offender Program Evaluation Fund and the transfer of remaining moneys to the General Fund.

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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	14,380,000
6100-001-862—For support of Department of Education, Program 30.10.020—Child Care Services, payable from the State Child Care Facilities Fund	212,000
6100-001-890—For support of Department of Education, for transfer to Item 6100-001-001 payable from the Federal Trust Fund	38,174,000

Provisions:

1. Of the funds appropriated in this item, $1,047,874 of the 1987–88 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.
2. The State Department of Education shall develop rules and regulations governing all programs administered by the Child Development Division. These rules and regulations shall specifically address the conditional status process and the waiver process for all child development programs, especially school-aged child care programs. These rules and regulations shall be prepared in draft form for public hearing by December 1, 1987, and shall be submitted in final form to the Office of Administrative Law by April 1, 1988.

   If these rules and regulations are not prepared for public hearing by December 1, 1987, the Department of Finance shall not approve any out-of-state travel requested by the State Department of Education with the sole exception of the superintendent. In addition, the Controller shall not honor any travel claim for out-of-state travel occurring on or after December 2, 1987. This prohibition shall remain in effect until the regulations are prepared in draft form by the State Department of Education.

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	38,618,000

Schedule:

(a) 10-Instruction	42,522,000

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(b) Reimbursements	−3,904,000	

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, Program 10.60.040 425,000

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.

6100-011-001—For support of Department of Education, California State Library, Division of Libraries, and California Library Services Board 10,658,000

Schedule:

(a) 50-Library Services	12,051,000	
(b) Reimbursements	−13,000	
(c) Amount payable from the Federal Trust Fund (Item 6100-011-890) ..	−1,380,000	

6100-011-890—For support of Department of Education, for transfer to Item 6100-011-001, payable from the Federal Trust Fund 1,380,000

Item			Amount
6100-015-001—For support of Department of Education instructional materials warehousing and shipping costs, Program 20.20.020—Instructional Materials Management and Distribution			294,000
Provisions:			
1. Funds appropriated by this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1987–88 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			574,000
Provisions:			
1. 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.			
6100-101-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, Program 10.10—School Apportionments			8,076,717,000
Schedule:			
(a) Program 10.10.001.001—School Apportionments, District Revenue Limit, for the purposes of Section 42238 of the Education Code		7,955,144,000	
(b) Program 10.10.001.002—School Apportionments, for Necessary Small Schools, 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		15,407,000	

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(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	26,767,000
(e)	Program 10.10.001.005—School Apportionments, for apprentice programs, for the purposes of Section 8153 of the Education Code..	6,878,000
(f)	Program 10.10.011—School Apportionments, for summer school programs, for the purposes of Section 42239 of the Education Code	72,521,000

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 1987–88 fiscal 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 Sections 42240 and 42240.1 of the Education Code.
2. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds specified in Schedule (e) of this item shall be the only funds available for and allocated by the Superintendent of Public Instruction for the apprentice programs operated by school districts and county offices of education.
3. 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 $3.76 per hour. For purposes of this division, each hour of teaching time may include up to 10 minutes for passing time and breaks.
4. (a) No school district or county office of educa-

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tion shall use funds available under Schedule (e) to offer any new or expanded apprentice program(s) unless that program(s) has been approved by the Superintendent of Public Instruction.

(b) Upon the approval of the Superintendent of Public Instruction, school districts and county offices of education may use funds available under Schedule (e) for an apprentice program that is transferred to the school district from a community college district in 1987–88.

(c) For any apprentice program offered pursuant to Section 8152 or Section 8153 of the Education Code that is transferred from a K–12 school district or a county office of education to a community college district in 1987–88, the Controller, upon certification by the Superintendent of Public Instruction, shall transfer, prior to the first or second principal apportionment, as appropriate, from Schedule (e) of this item to Schedule (a) of Item 6870-101-001 an amount equal to the number of hours for which the apprentice program received funding in 1986–87 times $3.76.

(d) The Director of Finance may approve any transfer authorized by this provision, provided that such transfer 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.

5. The Superintendent of Public Instruction shall report to the Department of Finance and the Legislature no later than October 1, 1987, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprentice program during the 1986–87 fiscal year, with information to be provided by school district, county office of education, program sponsor, and trade. Expenditure informa-

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tion shall distinguish between direct and indirect costs, including administrative costs funded for the Department of Education, school districts, county offices of education, and program sponsors. In addition, the report shall identify the hours of related and supplemental instruction proposed for the 1987–88 and 1988–89 fiscal years by school district, county office of education, program sponsor, and trade. As a condition of receiving funds for the apprenticeship program, K–12 school districts shall report to the Superintendent of Public Instruction the information necessary for the completion of this report.

6.3. 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 the 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 subdivision (a) the greater of the following amounts:

(1) 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 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 con-

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tributions made to the Public Employees' Retirement System in the 1985–86 fiscal year.

(c) For the purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(1) Positions supported totally by federal funds which are 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 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.

6.5. Notwithstanding any other provision of law, in addition to the reductions made pursuant to Provisions 6.3 and 6.7 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 resulting from the applicable employer contribution rate reductions made effective July 1, 1986.

The reduction shall be calculated as follows:

(a) Determine the amount of employer contributions that 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 July 1, 1986, were in effect during the 1986–87 fiscal year.

(b) Subtract from the amount determined in subdivision (a) the actual amount of em-

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ployer contributions made to the Public Employees' Retirement System in the 1986–87 fiscal year.

(c) For the purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(1) Positions supported totally by federal funds which are 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 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.

6.7. Notwithstanding any other provision of law, in addition to the reductions made pursuant to Provisions 6.3 and 6.5 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 resulting from the applicable employer contribution rate reductions made effective July 1, 1987.

The reduction shall be calculated as follows:

(a) Determine the amount of employer contributions that would have been made in the 1987–88 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to July 1, 1987, were in effect during the 1987–88 fiscal year.

(b) Subtract from the amount determined in subdivision (a) the actual amount of em-

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ployer contributions made to the Public Employees' Retirement System in the 1987–88 fiscal year.

(c) For the 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 are 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 property 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.

It is the intent of the Legislature to make adjustments to school district revenue limits for the 1987–88 fiscal year to reflect savings that these districts will realize in the contributions to the Public Employees' Retirement System due to a reduced contribution rate for the 1987–88 fiscal year. If, however, any other chaptered legislation accomplishes this intent and performs these adjustments for the 1987–88 fiscal year, this provision shall be inoperative.

7. Notwithstanding Subdivision (e) of Section 42239 of the Education Code, for the 1987–88 fiscal year, the Superintendent of Public Instruction shall allocate a minimum of $5,300 for supplemental summer school programs in those districts whose prior year enrollment was less than 500 and that, in the 1987–88 fiscal year, offer at least 1,500 hours of supplemental sum-

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mer 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.

9. Of the funds appropriated in this item, the Superintendent of Public Instruction is authorized to pay the United States Department of Education an amount not to exceed $586,535 in partial settlement of the final audit determination identified as ACN 09-60002, Education Appeal Board Docket No. 9-(55)-79. The State Department of Education shall reduce the revenue limit apportionment amount otherwise to be provided to the school district identified in the audit by the amount owing. 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 this district in accordance with the settlement agreement entered among the district, the State Department of Education, and the United States Department of Education.

10.5. (a) Notwithstanding Section 42239 of the Education Code, or any other provision of law, the Superintendent of Public Instruction shall reallocate to high school districts any unexpended balance of the appropriations made for the 1987–88 fiscal year for reimbursement for actual pupil attendance in summer school programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code that exceeds the maximum attendance for which reimbusement is available under subdivision (e) of Section 42239 of the Education Code. In no event shall any high school district receive reimbursement for pupil attendance in summer school programs in a total amount exceeding 7 percent of the high school district's total enrollment for the prior fiscal year times 120 hours,

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	times the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code.	
	(b) Commencing in 1988–89, a school district's maximum entitlement for pupil attendance in summer school programs offered pursuant to paragraph (2) of subdivision (d) of Section 42239 of the Education Code shall be as follows:	
	(1) For elementary school districts, an amount equal to 4 percent of the district's enrollment for the prior fiscal year, times 120 hours, times the hourly rate for the 1988–89 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code.	
	(2) For high school districts, an amount equal to 7 percent of the district's enrollment for the prior fiscal year, times 120 hours, times the hourly rate for the 1988–89 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code.	
	(3) For unified school districts, an amount equal to 5 percent of the district's enrollment for the prior fiscal year, times 120 hours, times the hourly rate for the 1988–89 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code.	
	It is the intent of the Legislature that the total appropriation provided for summer school programs offered pursuant to paragraph (2) of subdivision (d) of Section 42239 of the Education Code for the 1988–89 fiscal year be based upon 5 percent of prior-year statewide enrollment, times 120 hours, times the hourly rate for the 1988–89 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code.	

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11. In the event of a deficiency in the appropriation made in Schedule (a) of this item, or in Item 6100-106-001, the Superintendent of Public Instruction may transfer funds between this item and Item 6100-106-001 with the approval of the Director of Finance. The superintendent shall adjust the apportionments made from funds appropriated for the purposes specified in Schedule (a) of this item and in Item 6100-106-001 so that the deficit factor applied to the funding entitlements is the same for each of the programs funded by such appropriations.

12.5. 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 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 of the Budget Act of 1986, plus the amount computed persuant to subdivision (f) of Section 42238 of the Education Code, plus the amount computed pursuant to Provision 20 of Item 6100-101-001 of the Budget Act of 1986, plus the amount provided pursuant to Section 42238.8 of the Education Code.

(b) For the 1986–87 fiscal year, the sum of the following, per unit of ADA as computed pursuant to Section 42238.5 of the Education Code for the 1986–87 fiscal year: (1) the amount of total allocation entitlements that can be applied by the district as unrestricted local general fund income, including base revenue limits but excluding (A) amounts received for purposes of Sections 8153, 42238.10, 42239, 42243.7, and Article 10.5 (commencing with Section 49550) of Chapter 9 of Part 27 and (B) any adjustments made to revenue limits as the result of changes in the employer contribution rate to the Public Employees' Retirement System; and (2) the amount subtracted from the

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	apportionment of state funds pursuant to subdivision (h) of Section 42238 of the Education Code for the 1986–87 fiscal year.	
	(c) For the 1987–88 fiscal year, the amount computed pursuant to subdivision (c) or (d), as appropriate, of Section 42238 of the Education Code utilizing the inflation adjustment received by the district for purposes of paragraph (1) of subdivision (b) of Section 42238 of the Education Code plus the amount computed pursuant to subdivision (f) of Section 42238 of the Education Code.	
	(d) For the 1987–88 fiscal year, the amount of total unrestricted local general fund income received by the district, per unit of ADA as computed pursuant to Section 42238.5 of the Education Code the amount of total unrestricted general fund income shall be adjusted as follows:	
	(1) By excluding (a) amounts received for purposes of Sections 8153, 42238.10, 42239, 42243.7, and Article 10.5 (commencing with Section 49550) of Chapter 9 of Part 27 and (b), any adjustments made to revenue limits as the result of changes in the employer contribution rate to the Public Employees' Retirement System;	
	(2) By adding the amount subtracted from the apportionment of state funds to the district pursuant to subdivision (h) of Section 42238 of the Education Code for the 1987–88 fiscal year; and	
	(3) By excluding the cost-of-living adjustments received by the district as unrestricted general fund income in 1987–88.	
	(e) Subtract the amount determined in subdivision (c) of this Provision from the amount determined in subdivision (a) of this Provision.	
	(f) Subtract the amount determined in subdivision (d) of this Provision from the	

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amount determined in subdivision (b) of this Provision, and multiply the result by the total ADA computed pursuant to Section 42238.5 of the Education Code for the 1987–88 fiscal year.

(g) If either of the amounts determined in subdivision (e) or (f) of this Provision is greater than zero, the Superintendent of Public Instruction shall add the greater of these amounts to the amount computed pursuant to Section 42238 of the Education Code for the 1987–88 fiscal year.

13. Notwithstanding Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of the Education Code, or any other provision of law, the total number of hours eligible for reimbursement in apprentice programs operated by K–12 school districts and county offices of education shall be limited to an amount equal to the total appropriation specified in Schedule (e) of this item divided by the hourly rate specified in Provision 3 and as adjusted by Provision 4(b). The Superintendent of Public Instruction shall have the authority to determine which apprentice programs, and which hours offered in such programs, are eligible for reimbursement.

14. Notwithstanding any other provision of law, for the purpose of calculating entitlements for revenue limit apportionments, the Superintendent of Public Instruction shall increase the number of units of average daily attendance (ADA) for the Victor Valley Union High School District by 300 units in the 1987–88 fiscal year only. In each of the fiscal years 1988–89 through 1992–93, the superintendent shall reduce the district's number of units of ADA by 60 units below the level that the district would otherwise be entitled to claim. It is the intent of the Legislature to assist the district in overcoming the severe impacts on its cash flow of a reorganization election which reduced the district's ADA by 70 percent for the 1987–88 fiscal year. It is further the intent of the Legislature that such assistance be provided at no net cost to the state.

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15. If a final court decision is issued prior to June 30, 1988, declaring null and void the November 4, 1986, election which created the Apple Valley Unified, Hesperia Unified, and Lucerne Valley Unified school districts, Provision 14 of this item shall be inoperative.

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 492,951,000

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 40,227,000

Schedule:

(a) 10-Instruction 38,470,000
(b) 20-Instructional support 1,757,000

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 1987–88 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 212,059,000

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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 1987–88 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. Funds appropriated in this item shall be apportioned by the Superintendent of Public Instruction pursuant to Article 1.5 (commencing with Section 52335) of Chapter 9 of Part 28 of the Education Code.
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.
4. Of the amount appropriated in this item, $3,250,000 shall be available for funding growth in allowable levels of average daily attendance. For purposes of Section 52335.4 of the Education Code, the allowable funded growth in levels of average daily attendance for the 1987–88 fiscal year shall be an amount equal to 2.0 percent of the 1982–83 fiscal year base ADA.

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5. Notwithstanding any other provision of law, funds appropriated in this item for average daily attendance (ADA) generated by participants in the Greater Avenues for Independence Program established by Chapter 1025 of the Statutes of 1985 may be apportioned on an advance basis to local education agencies based on expected units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.

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 102,113,000

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 1987–88 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, an amount as needed for apportionment pursuant to 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.
2. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in subschedule (a) (4) 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.

3.5. In the event of a deficiency in the appropriation made in Schedule (a) of Item 6100-101-001, or in this item, the Superintendent of Public Instruction may transfer funds between Item 6100-101-001 and this item with the approval of the Director of Finance. The superintendent shall adjust the apportionments made from funds appropriated for the purposes specified in Schedule (a) of Item 6100-101-001

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and in this item, so that the deficit factor applied to the funding entitlements is the same for each of the programs funded by these appropriations.

4. Notwithstanding any other provision of law, the county superintendent shall reduce the total revenue limit computed pursuant to Section 2558 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 reductions made effective July 1, 1987.

The reduction shall be calculated as follows:

(a) Determine the amount of employer contributions that would have been made in the 1987–88 fiscal if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to July 1, 1987, were in effect during the 1987–88 fiscal year.

(b) Subtract from the amount determined in subdivision (a) the actual amount of employer contributions made to the Public Employees' Retirement System in the 1987–88 fiscal year.

(c) For the purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(1) Positions supported totally by federal funds which are 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 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

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an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.		
It is the intent of the Legislature to make adjustments to county office of education revenue limits for the 1987–88 fiscal year to reflect savings that these agencies will realize in their contributions to the Public Employees' Retirement System due to a reduced contribution rate for the 1987–88 fiscal year. If, however, any other chaptered legislation accomplishes this intent and performs these adjustments for the 1987–88 fiscal year, this provision shall be deemed inoperative.		
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		7,603,000
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 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		293,121,000
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	289,970,000	
(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	3,151,000	
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 1987–88 fiscal year pursuant to Sections		

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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 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.	
3. Notwithstanding any other provision of law to the contrary, the amount appropriated in category (b) of this item 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 Sections 42243.6 and 42247 of the Education Code, (court-ordered desegregation) Program 10.10.018—School Apportionments	310,000,000
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.	

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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 46,112,000

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.
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 224,865,000

Schedule:

(a) 20.60.030.010—For the purpose of making allowances for kindergarten and grades 1 to 6, inclusive.... 192,396,000

(b) 20.60.030.020—For the purpose of making allowances for grades 7 to 12, inclusive..... 32,469,000

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 1987–88 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.

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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.
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.

6100-117-001—For local assistance, Department of Education, Program 20.60.160—Educational Assistance 238,990,000

Provisions:

1. Funds appropriated by this item are in lieu of the amounts that otherwise would be provided for purposes of the Economic Impact Aid Program—State Compensatory Education pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code, the Gifted and Talented Program pursuant to Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code, the Miller-Unruh Reading Program pursuant to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code, the Native American Indian Education Program pursuant to Chapter 6.5 (commencing with Section 52063) of Part 28 of the Education Code, the Urban Impact Aid and Meade Aid programs pursuant to Chapter 1.5 (commencing with Section 54060) of Part 29 of the Education Code, and Small School District Transportation Aid pursuant to Sections 42240 and 42240.1 of the Education Code, and shall be allocated to each of these programs in proportion to the total amounts appropriated for each program in the 1985–86 fiscal year, increased by the cost-of-living adjustments provided for each program in the 1986–87 fiscal year. For purposes of this sec-

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tion, the amount appropriated for the Economic Impact Aid Program—State Compensatory Education program in the 1985–86 fiscal year shall be deemed to be $89,896,000. Funds appropriated in this item for Economic Impact Aid are in augmentation of the amount provided in Item 6100-121-001. All other funds appropriated in this item shall be allocated in proportion to the allowances received by school districts for each of these programs in the 1985–86 fiscal year, increased by the cost-of-living adjustment provided for each program in the 1986–87 fiscal year, except that in the event that the eligibility of any school district to receive funds pursuant to any program has been reduced below the level provided in 1985–86, or in the event that a district has terminated its participation in any program, these funds shall be reallocated within that program pursuant to the provisions of current law.

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.
3. Of the amount appropriated in this item, an amount not to exceed $100,000 shall be for transfer to Item 6100-001-001 for the State Department of Education to contract for an independent study of the Miller-Unruh Reading Program.
4. Of the amount appropriated in this item, an amount not to exceed $30,000 shall be for transfer to Item 6100-001-001 for the State Department of Education to conduct an evaluation of the Native American Indian Education Program.

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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..		2,922,000
Schedule:		
(a) 20.40.060-Instructional Support—Foster Youth Services.....	821,000	
(b) 20.40.090-Specialized Secondary Programs	2,101,000	
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 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 Train-		

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	ing 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 $821,000 of category (a) of Item 6100-119-001.	
	3. Of the funds appropriated in category (b) of this item, an amount not to exceed $50,000 shall be for transfer to Item 6100-001-001 and utilized by the State Department of Education to conduct an evaluation of specialized secondary schools.	
6100-120-001—For local assistance, Department of Education, Program 20.40.100—Pupil Dropout Prevention Program, 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		19,750,000
	Provisions:	
	1. Of the amount appropriated in this item, $13,984,000 shall be available for the funding of outreach consultants by up to 350 schools with motivation and maintenance program plans developed in accordance with Chapter 1431, Statutes of 1985.	
	2. Of the amount appropriated in this item, $3,496,000 shall be available for the funding of outreach consultants by up to 87 school districts with dropout recovery program plans developed in accordance with Chapter 1431, Statutes of 1985.	
	3. 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, subject to review 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.	

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4. 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.
5. Of the amount appropriated in this item, $370,000 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.
6. The district of any school receiving funds pursuant to Provision 1 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 .. 106,157,000
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. Funds appropriated for Economic Impact Aid shall be allocated in proportion to the allowances received by school districts in the 1986–87 fiscal year.
2. Of the amount appropriated in this item, an amount not to exceed $250,000 shall be for transfer to Item 6100-001-001 and utilization by the State Department of Education to contract for an independent study of the Economic Impact Aid/State Compensatory Education Program.

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3. Notwithstanding Section 62000 of the Education Code, as a condition of receiving funds appropriated in this item or in Item 6100-117-001, local education agencies shall comply with Chapter 7 (commencing with Section 52130) of Part 28 of the Education Code as those provisions were operative prior to June 30, 1987.		
6100-128-001—For local assistance, Department of Education, Community Education—Intergenerational Programs		165,000
Schedule:		
(a) 41.00-Executive Management Special Services	175,000	
(b) Reimbursements	−10,000	
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
6100-136-890—For local assistance, Department of Education, Program 10.30.060—Chapter I-ECIA—payable from the Federal Trust Fund		294,266,000
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		4,367,000
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.		

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3. The Superintendent of Public Instruction shall develop rules and procedures which shall provide that: (1) beginning in the 1988–89 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 1989–90 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 that has been in operation for a period of four or more prior years; and (3) beginning in the 1991–92 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 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	861,000
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	223,449,000
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 1987–88 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 and Chapter 1025, Statutes of 1985.	

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2. Notwithstanding Section 52616 of the Education Code, the average daily attendance used in computing each district's 1987–88 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 1987–88 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 amount appropriated in this item, exclusive of the amount appropriated for the purpose of Chapter 1025, Statutes of 1985, and the amount appropriated 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.
4. Notwithstanding any other provision of law to the contrary, $6,000,000 of the funds appropriated in this item are for allocation to school districts in the 1987–88 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 shall

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allocate the funds to applicant districts on the basis of the proportionate share of total count of pupils of limited-English proficiency in all participating districts.

(c) Of the funds allocated in this provision, $1,000,000 shall be transferred by the Superintendent of Public Instruction to Item 6870-101-001 for the purpose of funding extraordinary needs in adult education programs in English as a second language provided by community colleges. As a condition of receiving funds allocated in this provision, community college districts shall certify to the Chancellor of the California Community Colleges that levels of annual average daily attendance in the 1987–88 fiscal year in English as a second language programs which are used to compute entitlements shall be maintained at or above levels funded in either the 1985–86 or the 1986–87 fiscal year, whichever levels are higher.

The chancellor shall reduce funding by the corresponding amount to any district receiving funds under this provision which fails to generate certified levels of average daily attendance.

5. Of the funds appropriated by this item, $4,200,000 shall be used in the 1987–88 fiscal year exclusively to fund remedial education services for GAIN participants pursuant to Chapter 1025, Statutes of 1985. 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 these funds shall not be used for computational purposes for any school district's block entitlement in 1987–88 or subsequent fiscal years.
6. Any adult education surpluses accrued pursuant to subdivision (d) of Section 52616 of the Education Code may be reallocated by the Superintendent of Public Instruction for either the fiscal year during or after which such surplus accrued. In reallocating these surpluses, the superintendent shall give first priority to funding remedial

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education services for GAIN participants in both fiscal years.

7. Notwithstanding any provision of law to the contrary, funds appropriated in this item for average daily attendance (ADA) generated by participants in the Greater Avenues for Independence Program established by Chapter 1025 of the Statutes of 1985 may be apportioned on an advance basis to local education agencies based on expected units of ADA, if a prior application for such additional ADA funding has been approved by the Superintendent of Public Instruction.
8. As a condition of receiving funds appropriated in this item for (1) extraordinary needs in adult education programs in English as a second language, pursuant to provision 4, and (2) remedial education services for GAIN participants pursuant to provisions 5 and 6, districts shall certify to the Superintendent of Public Instruction that levels of annual average daily attendance in the 1987–88 fiscal year (1) in programs for (a) English as a second language and (b) elementary and high school basic skills, and (2) which are used to compute block entitlements, shall be maintained at or above levels funded in either the 1985–86 or the 1986–87 fiscal year, whichever levels are higher, for each of these two areas. The superintendent shall, at the time of the annual apportionment, reduce funding by the corresponding amount to any district receiving funds affected by this provision which fails to generate certified levels of average daily attendance.

6100-156-890—For local assistance, Department of Education, Program 10.50.010.001—Adult Education, payable from the Federal Trust Fund 8,557,000

Provisions:

1. From federal funds provided pursuant to the Immigration Reform and Control Act of 1986, the Superintendent of Public Instruction shall allocate funds, pursuant to the applicable provisions of federal law, to local education agencies, the Chancellor of the California Community Colleges, and other public or private organizations eligible to receive these funds, for the purpose of providing appropriate educational

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services to immigrants newly legalized under the provisions of that act.	
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....	1,923,000
Provisions:	
1. Notwithstanding any other provision of law to the contrary, the amount appropriated in this item and the amount appropriated in subschedule (b) (2) of Item 6100-226-001 shall be the maximum amount allocated for the purposes of Section 41841.5 of the Education Code.	
6100-161-001—For local assistance, Department of Education, Program 10.60—Special Education Programs for Exceptional Children	1,026,892,000
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 1987–88 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 in this item may be used for in-service training for special education teachers.	
3. Of the amount appropriated in this item, no more than $33,980,000 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, $44,885,000 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.	

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	5. Of the amount appropriated in this item, $3,000,000 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.	
	6. Of the amount appropriated in this item, $500,000 shall be used for dissemination of the Awareness Program developed pursuant to 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. 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 1.00 times a full-time equivalent aide entitlement for those aides in the 1980–81 fiscal year. $17,000,000 of the funds appropriated in this item are available for the purposes of this provision.	
	9. $7,000,000 of the funds appropriated in this item are available for purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.	
	10. $3,500,000 of the funds appropriated in this item are available for matching funds for the purposes of PL 98-524, 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	

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waive this requirement for agencies which can demonstrate that the requirement would impose a severe hardship.	
12. Of the funds appropriated in this item, $5,400,000 is available for transfer to the Department of Social Services as a reimbursement for the purposes of Chapter 6 (commencing with Section 18350) of Part 6 of Division 9 of the Welfare and Institutions Code. The Department of Finance shall review this transfer at the 1988 May Revision to determine the actual amounts of cost savings to the State Department of Education and cost increases to the Department of Social Services. If necessary, the Director of Finance shall adjust the transfer amount at that time.	
13. Notwithstanding any other provision of law, the Superintendent of Public Instruction shall ensure that special education entitlements have been permanently reduced from the 1985–86 level by the total amount transferred pursuant to Provision 12.	
14.5. $500,000 of the funds appropriated in this item are available for an evaluation of alternative programs and strategies, within the context of special education, for serving students with learning problems. An interagency agreement shall be executed between the State Department of Education and the Office of the Legislative Analyst, which shall provide for the transfer of this amount to the Office of the Legislative Analyst. The Office of the Legislative Analyst, in consultation with representatives of the policy and fiscal committees of the Legislature, the State Departments of Education and Finance, and the Advisory Committee on Special Education, shall expend these funds for the purpose of contracting with one or more research-oriented organizations deemed qualified and competent by the Legislative Analyst to evaluate these programs. Up to $5,000 of the amount may be expended by the Office of the Legislative Analyst to pay for overhead costs associated with supervision of the contract.	

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16. By October 1, 1987, the Superintendent of Public Instruction, the Department of Health Services, and the Department of Mental Health shall submit for public comment the proposed regulations implementing Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code.		
17. By November 1, 1987, the departments of Developmental Services and Health Services (including representation from California Children's Services and Medi-Cal) shall negotiate an interagency agreement concerning clients concurrently eligible for services. The interagency agreement shall delineate the service responsibilities of each agency as they relate to mutual clients. The State Department of Education shall provide technical assistance pursuant to Section 300.600 of Title 34 of the Code of Federal Regulations to ensure that the agreement is written in compliance with all applicable federal law concerning delivery of services to handicapped children.		
6100-161-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children		140,157,000
Schedule:		
(a) 10.60.050.010-PL 94-142, local entitlements	97,239,000	
(b) 10.60.050.020-PL 94-142, direct and indirect instructional services approved in the State Plan	13,381,000	
(c) 10.60.050.030-P.L. 99-457, Preschool Grant Program	25,000,000	
(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	
(f) 10.60.050.050-P.L. 98-199, Removal of Architectural Barriers	3,640,000	

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Provisions:	
1. If the funds for Part B of the Education for All Handicapped Act that are actually received by the state exceed $117,097,000, at least 95 percent of the funds received in excess of $117,097,000 shall be allocated for local entitlements. Five percent (5%) of the amount received in excess of $117,097,000 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.	
3. Of the funds appropriated 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 through age 21.	
6. Of the funds appropriated in this item for direct and indirect instructional services, $1,000,000 is available for the Transition Program.	
7. The funds appropriated in category (c) shall not be expended unless and until Assembly Bill No. 2666 of the 1987–88 Regular Session is chaptered.	
6100-162-001—For local assistance, Department of Education, Program 10.60.060—Alternatives to Special Education	640,000
Schedule:	
(a) 10.60.060 Early Intervention for School Success 430,000	
(b) 10.60.060 Pilot Project—Hyperactivity 210,000	
6100-166-001—For local assistance, Department of Education, Program 10.70 Vocational Education	5,200,000

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	Schedule:	
	(a) 10.70-Vocational Education	20,444,000
	(b) Reimbursements	−15,244,000
	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.	
	5. Notwithstanding any other provision of law, of the funds appropriated in this item, $4,600,000 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 participants pursuant to Education Code Section 33117.5.	
	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 participants.	
	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	63,215,000

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Provisions:	
1. Of the funds appropriated in this item, $28,477,000 of the 1987–88 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.	
2. The State Board of Education and the Board of Governors of the California Community Colleges shall develop policies to target funds appropriated by this item to provide services to Greater Avenues for Independence (GAIN) participants.	
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	3,000,000
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, except that in items of expenditure classification 4000, only the total cost of expenses shall be required and itemization shall not be required; and (2) the district shall provide at least 50 percent of the cost of the items and costs from expenditure classification 4000, as identified in its application, from other funding sources. The Superintendent of Public Instruction shall utilize appropriate accounting procedures, rules, and regulations to ensure compliance with this requirement. 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.	
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	(20,136,000)

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Provisions:	
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	18,677,000
6100-181-001—For local assistance, Department of Education, for Educational Technology, Program 20.10.025—Technology Education	26,155,000
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 $338,000 from the funds specified in this item, 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 1987–88 fiscal year, the Institute for Computer Technology shall receive state funding for no more than 100 average daily attendance.	
3. An amount not to exceed $50,000 of the amount specified in Provision 1 for the Institute of Computer Technology may be utilized to disseminate curriculum developed pursuant to Chapter 1516 of the Statutes of 1985.	
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	177,000
Provisions:	
1. Of the funds appropriated in this item, $177,000 shall be expended by the Superintendent of Public Instruction to conduct the third year of a pilot program for drug and alcohol abuse prevention.	

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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

Provisions:

1. Notwithstanding the provisions of Vehicle Code Section 1660.8, $250,000 shall be appropriated to the Department of Education for the Drug and Alcohol Abuse Prevention Pilot Program prior to abolishment of the First Offender Program Evaluation Fund and the transfer of remaining moneys to the General Fund.

6100-186-001—For local assistance, Department of Education, Program 20.20.020.001—Instructional Materials Management and Distribution—Grades K–8 73,393,000

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 1987–88 fiscal year for the purchase of instructional materials for Kindergarten through grade 8, 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, and the remaining balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1988.
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.

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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 1987–88 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 of single payments to eligible school districts not later than September 15, 1987.

6100-187-001—For local assistance, Department of Education, Program 20.20.020.002—Instructional Materials Management and Distribution—Grades 9–12 22,418,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to the State Instructional Materials Fund, for allocation during the 1987–88 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, 1988.

Item		Amount
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 shall be the maximum amount allocated for the purpose of Section 60247 of the Education Code.		
6. In the 1987–88 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 of single payments to eligible school districts not later than September 15, 1987.		
6100-191-001—For local assistance, Department of Education, Program 20.60—Staff Development		88,522,000
Schedule:		
(a) 20.60.010.001-Administrator Training and Evaluation Program	4,202,000	
(b) 20.60.050.001-Mentor Teacher Program	49,750,000	
(c) 20.60.060.001-School Personnel Staff Development	3,645,000	
(d) 20.60.060.002-Teacher Instructional Improvement Grants	16,000,000	
(e) 20.60.070-Bilingual Teacher Training	842,000	
(f) 20.60.090-Teacher Education and Computer Centers	12,586,000	
(g) 20.60.120-California International Studies	480,000	
(h) 20.60.130-School Business Office Training	250,000	

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(i)	20.60.140-Teacher Improvement....	542,000
(j)	20.60.110-Reader Service for Blind Teachers (for transfer to Reader Employment Fund)	100,000
(k)	20.60.150-Regional Science Resource Centers	100,000
(*l*)	20.60.160.001-Statewide Resource Allocation Information	25,000

Provisions:

1. With the exception of categories (h), (i), and (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 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—Local Staff Development Programs (commencing with Section 44670) of Chapter 3.1 of Part 25, Chapter 1.5—School Business Personnel Staff Development Training Program (commencing with Section 41100) of Part 24 of the Education Code, Article 4—Bilingual Teacher Training Assistance Program (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code, Article 3—Administrator Training and Evaluation (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code, Chapter 3.7—California International Studies Project (commencing with Section 44780) of Part 25 of the Education Code, Article 4—California Mentor Teacher Program (commencing with Section 44490) of Chapter 3 of Part 25 of the Education Code, Chapter 3.3—Classroom Teacher Instructional Improvement Program (commencing with Section 44700) of Part 25 of the Education Code, Article 2—Local Staff Development and Teacher Education and Computer Centers (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.

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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—Administrator Training and Evaluation (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—California Mentor Teacher Program (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 California 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, $50,000 shall be used to study the cost-effectiveness and characteristics of the different types of state and school district bilingual teacher training programs and, based on the findings, to develop alternative strategies for training teachers on bilingual waiver. The superintendent shall submit the report to the Legislature on or before December 1, 1988. The amount remaining shall be the maximum amount allocated for the purposes of Chapter 3.3—Classroom Teacher Instructional Improvement Program (commencing with Section 44700) of Part 25 of the Education Code.

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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—Local Staff Development and Teacher Education Computer Centers (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 (h) 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—School Business Personnel Staff Development Training Program (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 category (g) of this item shall be the maximum amount allocated for the purposes of Chapter 3.7—California International Studies Project (commencing with Section 44780) of Part 25 of the Education Code.

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10. Notwithstanding any other provision of law to the contrary the amount appropriated in category (i) 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.			
11. The amount appropriated in Schedule (k) shall be available for a grant to the Exploratorium in San Francisco for exhibit-based teacher training.			
12. The amount appropriated in Schedule (l) shall be for transfer to Item 6100-001-001 for the State Department of Education to produce comprehensive financial information on all school districts in the state.			
6100-196-001—For local assistance, Department of Education			315,235,000
Schedule:			
(a) 30.10.010-Preschool		35,817,000	
(b) 30.10.020-Child Care Services		281,923,000	
(1) 30.10.020.001-General child development programs	200,418,000		
(2) 30.10.020.002-Campus children's centers	6,205,000		
(3) 30.10.020.003-High-school-age parenting and infant development	6,668,000		
(4) 30.10.020.004-Migrant day care	7,037,000		
(5) 30.10.020.005-Special allowances for rent	424,000		
(6) 30.10.020.006-Special allowances for handicapped	711,000		
(7) 30.10.020.007-Alternative payment program	31,946,000		
(8) 30.10.020.008-Resource and referral	7,335,000		

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(9) 30.10.020.009-Campus child care tax bailout	4,026,000	
(10) 30.10.020.010-Protective services	1,027,000	
(10.5) 30.10.020.014-Job Training Partnership Act	400,000	
(11) 30.10.020.015-Extended Day Care	15,476,000	
(12) 30.10.020.016-California Child Care Initiative	250,000	
(c) Reimbursements		−2,505,000

Provisions:

1. Funds scheduled in category (b) of this item, 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 subventions, and state aid required to be made avail-

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able 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 Section 2.00 of this act, child development appropriations shall be available in accordance with the provisions of Section 8278 of the Education Code, except that funds remaining unencumbered as of June 30, 1988, shall revert to the General Fund. Further, the Department of Education shall report to the Joint Legislative Budget Committee and the Department of Finance by March 31, 1988, the amount of child development funds, by program, which have been determined after audit

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to be unearned. The Department of Education shall report quarterly the settlement of claims payable from unearned contract funds balances by program. Further, the Department of Education shall report quarterly the reencumbrance of unearned contract funds made pursuant to Education Code Section 8278 by program, specifying the purpose and need for each expenditure.

7. For purposes of obtaining federal reimbursement for child care services provided to children of participants in approved employment and training programs, the Department of Social Services shall continue the procedure to collect from each participant information on the number of child care service units used that are eligible for federal financial participation each month. The State Department of Education shall ensure that the child care provider certifies that the information provided by the participants is accurate. Based upon the participant's information provided by the Department of Social Services, the State Department of Education shall submit, by the first day of each quarter, cost data for the quarter preceding the previous quarter to the Department of Social Services and the Department of Finance for use in claiming federal reimbursement.
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 by the end of the fourth week of each quarter the estimated level of child care and development expenditures made by the State Department of Education for the quarter preceding the previous quarter 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 $2,105,000.

A corresponding reduction shall be made in the level of scheduled reimbursements. The director shall report any such augmentation to the

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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 $250,000 in state funds are matched on a one-to-four basis, with private corporations and local governments providing up to $1,000,000.

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 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, 1988, to the GAIN Oversight Committee the existing level of AFDC participation in SDE programs. In addition, the Auditor General shall evaluate

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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.

12. Notwithstanding Section 8278 of the Education Code, up to $64,000 of unearned child development contract funds may be used in the 1987–88 fiscal year on a one-time basis to fund the provision of additional technical assistance to school age community child care agencies. The funds may be used by the Local Assistance Bureau and the Child Development Division of the State Department of Education to provide short-term on-site technical assistance, regional workshops, and informational materials for school age community child care contracting and applicant agencies.

Notwithstanding this one-time expenditure, the State Department of Education shall continue to have ongoing responsibility to provide necessary technical assistance to school age community child care agencies.

13. Notwithstanding any provision of law to the contrary, for each school age community child care program approved for funding, the Superintendent of Public Instruction shall subsidize no more than 50 percent of the total net program costs or 50 percent of the assigned reimbursement rate multiplied by the total units of services provided, whichever is less. The superintendent shall use child days of enrollment as the basis for complying with this provision. This change shall be deemed effective July 1, 1987.
14. Notwithstanding any provision of law to the contrary, the cost of any school age community child care program granted a waiver shall not exceed the regional market rate. For purposes of this provision, the regional market rate means care costing no more than 1.5 market standard deviations above the mean cost of care for that region.
15. The State Department of Education shall de-

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velop rules and regulations governing all programs administered by the Child Development Division. These rules and regulations shall specifically address the conditional status process and the waiver process for all child development programs, especially school-aged child care programs. These rules and regulations shall be prepared in draft form for public hearing by December 1, 1987, and shall be submitted in final form to the Office of Administrative Law by April 1, 1988.

If these rules and regulations are not prepared for public hearing by December 1, 1987, the Department of Finance shall not approve any out-of-state travel requested by the State Department of Education with the sole exception of the superintendent. In addition, the Controller shall not honor any travel claim for out-of-state travel occurring on or after December 2, 1987. This prohibition shall remain in effect until the regulations are prepared in draft form by the State Department of Education.

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 Section 8262 of the Education Code.

6100-201-001—For local assistance, Department of Education, Program 30.20—Child Nutrition 39,432,000

Schedule:

(a) 30.20.010—Child Nutrition..... 39,138,000

(b) 30.20.020—Pregnant/Lactating Minors 294,000

Provisions:

1. Funds appropriated by schedule (a) of this item are for child nutrition programs pursuant to the provisions of Section 41311 of the Education Code; and claims for reimbursement of meals pursuant to this appropriation shall be submitted by school districts not later than September 30, 1988, to be eligible for reimbursement.

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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.	463,610,000
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	12,708,000
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	20,200,000
Provisions:	
1. $200,000 of the amount appropriated by this item is for a cost-of-living adjustment.	

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6100-224-344—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 17857, 42250 and 42250.3 of the Education Code, incentive payments for utilizing alternatives to new construction or year-round schools, payable from the State School Building Lease-Purchase Fund 15,000,000

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 17855 or Section 42250 of the Education Code but not pursuant to both sections.
3. If a district receives state reimbursment 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 the allowances for incentive payments pursuant to Section 42249 of the Education Code for the 1987–88 year but only to the extent that the district incurs costs in 1987–88 specifically attributed to operating schools on a year-round basis, as audited and approved by the State Controller, that exceed claims submitted for state reimbursement and deemed to be allowable costs by the State Controller for such year-round operation pursuant to Sections 17739, 44243.6 and 42249 of the Education Code for the 1987–88 fiscal year. Funds may be distributed during the 1987–88 fiscal year pursuant to this provision. However, the State Controller shall audit and may make adjustments to the funds distributed under this item in future years.
4. Notwithstanding subdivision (b) of Section 42250.3 of the Education Code, a school district that meets all the criteria described in subdivision (a) of Section 42250.3 shall receive, based only on year-round school operation during 1987–88, year-round education incentive payments calculated as follows:

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(a) The school district shall certify the number of pupils in year-round education in excess of the capacity of the school or schools, as determined by State Allocation Board classroom loading standards.	
(b) The Office of Local Assistance shall multiply the number of pupils determined in paragraph (a) by the allowable square footage of new construction for the grade levels of the excess pupils.	
(c) The Office of Local Assistance shall multiply the amount determined in paragraph (b) by the average cost of new construction that would be allowed for schools of that grade level in that locale.	
(d) The State Department of Education shall certify to the State Allocation Board the amount of land that would be necessary for an educationally adequate facility for the number and grade level of pupils determined in paragraph (a) above.	
(e) The Office of Local Assistance shall multiply the amount determined in paragraph (d) above by the cost of land in the area where a new school would be built, if the pupils were not participating in year-round education.	
(f) The Office of Local Assistance shall reduce the value of land in this calculation starting in the year after the state has purchased the land for the new school that would be built, if the pupils were not participating in year-round education. This reduction shall be one-third per year of the value of the land purchased.	
(g) The Office of Local Assistance shall add the amounts determined in paragraphs (c) and (d) and multiply the result by .05.	
(h) The Office of Local Assistance shall divide the amount determined by paragraph (g) by the amount of students enrolled in the facility or facilities used for year-round education.	
(i) The Office of Local Assistance shall determine the factor of excess pupil capacity by dividing the number of pupils determined in (a) above by the pupil capacity as deter-	

Item	Amount
mined by State Allocation Board classroom loading standards.	
(j) The Office of Local Assistance shall divide the factor of excess pupil capacity determined in (i) by .15. The result shall be rounded to the third decimal and shall not exceed 1.000.	
(k) The Office of Local Assistance shall multiply the factor determined in (j) by the amount determined in (h). The Office of Local Assistance shall certify the amount so determined to the State Allocation Board.	
(*l*) The State Allocation Board shall certify to the Superintendent of Public Instruction the amount determined in paragraph (k), not to exceed one hundred twenty-five dollars ($125) per pupil in year-round education facilities.	
5. No funds appropriated from this item or from Item 6100-224-001 of the Budget Act of 1986 shall be provided pursuant to the year-round school incentive program established by Chapter 498 of the Statutes of 1983 to any school district which does not meet the applicable existing eligibility standards to qualify for new construction funding.	
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:	391,143,000
Schedule:	
(a) 10.10—School Apportionments:	

Item		Amount
(1)	10.10.001.001—K–12 District Revenue Limit, for the purpose of paragraph (1) of subdivision (b) of Section 42238 of the Education Code (for transfer to Item 6100-101-001)	291,959,000
(2)	10.10.001.002—K–12 Districts, Necessary Small Schools, for the purpose of subdivision (f) of Section 42238 of the Education Code (for transfer to Item 6100-101-001)	1,589,000
(2.5)	10.10.001.003—Instruction-School apportionments, revenue limits, district transportation	201,000
(3)	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)	1,606,000
(3.3)	10.10.001.005—Instruction-School apportionments, revenue limits, apprentice programs	69,000
(3.5)	10.10.004—Instruction-School apportionments, ROC/P	2,121,000
(4)	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)	5,544,000
(4.3)	10.10.006—Instruction—School apportionments, transportation	2,900,000
(4.5)	10.10.008—Bus replacement	32,000
(5)	10.10.011—Summer School Programs, for the purpose of Section 42239 of the Education Code (for transfer to Item 6100-101-001	1,844,000
(6)	10.10.018—School Apportionments, for the purpose of Sections 42243.6 and 42247 of the Education Code (court-ordered desegregation)	5,551,000

Item		Amount
(7)	10.10.019—School Apportionments, for the purpose of Sections 42247 and 42249 of the Education Code (voluntary desegregation) ..	1,121,000
(7.2)	10.30.040—Other compensatory programs—demonstration program in reading and mathematics	44,000
(7.4)	10.30.050—Instruction—American Indian Education Centers	9,000
(7.6)	10.30.051—Native American Indian Education	4,000
(7.8)	10.30.070—Instruction—Economic Impact Aid	1,970,000
(b)	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)	14,001,000
(2)	10.50.010.002—Adults in Correctional Facilities, for the purpose of Section 41841.5 of the Education Code (for transfer to Item 6100-158-001)	115,000
(c)	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)	40,111,000
(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)	863,000
(d)	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 6100-117 001..	1,274,000
(dd)	20.10—Educational Technology and Instructional Support:	

Item		Amount
(1)	20.10.025—Educational Technology	262,000
(2)	20.10.035—Instructional Support —Miller-Unruh	199,000
(e)	20.20.020—Instructional Materials:	
(1)	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)	1,394,000
(2)	20.20.020.002—Instructional materials for grades 9 through 12	224,000
(f)	20.40—Instructional Support:	
(1)	20.40.060—Instructional Support —foster youth	8,000
(2)	20.40.090—Specialized Secondary programs	21,000
(g)	20.60—Staff Development and Counseling:	
(1)	20.60.010.001—Staff development —administrative training and evaluation	42,000
(2)	20.60.020.002—Tenth-grade counseling program	76,000
(h)	20.60—School Improvement and Staff Development:	
(1)	20.60.030—School Improvement Program Grades K–6 (for transfer to Item 6100-116-001)	4,887,000
(2)	20.60.030.002—School Improvement—grades 7 through 12	325,000
(3)	20.60.060.001—Staff development —school personnel	36,000
(4)	20.60.070—Staff development-bilingual teacher training	8,000
(5)	20.60.090—Staff development-teacher education and computer centers	126,000
(6)	International studies centers	5,000
(i)	30.10—Miscellaneous Programs:	
(1)	30.10.010—Special programs—preschool education	910,000

Item	Amount
(2) 30.10.020.001—General child development programs	5,098,000
(3) 30.10.020.002—Campus children's centers	158,000
(4) 30.10.020.003—High-school age parenting and infant development	169,000
(5) 30.10.020.004—Migrant day care	168,000
(6) 30.10.020.005—Special allowances for rent	11,000
(7) 30.10.020.006—Special allowances for handicapped	18,000
(8) 30.10.020.007—Alternative payment program	815,000
(9) 30.10.020.008—Resource and referral	186,000
(10) 30.10.020.009—Campus child care tax bailout	102,000
(11) 30.10.020.010—Protective services	26,000
(12) 30.10.020.015—Extended day care	393,000
(j) 30.20—Child Nutrition (for transfer to Item 6100-201-001):	
(1) 30.20.010—Child Nutrition	1,595,000
(2) 30.20.020–Child Nutrition, Pregnant/Lactating Minors	12,000
(k) 30.40—Urban Impact Aid and Meade Aid:	
(1) 30.40.001.001—Special programs—Urban Impact Aid—unified school districts	665,000
(2) 30.40.001.002—Special programs—Urban Impact Aid—nonunified school districts	97,000
(3) 30.40.002—Meade Aid	104,000
(1) 50.20—Library Services—Statewide Library Support and Development	75,000
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.	

Item Amount

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 and nonspecified 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, 1988:

001—General Fund

(1) Item 6100-119-001(b), Budget Act of 1984, for the purpose of expanding Opportunity Classes and Programs.

(2) Item 6100-191-001(f), Budget Act of 1984, for the purposes of funding the Classroom Teacher Instructional Improvement Program.

(3) The appropriations made by Sections 16 and 17 of Chapter 1131 of the Statutes of 1985.

(4) Chapter 1431 of the Statutes of 1985, for a study on the effectiveness of educational clinics.

(5) Item 6100-011-001, Budget Act of 1986, $740,000 for the purpose of the State Library Automation Project.

(6) Item 6100-146-001, Budget Act of 1986, the unencumbered balance, for the performance of evaluations and dissemination activities for Demonstration Programs in Reading and Mathematics.

(7) Item 6100-183-001, Budget Act of 1986, for the purpose of funding the development of a curriculum, on birth defects for use in grades 6 through 8.

(8) Item 6100-191-001(d), Budget Act of 1986, for the purposes of funding the Classroom Teacher Instructional Improvement Program.

(9) Item 6100-191-001(g), Budget Act of 1986, for the purposes of funding the School Business Office Training Program.

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(10) The appropriation made by Provision 6 of Item 6100-001-001 of the Budget Act of 1986, for purposes of the Special Education Task Force (including costs associated with research).

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 superintendent 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.)

6100-495—Reversion, Department of Education. As of June 30, 1987, 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.

001—General Fund

(1) Chapter 1222, Statutes of 1985, for the purpose of developing model curriculum on the inhumanity of genocide.

(2) Chapter 209, Statutes of 1986, Section 2, for the purpose of reimbursing claims submitted by school districts for costs associated with court-mandated desegregation programs.

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(3) Chapter 1299, Statutes of 1985, Child Care Services.

(4) Notwithstanding any other provision of law, the amount of the reversion in the following schedule shall be the unexpended balance approved by the Director of Finance following the certification by the Superintendent of Public Instruction of the School Apportionment entitlements at the 1986–87 Second Principal Apportionment.

001 General Fund:

(1) Item 6100-101-001(a) through (f), Budget Act of 1986, School Apportionments.

(2) Item 6100-106-001, Budget Act of 1986, School Apportionments for the purposes of Sections 1909, 2553.5, and 2558 of the Education Code.

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 124,215,000

Provisions:

1. Of the amount appropriated above, the State Controller shall transfer an amount sufficient to provide an average purchasing power protection level of 68.2 percent when combined with all other funding sources appropriated for this purpose as certified by the State Teachers' Retirement System. As of June 30, 1988, the State Controller shall revert the unexpended balance of this appropriation to the unappropriated surplus of the General Fund.

6320-001-001—For support of California State Council on Vocational Education 69,000

Schedule:

(a) 10-State Council on Vocational Education 292,000

(b) Amount payable from the Federal Trust Fund (Item 6320-001-890) .. −223,000

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 223,000

Item		Amount
6330-001-890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund		103,000
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		100,000
Provisions:		
1. These funds 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.		
6360-001-407—For support of Commission on Teacher Credentialing, payable from the Teacher Credentials Fund		9,073,000
Schedule:		
(a) 10-Standards for Preparation and Licensing of Teachers	8,621,000	
(b) 10.60.01-Departmental Administration	1,915,000	
(c) 10.60.02-Distributed Departmental Administration	−1,463,000	
6420-001-001—For support of California Postsecondary Education Commission		3,261,000
Schedule:		
(a) 100000-Personal Services	2,602,000	
(b) 300000-Operating Expenses and Equipment	1,123,000	
(c) Reimbursements	−373,000	
(d) Amount payable from the Federal Trust Fund (Item 6420-001-890)	−91,000	
6420-001-890—For support of California Postsecondary Education Commission, to be transferred to Item 6420-001-001, payable from the Federal Trust Fund		91,000
6420-101-890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund		1,083,000
Schedule:		
(a) Grants	1,615,000	
(b) Reimbursements	−532,000	
6440-001-001—For support of University of California		1,803,186,000
Schedule:		
(a) Support	1,784,274,500	
(b) Charles Drew Medical Program	6,213,000	
(c) Podiatry Program	849,000	
(d) Center for Global Peace	550,000	

Item		Amount
(e)	Mathematics, Engineering and Science Achievement (MESA)	1,803,000
(f)	Acquired Immune Deficiency Syndrome (AIDS) Research	9,200,000
(g)	Energy Service Contracts	196,500
(i)	Space Study Standards	100,000

Provisions:

1. The appropriations from these funds are exempt from Section 31 of this act.
2. None of the funds appropriated may be expended to initiate major capital outlay projects by contract 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. $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 policy direction of a committee, to be appointed by the president of the university and to consist of equal numbers of state government, univer-

Item Amount

sity, 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.

8. 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.

9. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the University of California because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolu-

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tion 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
10. Of the funds herein appropriated, $100,000 is available to finance a study conducted by the California Postsecondary Education Commission on space and utilization standards. This study shall provide guidelines for University of California Capital Outlay projects involving classrooms, laboratories, offices and other UC space needs.	
11. Of the amount provided in this item, $500,000 is available only for research on heart disease prevention strategies and alternatives to medication and surgery. The research shall be conducted by a research institute affiliated with the University of California, San Francisco, which shows the most promise for developing innovative and effective treatments to reverse heart disease through life-style changes. These funds shall be allocated by the regents only to the extent that federal or private funds, in excess of those already provided for this purpose, are not received.	
6440-001-036—For support of the University of California, for the clean-up of toxic pits and hazardous waste dumps	2,183,000
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	15,081,000
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.	

Item		Amount
6440-003-001—For support of the University of California, for payment of lease-purchase payments to be allocated upon order of the Director of Finance no sooner than necessary to allow the university to make the required lease-purchase payment		312,000
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		37,988,000
6440-011-001—For support of University of California, for augmentation for employee compensation		49,285,000
Schedule:		
(a) Faculty Compensation Increase ..	23,370,000	
(b) Nonfaculty Compensation Increase	18,000,000	
(c) Other Benefits	7,915,000	
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 employee of the University of California whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided commencing January 1, 1988, by the Regents of the University of California. Compensation Increase funds shall be for an average 6.0 percent salary increase for nonfaculty employees and for an average 5.7 percent salary increase for faculty employees commencing January 1, 1988.		
2. Amounts proposed for employee compensation increases constitute the total increase in compensation as specified above for employees of the University of California for the 1987–88 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.		

Item		Amount
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 1987–88 fiscal years		7,425,000
Provisions:		
1. It is the intent of the Legislature that up to an additional $5,000,000 be appropriated in the 1987–88 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 1987–88 fiscal year.		
6440-301-036—For Capital Outlay, University of California, payable from the Special Account for Capital Outlay in the General Fund, for purchase of equipment items that have a useful life of less than 10 years as determined by the methodology used for establishing replacement equipment needs in the support budget		1,629,000
Schedule:		
Los Angeles Campus:		
(1) 99.04.005-Equip law school addition and related alterations	417,000	
San Diego Campus:		
(2) 99.06.005-Equip engineering building unit 1	1,104,000	
Santa Barbara Campus:		
(3) 99.08.010-Equip biotechnology seawater laboratory	93,000	
Agriculture and Natural Resources:		
(4) 99.10.005-Equip Kearney Agricultural Center development	15,000	
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 Government Code Section 15820, et seq.		56,979,000
Schedule:		
Davis Campus Health Sciences:		
(1) 99.03.225.870-Purchase UCDMC digital electronic telephone system	1,750,000	
Irvine Campus:		

Item		Amount
(2) 99.09.045.870-Working drawings and construct biological sciences unit 2	40,792,000	
Irvine Campus Health Sciences:		
(3) 99.09.220.870-Construct UCIMC cancer center module	9,247,000	
San Diego Campus Health Sciences:		
(4) 99.06.205.870-Working drawings and partial construction, UCSDMC inpatient tower completion and modernization	5,190,000	
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.		
6440-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of University of California library facilities pursuant to Government Code Section 15820.30 et seq. and for the construction of University of California instructional facilities pursuant to Government Code Section 15820.50 et seq.		31,563,000
Schedule:		
Davis Campus:		
(1) 99.03.020.870-Construct Shields Library expansion	23,743,000	
San Diego Campus:		
(2) 99.06.040.870-Construct Graduate School of International Relations and Pacific Studies	7,820,000	
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.		
6440-301-782—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund		50,200,000

Item		Amount
Schedule:		
Universitywide:		
(1) 99.00.005.870-Minor capital outlay		5,424,000
(2) 99.00.020.870-Preliminary plans and working drawings for the Northern Regional Library Facility, phase 2		628,000
Berkeley Campus:		
(3) 99.01.060.870-Working drawings for the northwest animal facility..		752,000
(4) 99.01.035.870-Working drawings and construct seismic safety corrections, Wheeler Hall		1,735,000
(5) 99.01.065.870-Working drawings and construct campus electrical distribution system expansion and renovation, step 2		5,466,000
(6) 99.01.070.870-Preliminary plans and working drawings for seismic safety corrections, California Hall		251,000
Davis Campus:		
(7) 99.03.025.870-Working drawings for Asmundson Hall and Mann Laboratory remodel		230,000
(9) 99.03.070.870-Preliminary plans and working drawings for electrical system modification and expansion		233,000
Davis Campus Health Sciences:		
(10) 99.03.005.870-Annual payment toward the purchase of Sacramento Medical Center		200,000
(10.5) 99.03.200.870-Construct heat recovery incinerator		214,000
Irvine Campus:		
(11) 99.09.050.870-Preliminary plans and working drawings for Physical Sciences Unit 1 renovation		725,000
Los Angeles Campus:		
(12) 99.04.005.870-Equip law school addition and related alterations....		192,000
(13) 99.04.030.870-Working drawings for chemistry and biological sciences addition		1,486,000
Riverside Campus:		
(13.5) 99.05.010.870-Construct hazardous waste facility		130,000

Item	Amount
San Diego Campus:	
(14) 99.06.005.870-Equip engineering building unit 1	2,822,000
(15) 99.06.045.870-Preliminary plans for Central Library addition	880,000
(16) 99.06.050.870-Preliminary plans and working drawings for Urey Hall renovations	118,000
(17) 99.06.055.870-Preliminary plans and working drawings for computer science renovations	84,000
San Francisco Campus:	
(18) 99.02.005.870-Construct campus library	22,600,000
(19) 99.02.030.870-Construct SFGH animal care facility improvements	646,000
Santa Barbara Campus:	
(20) 99.08.010.870-Equip biotechnology seawater laboratory	834,000
(21) 99.08.030.870-Preliminary plans for physical sciences building	800,000
(22) 99.08.035.870-Preliminary plans for animal care facility improvements	70,000
Santa Cruz Campus:	
(23) 99.07.020.870-Preliminary plans and working drawings for the science library	847,000
(24) 99.07.025.870-Preliminary plans and working drawings for natural sciences alterations	840,000
(25) 99.07.030.870-Preliminary plans and working drawings for College Eight academic unit	303,000
(26) 99.07.035.870-Working drawings and construct Mt. Hamilton Observatory seismic corrections	1,475,000
Agriculture and Natural Resources:	
(27) 99.10.005.870-Equip Kearney Agricultural Center development	215,000
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 1987–88 and 1988–89 fiscal years.	

Item Amount

2. The University of California shall obtain air samples of all spaces included in category (1) that are scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that upon completion of the project, the air-borne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower.

6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balance, as of June 30, 1987, of the appropriation made in Item 6440-001-001 of the Budget Act of 1986, is hereby reappropriated for replacement of instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance until June 30, 1988.

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, 1987, of Item 6440-001-001 of the Budget Act of 1986, by September 30, 1987, and the expenditures made pursuant to this item by September 30, 1988.

6440-491—Reappropriation, University of California. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated on the effective date of this act for the purposes provided for in the appropriations, and shall be available for expenditure until June 30, 1988.

525—High Technology Education Revenue Bond Fund

Item 6440-301-525, Budget Act of 1986.

Berkeley Campus:

(1) 99.01.005-Construct genetics and plant biology building

Irvine Campus:

(2) 99.09.020-Working drawings and construct physical sciences unit 2

Santa Barbara Campus:

(7) 99.08.010-Construct biotechnology seawater laboratory

Item	Amount
Santa Cruz Campus:	
(8) 99.07.010-Working drawings and construct natural sciences unit 3	
782—Higher Education Capital Outlay Bond Fund Item 6440-301-782, Budget Act of 1986.	
Universitywide:	
(1) 90.00.005-Minor capital outlay	
(2) 90.00.010-Programming and preliminary plans	
Berkeley Campus:	
(3) 99.01.025-Construction and equip Etcheverry Hall alterations	
(4) 99.01.035-Preliminary plans and working drawings, seismic safety corrections, Wheeler Hall	
(5) 99.01.040-Construction, seismic safety corrections, South Hall	
(6) 99.01.045-Construction, campus electrical system, step 1	
(7) 99.01.055-Equip life sciences building addition	
(8) 99.01.060-Preliminary plans, Northwest Animal Facility	
Davis Campus:	
(9) 99.03.020-Working drawings, Shields Library alterations and expansion	
(9.1) 99.03.065-Working drawings and construct chlorination/dechlorination facility	
Davis Health Sciences:	
(10) 99.03.200-Preliminary plans, working drawings and construction, heat recovery incinerator, UCD Medical Center	
(11) 99.03.205-Construct emergency department remodel, UCD Medical Center	
(12) 99.03.210-Construct energy conservation improvements, UCD Medical Center	
(13) 99.03.215-Purchase duplication equipment, UCD Medical Center	
(14) 99.03.220-Construct ambulatory surgery unit expansion, UCD Medical Center	
(15) 99.03.225-Purchase and install digital electronic telephone system, UCD Medical Center	
Irvine Campus:	
(16) 99.09.015-Equip engineering laboratory	
(17) 99.09.040-Working drawings and construct central plant chiller expansion, step 1	
(18) 99.09.045-Preliminary plans, biological sciences, unit 2	

Item	Amount
(19) 99.09.055-Working drawings and construct campus primary electrical expansion	
Irvine Campus Health Sciences:	
(20) 99.09.200-Working drawings and construct diagnostic services module expansion, UCI Medical Center	
(21) 99.09.205-Construct and equip pathology laboratory consolidation, UCI Medical Center	
(22) 99.09.210-Working drawings and construct energy conservation programs, UCI Medical Center	
(23) 99.09.215-Working drawings, construct and equip outpatient services facility, UCI Medical Center	
(24) 99.09.220-Preliminary plans and working drawings, cancer center module, UCI Medical Center	
(25) 99.09.225-Preliminary plans and working drawings, psychiatric inpatient facility, UCI Medical Center	
Los Angeles Campus:	
(26) 99.04.005-Construct law school addition and related alterations	
(27) 99.04.030-Preliminary plans, chemistry and biological sciences addition	
Riverside Campus:	
(29) 99.05.005-Construct replacement of greenhouses 1–5	
(30) 99.05.010-Construct and equip hazardous waste facility	
San Diego Campus:	
(31) 99.06.015-Working drawings and construct instruction and research facility	
(32) 99.06.025-Construct Urey Hall air handling system improvements	
(33) 99.06.035-Equip engineering building, unit 1	
(34) 99.06.040-Preliminary plans and working drawings, Graduate School of International Relations and Pacific Studies	
San Diego Health Sciences:	
(35) 99.06.200-Preliminary plans, working drawings and construct multipurpose administrative facility, UCSD Medical Center	
(36) 99.06.205-Preliminary plans and working drawings, inpatient tower completion and modernization, UCSD Medical Center	

Item	Amount
San Francisco Campus:	
(37) 99.02.005-Working drawings, campus library	
(38) 99.02.030-Preliminary plans and working drawings, SFGH animal care facility improvements	
Agriculture and Natural Resources:	
(39) 99.10.005-Construct Kearney Agricultural Center development	
Provisions:	
1. Prior to the release of construction funds appropriated by Item 6440-301-782 (25) of the Budget Act of 1986, for the psychiatric inpatient facility at Irvine, the University of California shall certify that the proposed improvements will meet all licensing requirements for the number of beds to be licensed in each category.	
6440-495—Reversion, University of California: On June 30, 1988, notwithstanding any other provision of law, $234,000 of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made.	
782—Higher Education Capital Outlay Bond Fund: Budget Act of 1986, Item 6440-301-782 (12); 99.03.210-Construct Energy Conservation Improvements, UCD Medical Center.	
6600-001-001—For support of Hastings College of the Law	10,776,000
Provisions:	
1. The appropriations from these funds are exempt from Section 31.00 of this act.	
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	151,000
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.	

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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 516,000

6600-011-001—For support of Hastings College of the Law, for augmentation for employee compensation 331,000

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 and non-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 commencing January 1, 1988, by the Directors of Hastings College of the Law. Compensation increase funds shall be for an average 6.0 percent salary increase for nonfaculty employees and for an average 5.7 percent salary increase for faculty employees commencing January 1, 1988.
2. Amounts proposed for employee compensation increases constitute the total increase in compensation as specified above for academic and non-academic employees of Hastings College of the Law for the 1987–88 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.

6600-490—Reappropriation, Hastings College of the Law. Notwithstanding any other provision of law, the unencumbered balance, as of June 30, 1987, of the appropriation made in Item 6600-001-001 of the Budget Act of 1986, is hereby reappropriated for instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance until June 30, 1988.

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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, 1987, of Item 6600-001-001 of the Budget Act of 1986, by September 30, 1987, and the expenditures made pursuant to this item by September 30, 1988.		
6610-001-001—For support of Trustees of the California State University and the California State University		1,379,719,000
Schedule:		
(a) 01-Instruction	988,405,000	
(b) 03-Public Service	1,191,000	
(c) 04-Academic Support	182,697,000	
(d) 05-Student Service	130,964,000	
(e) 06-Institutional Support	350,287,000	
(f) 07-Independent Operations	64,514,000	
(g) 11-Provisions for Allocation	−15,102,000	
(h) Reimbursements	−31,250,000	
(i) Amounts payable from the General Fund (Item 6610-010-001)	−291,987,000	
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 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.		

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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 1987–88 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 6610-021-001 or Item 6610-301-660 or Item 6610-310-782 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 enrollment 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

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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 Legislative Budget Committee, and the financial necessity of any such exception shall be identified.

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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, $100,000 is available to finance a study conducted by the California Postsecondary Education Commission on space and utilization standards. This study shall provide guidelines for CSU Capital Outlay projects involving classrooms, laboratories, offices and other CSU space needs.
8. (a) Of the funds appropriated in this item to the California State University, not more than $140,781,000, plus corresponding compensation increases from Item 6610-031-001, may be expended for personal services for administrator classes (management personnel plan).
   (b) The chancellor shall report to the Joint Legislative Budget Committee on or before October 1, 1988, on the actual expenditures incurred pursuant to subdivision (a).
   (c) In meeting unspecified reductions in its appropriation, the California State University shall reduce the funds identified in subdivision (a) by an amount equal to the percentage reduction required for this item.
9. Of the funds appropriated by this item, $500,000 shall be used by the Trustees of the California State University to implement a joint research project between California State University at Fresno and Ben-Gurion University of the Negev in Israel. The project includes research into water quality and agricultural management. These funds shall be allocated to the extent that the trustees receive a matching amount of $500,000 from federal or private sources.
10. Of the funds appropriated in this item, $222,000 shall be available for six positions for program planning on the proposed San Diego Off-Campus Center. These funds shall be released by the Department of Finance only after the California Postsecondary Education Commission has approved all of the following: (1) enrollment projections, (2) an academic master plan

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including a program description and justification, and (3) a plan for access and services for disadvantaged students.	
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	(27,022,000)
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, payable from the Federal Trust Fund	81,420,000
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	291,987,000
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.	

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6610-021-001—For support of Trustees of the California State University, and the California State University, in addition to and in augmentation of Item 6610-001-001, Program 06, 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, 1989.		
6610-031-001—For support of Trustees of the California State University and the California State University, for augmentation for employee compensation		75,889,000
Schedule:		
(a) 97.20-Faculty Compensation Increase	53,979,000	
(b) 97.20-Nonfaculty Compensation Increase	17,476,000	
(c) 97.20-Other Benefits	4,434,000	
Provisions:		
1. The funds herein appropriated are for compensation increases, increases in benefits related thereto, and other benefits, 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 state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided by the Trustees of the California State University. Nonfaculty compensation increase funds shall be for an average 6.0 percent salary increase commencing January 1, 1988, and faculty compensation increase funds shall be for an average 6.9 percent salary increase commencing July 1, 1987.		

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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.		
4. Of the amount appropriated in category (b) of this item, $1,132,000 is available for equity adjustments for Skilled Trades Unit No. 6.		
6610-301-036—For Capital Outlay, Trustees of the California State University, payable from the Special Account for Capital Outlay in the General Fund, for purchase of equipment items that have a useful life of less than 10 years as determined by the methodology used for establishing replacement equipment needs in the support budget		2,174,000
Schedule:		
California State University, Fresno		
(1) 06.56.076-Equipment, Business Building	867,000	
Humboldt State University:		
(2) 06.67.070-Equipment, remodel Science Building	28,000	
California State University, Long Beach:		
(3) 06.71.086-Equipment, Engineering/Computer Science Math Labs	857,000	
California State University, Los Angeles:		
(4) 06.73.080-Equipment, remodel Fine Arts Building	15,000	
San Diego State University:		
(5) 06.80.105-Equipment, Life Science Building rehabilitation	81,000	
San Francisco State University:		
(6) 06.84.059-Equipment, Faculty Office addition to Science Building	2,000	
California Polytechnic State University, San Luis Obispo:		
(7) 06.96.093-Equipment, Agriculture Science Building	324,000	

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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 Government Code Section 15820.30 et seq.		36,808,000
Schedule:		
California State University—Long Beach:		
(1) 06.71.081—Working drawings and construction North Campus Library Addition	4,998,000	
California State University, Northridge:		
(2) 06.82.052 Construction, Library II	14,919,000	
California State University, Sacramento:		
(3) 06.76.058 Working Drawings and Construction, Library II	16,891,000	
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.		
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		67,180,000
Schedule:		
Systemwide—Trustees of the California State University:		
(1) 06.48.313-Statewide, Preliminary planning for selected 1988–89 projects	250,000	
(2) 06.48.314-Statewide, architectural services	200,000	
(3) 06.48.322-Land Aquisition—North San Diego and Ventura Off-Campus Centers	19,000,000	
(4) 06.48.323-Master Planning—North San Diego Off-Campus Center	200,000	
(5) 06.48.330-Preliminary plans and working drawings, Contra Costa Off-Campus Center infrastructure and landscape/initial multi-purpose facility	491,000	

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(6) 06.48.315-Statewide, minor Capital Outlay, preliminary planning, working drawings, construction, and equipment	4,546,000
(7) 06.48.317-Statewide—asbestos abatement, preliminary planning, working drawings and construction	6,000,000
(8) 06.48.318-Minor projects—energy conservation retrofits, preliminary planning, working drawings, construction and equipment	1,000,000
(9) 06.48.321-Statewide—feasibility studies for energy retrofits, study	120,000
California State University, Chico:	
(10) 06.52.089-Working drawings and construction, renovate Ayres Hall	1,641,000
(11) 06.52.091-Equipment, complete unfinished space in library	202,000
(12) 06.52.093-Preliminary planning and working drawings, Plumas Hall addition	526,000
(13) 06.52.094-Preliminary planning, O'Connell Technology Center	185,000
California State University, Dominguez Hills:	
(14) 06.54.001-Construction, storm drainage	389,000
California State University, Fresno:	
(15) 06.56.076-Equipment, Business Building	133,000
(16) 06.56.077 Preliminary planning, engineering East addition	163,000
(17) 06.56.078-Preliminary planning, remodel Speech Arts Building	62,000
(18) 06.56.079-Preliminary Planning, University Farm Laboratory	133,000
California State University, Fullerton:	
(19) 06.62.069-Preliminary planning, Science Building addition and renovation phase I	387,000
Humboldt State University:	
(20) 06.67.082-Working drawings and construction, Student and Business Services Building	5,946,000
(22) 06.67.070-Equipment, remodel Science Building	107,000

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(23) 06.67.085-Preliminary planning, working drawings, and construction, engineering/Biological Science Building retrofit	1,365,000
California State University, Long Beach:	
(24) 06.71.086-Equipment, Engineering/Computer Science/Math Labs	2,160,000
(25) 06.71.089-Working drawings and construction, renovate Chemistry Laboratories, Phase II	3,609,000
(26) 06.71.091-Preliminary planning and working drawings School of Business	620,000
California State University, Los Angeles:	
(27) 06.73.080-Equipment, remodel Fine Arts Building	75,000
(28) 06.73.077-Working drawings, Arts Complex	400,000
California State Polytechnic University, Pomona:	
(29) 06.98.091-Preliminary planning, Classrooms/Laboratories/Administration Building, Phase I	440,000
California State University, Sacramento:	
(30) 06.76.083-Preliminary planning and working drawings, Classroom Building	565,000
California State College, San Bernardino:	
(31) 06.78.068-Preliminary planning and working drawings, Classroom/Faculty Office/Student Services Building	861,000
San Diego State University:	
(32) 06.80.108-Construction, Women's Gymnasium rehabilitation	2,923,000
(33) 06.80.105-Equipment, Life Science Building rehabilitation	148,000
(34) 06.80.109-Preliminary planning and working drawings, Chemistry/Geology Building renovation and addition—chilled water system expansion	671,000
(35) 06.80.110-Preliminary planning, classroom/Student Services Building Phase II	260,000

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San Francisco State University:		
(36) 06.84.085-Working drawings, remodel Arts and Industry and addition		391,000
(37) 06.84.059-Equipment, Faculty Office addition to Science Building		13,000
San Jose State University:		
(38) 06.86.078-Construction, renovate Old Science Building		5,633,000
(39) 06.86.088-Preliminary planning and working drawings, renovate Dwight Bentel Hall		243,000
(40) 06.86.089-Preliminary planning and working drawings, Central Plant expansion		114,000
California Polytechnic State University, San Luis Obispo:		
(41) 06.96.085-Construction, remodel Engineering East		3,364,000
(42) 06.98.087-Preliminary plans, Dairy Science I, Instructional Center		98,000
(43) 06.96.093-Equipment, Agriculture Science Building		566,000
(44) 06.96.097-Preliminary plans and working drawings, remodel Student Service Building		134,000
(45) 06.96.098-Preliminary planning and working drawings, remodel and addition Business Administration and Education		772,000
(46) 06.96.099-Preliminary planning, Faculty Offices I		74,000

Provisions:

1. 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 1988–89 Governor's Budget, except that a maximum of $120,000 shall be available for expenditure on July 1, 1987, for utility and site development for major capital outlay projects and for development of benefit/cost analyses of planning alternatives for proposed 1989–90 capital outlay projects.
2. Funds appropriated under category (3) of this item shall be available to acquire a site for a

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permanent off-campus center in North San Diego County. The funds for property acquisition may also be used to acquire additional property that could be used to expand the off-campus center for a full-service campus. The California State University shall use the funds appropriated under category (4) to develop a master plan for the off-campus center so that, in the event a full-service campus is not justified at this site, the additional land can be sold with a maximum return to the state and without adversely affecting the operation of the off-campus center.

Within two years of the acquisition of the property for the off-campus center in North San Diego County, the California State University shall submit to the Legislature and the California Postsecondary Education Commission an analysis of the feasibility of establishing a full-service campus at this site. This analysis shall also include the effect that establishment of a full-service campus would have on (1) the other California State University campuses, (2) the University of California campuses, and (3) the California Community Colleges. It is the intent of the Legislature, that, if it is determined that a full-service campus is not to be established in this location, the addional property acquired to accommodate a full-service campus shall be declared surplus and sold.

3. The release of $2,800,000 of the funds in category (7) shall be contingent upon California State University providing a report on asbestos removal to the Legislative Analyst that cites the need for these funds.
4. California State University shall obtain air samples of all spaces included in category (7) that are scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower.

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5. The California Postsecondary Education Commission shall review and approve the Ventura Off-Campus Center and Contra Costa Off-Campus Center projects prior to the release of funds for acquisition.

6610-490—Reappropriation, California State University. Notwithstanding any other provision of law, an amount not in excess of the balance, as reported by the California State University as of June 30, 1987, of the appropriation made in Item 6610-001-001 of the Budget Act of 1986, is hereby reappropriated for replacement of instructional equipment, deferred maintenance and special repair projects, On-Line Public Access Catalog (OLPAC) projects, and for the concurrent enrollment program, and shall be available for encumbrance until June 30, 1989.

Provisions:

1. The California State University shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance, on June 30, 1987, of Item 6610-001-001 of the Budget Act of 1986, by September 30, 1987, and the expenditures made pursuant to this item by September 30, 1988 and September 30, 1989.

6610-491—Reappropriation, California State University. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated on the effective date of this act, for the purposes provided for in the appropriations, and shall be available for expenditure until June 30, 1988.

660-Public Buildings Construction Fund, Item 6610-301-660, Budget Act of 1986:

California State University-Chico:

(3) 06.52.091-construct unfinished space in library

782-Higher Education Capital Outlay Bond Fund, Item 6610-301-782, Budget Act of 1986.

Systemwide-Trustees of the California State University:

(1) 06.48.313-Statewide, preliminary planning for selected 1987–88 projects
(2) 06.48.314-Statewide, architectural services
(3) 06.48.315-Statewide, preliminary planning, working drawings, construction and equipment for minor capital outlay

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California State University, Bakersfield:	
(6) 06.50.047-Construct Gymnasium	
California State University, Chico:	
(7) 06.52.089-Working drawings for renovating Ayers Hall	
California State University, Dominguez Hills:	
(8) 06.54.001-Working drawings for storm drainage	
California State University, Fullerton:	
(9) 06.62.066-Working drawings, Engineering Building addition	
(10) 06.62.066-Construct Engineering Building addition	
California State University, Humboldt:	
(11) 06.67.084-Working drawings, Founders Hall renovation	
California State University, Long Beach:	
(12) 06.71.081-Working drawings, library addition, North Campus	
(13) 06.71.089-Construct, renovate Chemistry Labs	
California State University, Los Angeles	
(13.1) 06.73.077-Preliminary plans, Arts Complex	
(14) 06.73.080-Construct, remodel Fine Arts Building	
California State University, Sacramento:	
(15) 06.76.058-Working drawings, Library II	
(16) 06.76.075-Working drawings, Engineering/Computer Sciences addition	
(17) 06.76.075-Construct Engineering/Computer Sciences addition	
California State University, San Bernardino:	
(18) 06.78.067-Equip Faculty Office Building	
San Diego State University:	
(19) 06.80.058-Equip Physical Sciences Building, rehabilitation	
(20) 06.80.102-Construct Classroom/Faculty/Student Services Building	
(21) 06.80.105-Construct Life Science Building, rehabilitation	
(22) 06.80.108-Working drawings, Women's Gymnasium rehabilitation	
(23) 06.80.136-Construct Elevator for physically handicapped	
California State University, Northridge:	
(24) 06.82.056-Working drawings, Library II	

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(25) 06.82.057-Construct science addition and remodel		
San Francisco State University:		
(26) 06.84.059-Working drawings and construction, Faculty Offices		
(27) 06.84.085-Preliminary plans, remodel and addition, arts and industry addition, Arts and Industry Building		
San Jose State University:		
(28) 06.86.078-Working drawings, renovate Old Science Building		
Sonoma State University:		
(29) 06.90.055-Working drawings and construct Theatre Arts Building		
California State University, Stanislaus:		
(30) 06.92.050-Working drawings, and construct Library II		
California Polytechnic State University, San Luis Obispo:		
(31) 06.96.085-Preliminary plans and working drawings, remodel Engineering East		
(32) 06.96.087-Preliminary plans, Dairy Science Buildings		
California State Polytechnic University, Pomona:		
(33) 06.98.089-Construct Library addition		
(34) 06.98.090-Construct Music/Office Building		
6860-001-001—For support of California Maritime Academy		6,103,000
Schedule:		
(a) 10-Instruction	3,542,000	
(b) 20-Academic Support	1,867,000	
(c) 30-Student Services	3,345,000	
(d) 40.01-Administration	2,993,000	
(e) 40.02-Distributed Administration	−2,993,000	
(f) Reimbursements	−2,180,000	
(g) Amount payable from the California Maritime Academy Continuing Education Revenue Fund (Item 6860-001-519)	−40,000	
(h) Amount payable from the Federal Trust Fund (Item 6860-001-890)	−401,000	
(i) Amount payable from California Maritime Academy Trust Fund, pursuant to Section 70038 of the Education Code	−30,000	

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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.	
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	40,000
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	(41,000)
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 1987–88 for the purchase of fuel oil.	
6860-490—Reappropriation, California Maritime Academy. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated on the effective date of this act for the purpose provided for in the appropriation, and shall be available for expenditure until June 30, 1988:	
782—Higher Education Capital Outlay Bond Fund Item 6860-301-782, Budget Act of 1986.	
(1) 70.68.005-Minor Projects	
6870-001-001—For support of Board of Governors of the California Community Colleges	8,689,000
Schedule:	
(a) 10-Apportionments 1,612,000	

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(b)	20-Special Services and Operations	8,228,000
(c)	30.01-Administration	4,561,000
(d)	30.02-Administration—Distributed	−3,661,000
(e)	Reimbursements	−2,051,000

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 $128,000 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.
4. Notwithstanding any other provision of law, of the amount appropriated for financial aid for the period July 1, 1987, to January 1, 1988, 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.

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5. Upon certification by the chancellor, the Controller shall transfer up to $55,000 from the amount appropriated in category (a) of Item 6870-101-001 to this item for the purpose of monitoring the compliance of community college districts with affirmative action laws and regulations. Funds transferred pursuant to this provision shall not be considered in the calculation of any apportionment deficit.		
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		712,000
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.		
6870-101-001—For local assistance, Board of Governors of the California Community Colleges		1,291,787,000
Schedule:		
(a) 10-Apportionments	1,185,089,000	
(b) 20.10.010-Community College Extended Opportunity Programs and Services	34,515,000	
(c) 20.10.020-Disabled Students	27,804,000	
(d) 20.10.050-Transfer Centers	1,818,000	
(e) 20.10.060-Foster Parent Training	900,000	
(f) 20.10.070-Matriculation	20,900,000	
(g) 20.20.020-Partial Financing of the Academic Senate for the Community Colleges	110,000	
(h) 20.30.020-Instructional Improvement, for Transfer to the Community College Fund for Instructional Improvement	536,000	
(i) 20.30.030-Vocational Education Special Projects	4,526,000	
(j) 20.30.035-Vocational education allocations	27,574,000	

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(k)	20.30.037-Transfer Education and Articulation	65,000
(*l*)	20.40.020-Deferred maintenance	15,000,000
(m)	20.40.040-Hazardous Substances	5,000,000
(n)	Reimbursements	−32,050,000

Provisions:

1. The funds appropriated in Schedule (a) are for transfer by the State Controller during the 1987–88 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 1987–88 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) Of the amount appropriated in Schedule (a), up to $7,479,000 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.

   (b) The chancellor shall report to the Department of Finance and the Legislature no later than December 1, 1987, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprenticeship program during the 1986–87 fiscal year, with information to be provided by community college district, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs, funded for community college districts and program sponsors. In addition, the report shall identify the hours of related

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and supplemental instruction proposed for the 1987–88 fiscal year by community college district, program sponsor, and trade. As a condition of receiving funds for the apprenticeship program, districts shall report to the chancellor's office the information necessary for the completion of this report.

3. Of the amount in Schedule (a), up to $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.
4. 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 1987–88 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.
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 1988–89 apportionments, as prescribed in Section 84701 of the Education Code. The additional ADA generated 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.
6. The funds appropriated in Schedule (b) are for transfer by the State Controller during the 1987–88 fiscal year to Section B of the State School Fund. Of the amount in this schedule, $29,365,000 is for the Extended Opportunity Programs and Services in accordance with the provisions of Article 8 (commencing with Section 69640) of

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Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, $5,000,000 is for the Board Financial Aid Program, and $150,000 is for the Puente Project. 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.

7. 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.
8. The funds appropriated in Schedule (c) are for transfer by the State Controller during the 1987–88 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 1987–88 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 amount in Schedule (e) is provided for local assistance in support of the Foster Parent Training program in accordance with the provisions of Chapter 1597, Statutes of 1984.
11. The funds appropriated in Schedule (h) shall be expended only for grants.
12. Of the amount appropriated in Schedule (i), $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.

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13. 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 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.
14. 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.
15. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by category (*l*) shall be available for expenditure until June 30, 1989.
16. 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 (e) of Item 6870-101-001 and $100,000 contained in Item 6870-001-001 of this act.
17. Notwithstanding any other provision of law, the sum of $2,261,000 in Schedule (a) for Equalization II shall be allocated by the chancellor, utilizing the same methodology employed in the allocation of 1986–87 equalization funds that was approved by the Department of Finance and submitted to the Legislature. The chancellor shall notify the Joint Legislative Budget Committee and the Department of Finance of the allocations.

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20. Upon certification of the chancellor, the Controller shall transfer up to $40,000 from the amount appropriated in Schedule (a) of this item to Schedule (g) for increased funding of the Academic Senate. Funds transferred pursuant to this provision shall not be considered in the calculation of any apportionment deficit.

22. The funds appropriated in Schedule (f) are for the purpose of student matriculation, as specified in Chapter 1467, Statutes of 1986. This amount includes $13,800,000 for the initial purchase of data processing equipment and systems development.

23. Of the amount in Schedule (a), $100,000 is available for transfer to Item 6870-001-001, in order to finance a study to be conducted by the California Postsecondary Education Commission on space and utilization standards. This study shall provide guidelines for community college capital outlay projects involving classrooms, laboratories, offices, and other space needs. Funds transferred pursuant to this provision shall not be considered in the calculation of any apportionment deficit.

24. Any community college district which establishes an auxiliary organization pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45 of the Education Code and which operates on property which it does not own or on property which the district has not leased as of July 1, 1987, shall not receive an apportionment under this item unless the Chancellor of the Community Colleges submits a written memorandum to the local district governing board stating that the chancellor's office has made both of the following findings:

    (a) The proposed auxiliary activity conforms with apprenticeship programs approved by the chancellor's office if the activity for students is similar to, or closely allied with, apprenticeship training.

    (b) The proposed auxiliary activity has not displaced noncommunity college district employees unless an agreement to do so has been reached between the local district and representatives of employees in the

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	private sector if a private business is involved.	
25.	A community college district may exceed its average daily attendance (ADA) limit for any ADA generated by students who are enrolled in a remedial mathematics course (if a UC or California State University requirement) conducted by the community college district for students who are concurrently enrolled at UC or at the California State University. ADA which is credited above a district's limit for these specified purposes shall be funded by the state at a rate equal to the current-year rate for noncredit ADA specified in subdivision (d) of Section 84701 of the Education Code or for credit ADA specified in subdivision (e) of Section 84701 of the Education Code, whichever is applicable. Any community college district which receives an apportionment under this provision shall establish a separate categorical account for the receipt of revenues and disbursement of expenditures for the authorized classes.	
26.	Notwithstanding any other provision of law, $11,000,000 of the funds appropriated in Schedule (a) shall be for allocation to community college districts in the 1987–88 fiscal year for the purposes of funding, beyond the statutory ADA growth limit, needs in basic skills and ADA growth in other areas. The chancellor shall develop criteria for allocating funds for instruction in basic skills and other areas. This funding shall be considered as part of the base revenues for community college districts in computing the subsequent year's funding.	
27.	Nothwithstanding subdivision (b) of Section 84701 of the Education Code, for 1987–88 only, the chancellor's office shall use the 1986–87 computational revenues derived pursuant to subdivision (a) of Section 84700 of the Education Code reflecting up to an additional $19,000,000 cost of unfunded 1986–87 ADA for districts' base revenues for 1987–88.	

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28. Pursuant to Section 84661 of the Education Code, which requires districts to match state funds provided for deferred maintenance and also authorizes the Board of Governors to waive this matching requirement, the chancellor shall report to the Joint Legislative Budget Committee by March 1, 1988, on any waivers granted.
29. Of the funds provided in Schedule (b), Program 20.10.010, Community College Extended Opportunity Programs and Services, $150,000 is for the Puente Project, if these funds are matched by $100,000 of private funds and the participating community colleges and University of California campuses maintain their 1986–87 support level for the Puente Project.
30. Notwithstanding any other provision of law, the unexpended balance, as of January 1, 1988, of the funds appropriated in Chapter 1 of the Statutes of 1984, Second Extraordinary Session, for the period July 1, 1987, to January 1, 1988, is reappropriated for the Board Financial Aid Program, and shall be available for expenditure until June 30, 1988.
31. Notwithstanding Section 8154 of the Education Code, $2,695,000 of the funds appropriated in Item 6870-101-001, Schedule (a), of the Budget Act of 1986 for community college apprenticeship programs in the 1986–87 fiscal year shall revert to the General Fund on June 30, 1987.
32. The Los Angeles Community College District shall maintain its nursing programs at the 1986–87 level. This action shall include the reestablishment of a nursing program at Los Angeles City College which shall enroll at least 45 students by the spring semester of the 1987–88 academic year. A total of $2,000,000 shall be withheld from apportionments unless the district complies with the provisions of this section and submits a report to the chancellor on its district reform plan.

    The report shall assess the effect of the district's reform plan on student access and the continued availability of vocational training programs for occupations where there is a shortage of trained workers and where student demand for entry into those training programs

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exceeds available class space.

The chancellor shall review the study to determine whether the proposed plan will cause a decline in student access and whether the district is maintaining its nursing program at current levels. If the chancellor determines that there will be a decline in student access or the district is not maintaining its nursing program, the district will not become eligible for the amount withheld from apportionments pursuant to this item.

The chancellor shall certify to the Director of Finance and the Joint Legislative Budget Committee whether funds should be allocated to the Los Angeles Community College District. The funds shall not be released without the approval of the Chairperson of the Joint Legislative Budget Committee.

33. Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall, in the 1987–88 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 1987–88 retirement benefits as adopted by the Board of Administration of the Public Employees' Retirement System. The total amount of this reduction shall equal $2,931,000 and each district's proportionate share shall be based upon 1986–87 employer contributions to the Public Employees' Retirement System.
34. Notwithstanding any other provision of law, the chancellor shall allocate funds in Schedule (b) for deferred maintenance so that, for every $2.00 of funds allocated from this item, the districts shall provide $1.00 of matching funds.
35. 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 $11,600,000 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

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of revenue adjustments due to declining average daily attendance in the 1985–86 and 1986–87 fiscal years.

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 1988–89 fiscal year.

36. For any apprentice program offered pursuant to Section 8152 or Section 8153 of the Education Code that in 1987–88 is transferred from a community college district to a K–12 school district, the Controller, upon certification by the chancellor and approval of the Director of Finance, shall transfer, prior to certification of the first or second principal apportionments, as appropriate, from Schedule (a) of this item to Schedule (e) of Item 6100-101-001 an amount equal to the number of hours for which the apprentice program received funding in 1986–87 times $3.76. Any transfers authorized pursuant to this provision shall be subject to Section 28.00 of this Act.

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 72,445,000

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.

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 720,000

Provisions:

1. Of the amount appropriated by this item, not more than $536,000 shall be allocated for grants and not more than $184,000 shall be allocated for loans.

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6870-106-001—For local assistance, Board of Governors of the California Community Colleges, unscheduled		15,000,000
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 and for purchase of library materials. The chancellor shall allocate these funds to the districts such that for every $3.00 (three dollars) of funds allocated from this item, the districts shall provide $1.00 (one dollar) of matching funds. The Chancellor may waive the matching requirements for districts which cannot provide the matching funds without financial hardship. The Chancellor shall develop criteria for determining whether compliance with the matching requirement would cause financial hardship to a district.		
6870-301-036—For capital outlay, Board of Governors of the California Community Colleges, payable from the Special Account for Capital Outlay in the General Fund, for purchase of equipment items that have a useful life of less than 10 years as determined by the methodology used for establishing replacement equipment needs in the support budget		311,000
Schedule:		
Glendale Community College District		
Glendale College		
(1) 40.18.104-Equip Child Development Center	27,000	
Grossmont Community College District		
Grossmont College		
(2) 40.19.201-Equip Child Development Center	16,000	
Kern Community College District		
Cerro Coso College		
(3) 40.22.204-Equip Library, Counseling Center, and Student Services	7,000	
(4) 40.22.206-Equip Classroom Addition	6,000	
(5) 40.22.207-Equip Child Care Center	32,000	
Porterville College		
(6) 40.22.301-Equip Nursing and Computer Facilities Remodel	37,000	

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Los Rios Community College District		
American River College		
(7) 40.27.104-Equip Remodel for Learning Resource Center	81,000	
Rancho Santiago Community College District		
Orange Campus		
(8) 40.41.105-Equip Johnson Campus Center Addition	92,000	
Redwoods Community College District		
Mendocino Coast Educational Center		
(9) 40.42.304-Equip Vocational Building	13,000	
6870-301-660—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 community colleges instructional facilities pursuant to Government Code Section 15820.50 et seq.		18,134,000
Schedule:		
Allan Hancock Community College District		
Allan Hancock College		
(1) 40.02.101-Construct Humanities Building	2,286,000	
Coast Community College District		
Orange Coast College		
(2) 40.11.303-Working drawings, construct Biology modification	464,000	
Kern Community College District		
Bakersfield College		
(3) 40.22.101-Working drawings, construct and equip Science Laboratories reconstruction	787,000	
Lake Tahoe Community College District		
Lake Tahoe College		
(4) 40.23.104-Equip permanent building, phase I	765,000	
Los Angeles Community College District		
Los Angeles Mission College		
(5) 40.26.401-Construct Instructional and Administration Building	8,532,000	
Mira Costa Community College District		
San Dieguito Center		
(6) 40.31.205-Equip Permanent Buildings, Phase I	770,000	

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(7) 40.31.204-Equip initial complement of library books	268,000	
Peralta Community College District		
College of Alameda		
(8) 40.40.104-Equip Diesel Laboratory Building	297,000	
(9) San Diego Community College District		
San Diego Miramar College		
(10) 40.47.301-Working drawings, construct instructional center	3,250,000	
(11) Santa Barbara Community College District		
Santa Barbara City College		
(12) 40.53.105-Working drawings, Student Services Center	109,000	
(13) West Hills Community College District		
West Hills College		
(14) 40.67.101-Working drawings, construct and equip Library Addition	606,000	
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.		
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		31,869,000
Schedule:		
Allan Hancock Community College District		
Allan Hancock College		
(1) 40.02.104-Working drawings, Consumer Education Building	53,000	
Cerritos Community College District		
Cerritos College		
(2) 40.07.102-Working drawings, construct and equip Energy Conservation Measures	432,000	

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Coast Community College District	
Golden West College	
(3) 40.11.201-Working drawings, construct and equip removal of architectural barriers	200,000
Glendale Community College District	
Glendale College	
(4) 40.18.104-Working drawings, construct and equip Child Development Center	733,000
(5) 40.18.105-Working drawings, renovation classroom/labs/administration buildings	152,000
Grossmont Community College District	
Cuyamaca College	
(6) 40.19.106-Working drawings, outdoor physical education facility	135,000
Grossmont College	
(7) 40.19.201-Working drawings, construct and equip Child Development Center	491,000
Kern Community College District	
Cerro Coso College	
(8) 40.22.204-Equip and remodel Library Counseling Center and Student Services	36,000
(9) 40.22.206-Working drawings, construct and equip classroom addition	1,193,000
(10) 40.22.207-Working drawings, construct and equip Child Care Center	1,030,000
(11) 40.22.208-Working drawings, multi-use physical education facility	275,000
Porterville College	
(12) 40.22.301-Working drawings, construct and equip, nursing and computer facilities remodel	250,000
Lake Tahoe Community College District	
Lake Tahoe College	
(13) 40.23.106-Working drawings, construct, Site Development, Phase II	673,000
Los Angeles Community College District	
Los Angeles City College	
(14) 40.26.401-Working drawings and construct Music Building HVAC	840,000

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Los Angeles City College, Southwest	
(14.1) 40.26.603-Working drawings, Physical Education Facilities Core	123,000
Los Rios Community College District	
American River College	
(15) 40.27.104-Working drawings, construct and equip remodel for Learning Resource Center	461,000
Cosumnes River College	
(16) 40.27.201-Working drawings, construct and equip removal of architectural barriers to handicapped	176,000
(17) 40.27.202-Working drawings, construct Cafeteria Building	2,047,000
Sacramento City College	
(18) 40.27.303-Working drawings, Performing Arts Addition and Reconstruction	227,000
Mendocino-Lake Community College District	
Mendocino College	
(19) 40.29.110-Working drawings, construct Child Care Facility	545,000
(20) 40.29.111-Working drawings, construct outdoor physical education facility	183,000
(21) 40.29.112-Working drawings, indoor physical education facility, phase I	209,000
Napa Valley Community College District	
Napa Valley College	
(22) 40.35.101-Working drawings, Child Care Facility	101,000
Palomar Community College District	
Palomar College	
(23) 40.38.104-Working drawings, construct and equip remodel seven buildings for space utilization	572,000
Peralta Community College District	
Merritt College	
(24) 40.40.403-Working drawings, construct conversion of existing space	1,259,000
Rancho Santiago Community College District	
Rancho Santiago College	
(25) 40.41.105-Working drawings, construct and equip Johnson Campus Center addition	258,000

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Orange Campus	
(26) 40.41.106-Acquisition site	3,184,000
Redwoods Community College District	
Mendocino Coast Educational Center	
(27) 40.42.304-Working drawings, construct and equip vocational building	644,000
Saddleback Community College District	
Irvine Valley College	
(28) 40.45.108-Working drawings, outdoor physical education facility	139,000
(28.1) 40.45.110-Working drawings, Physical Education Facility, Phase I	173,000
Saddleback College	
(29) 40.45.205-Working drawings, construct Vocational Technology Building	4,352,000
San Bernardino Community College District	
San Bernardino Valley College	
(30) 40.46.201-Working drawings, construct and equip removal of architectural barriers to handicapped	193,000
San Diego Community College District	
San Diego City College	
(31) 40.47.101-Working drawings and construct, remodel existing Life Sciences facility, phase I	205,000
San Diego Mesa College	
(31.5) 40.47.201-Working drawings and construct, asbestos removal	1,015,000
San Francisco Community College District	
City College of San Francisco	
(32) 40.48.101-Working drawings, construct Batmale Hall code compliance	453,000
Santa Barbara Community College District	
Santa Barbara City College	
(33) 40.53.106-Working drawings, Interdisciplinary Center	223,000
Ventura County Community College District	
Moorpark College	
(34) 40.65.101-Working drawings, Occupational Graphic Arts Building	102,000

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Yosemite Community College District	
Columbia College	
(35) 40.70.101-Construct Multi-Purpose Instructional Facilities, Gymnasium	3,785,000
Yuba Community College District	
Woodland Center	
(36) 40.71.301-Working drawings, construct off-site development	187,000
(37) 40.71.302-Working drawings, construct onsite development	1,739,000
(38) 40.71.303-Working drawings, Permanent Facilities, Phase I	195,000
Community Colleges Statewide	
(39) 40.72.070-Preliminary plans for 1988–89	200,000
(40) 40.72.071-Working drawings, construct Minor Capital Outlay Asbestos Removal, Phase III	2,426,000

Provisions:

1. 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.
2. The Board of Governors of the California Community Colleges shall obtain air samples of all spaces included in categories (31.5) and (40) that are scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower.
3. Children of community college students shall have highest priority in the use of child care facilities funded pursuant to this item.

6870-490—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, the 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) as provided below, and shall be available for expenditure until June 30, 1988.

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001 General Fund

(1) Item 6870-001-001, Budget Act of 1985—An amount not to exceed $218,000, for acquisition and installation of office automation equipment. 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.

(2) Item 6870-001-001, Budget Act of 1986—An amount not to exceed $250,000, for the purposes specified in Chapter 1465, Statutes of 1986.

782 Higher Education Capital Outlay Bond Fund

(1) Item 6870-101-782, Budget Act of 1986—For the replacement of instructional equipment and purchase of library materials. Expenditures made by community college districts during 1986–87 for the purpose of Item 6870-101-782 of the Budget Act of 1986 shall be deemed to be expended from this item.

6870-491—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, up to $9,000,000 of the balance on June 30, 1987, of Schedule (a) of Item 6870-101-001 of the Budget Act of 1986 is reappropriated for the purpose of providing community college districts with funds to replace instructional equipment and purchase of library materials, and shall be available for expenditure until June 30, 1988. The amount reappropriated shall be determined as of March 1, 1988, after the prior year corrections have been made pursuant to Section 84330 of the Education Code. The chancellor shall allocate these funds to the districts such that for every $3.00 (three dollars) of funds allocated from this item, the districts shall provide $1.00 (one dollar) of matching funds.

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6870-494—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated on the effective date of this act, for the purposes provided for in the appropriations, and shall be available for expenditure until June 30, 1988:

782—Higher Education Capital Outlay Bond Fund Item 6870-301-782, Budget Act of 1986.

Copper Mountain Center

(1) 40.10.202-Construction, vocational education building

Ohlone College

(2) 40.16.102-Working drawings and construction, remove architectural barriers

Glendale College

(3) 40.18.102-Construction, faculty offices, student services, and classrooms

Cuyamaca College

(4) 40.19.103-Construction, multi-purpose office library building

Cerro Coso College

(5) 40.22.204-Construction and equip, remodel library counseling center and student services

Lake Tahoe College

(6) 40.23.104-Equip initial complement of library books

Long Beach City College

(7) 40.24.103-Construction and equip, upgrade campus

(8) 40.24.104-Construction education support service center

Mendocino College

(9) 40.29.105-Equip vocational tech. building

San Dieguito Center

(10) 40.31.203-Construction, permanent buildings, phase I

College of Alameda

(11) 40.40.104-Construction, diesel laboratory building

Irvine Valley College

(12) 40.45.103-Construction, building B, cluster II

(13) 40.45.106-Acquire parcel Number 4

Crafton Hills College

(14) 40.46.102-Construction, remove architectural barriers

Item		Amount
Santa Barbara City College		
(15) 40.53.103-Construction, learning resource center		
Modesto Junior College		
(16) 40.70.203-Working drawings, construction, remove architectural barriers		
Community Colleges Statewide		
(17) 40.72.060-Minor capital outlay, asbestos removal, phase II		
Los Angeles City College		
(18) 40.76.203-Construction, chemistry building safety corrections		
7980-001-001—For support of the Student Aid Commission		6,545,000
Schedule:		
(a) 100000-Personal Services	7,069,000	
(b) 300000-Operating Expenses and Equipment	20,628,000	
(d) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951)	-21,152,000	
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		21,152,000
Provisions:		
1. The funds appropriated in this item are for the following:		
(a) State Guaranteed Student Loan Program	85,000	
(b) State Guaranteed Student Loan Program, for purposes of Chapter 1201, Statutes of 1977	21,067,000	
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.		
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		

Item		Amount
	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.	
	4. Of the amount appropriated in this item, $1,408,000 shall be for first year funding of a three year project to develop an integrated, automated student financial aid delivery system. Total project costs shall be apportioned between the State Guaranteed Loan Reserve Fund and the General Fund under terms and conditions agreed to by the Department of Finance and the Student Aid Commission.	
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	148,000,000
	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	160,000,000
	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	

Item		Amount
require (1) payment to the federal Secretary of 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		119,089,000
Schedule:		
(a) Scholarships (Cal Grant (a))	84,025,000	
(b) College Opportunity Grants (Cal Grant (b))	38,208,000	
(c) Occupational Education and Training Grants (Cal Grant (c))	3,039,000	
(d) Fellowships for Graduate Study	2,965,000	
(e) Dependents of Deceased or Disabled Peace Officers Grants	14,000	
(f) Bilingual Teacher Grants	1,111,000	
(g) California Student Opportunity and Access Program	497,000	
(h) Assumption Program Loans for Education	150,000	
(i) Congressional Teacher Scholarships	1,055,000	
(j) Work Study Program	750,000	
(k) Amount payable from the Federal Trust Fund (Item 7980-101-890)	—12,725,000	
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		

Item	Amount

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, 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 Loan Assumptions pursuant to the provisions of Chapter 498, Statutes of 1983 and Chapter 1483, Statutes of 1985.
5. Notwithstanding any other provision of law, of the 17,400 new grants funded in Schedule (a) for the 1987–88 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 9,250 new grants funded in Schedule (b) for the 1987–88 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 1987–88 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 $50,000 for the purposes of determining recipients for the 1987–88 award year.

Item			Amount
10. The Student Aid Commission shall grant only renewal awards under the Bilingual Teacher program in 1987–88. No new lower division awards under this program shall be offered.			
7980-101-890—For local assistance, Student Aid Commission, for transfer to Item 7980-101-001, payable from the Federal Trust Fund			12,725,000
8100-001-001—For support of the Office of Criminal Justice Planning			4,343,000
Schedule:			
(a) 20.01-Administration		2,442,000	
(b) 20.02-Distributed Administration		−2,442,000	
(c) 50-Local Project Awards		7,139,000	
(d) Amount payable from Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-241)		−67,000	
(e) Amount payable from Victim Witness Assistance Fund (Item 8100-001-425)		−1,499,000	
(f) Amount payable from the Federal Trust Fund (Item 8100-001-890)		−922,000	
(g) Reimbursements		−308,000	
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.			
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			67,000
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			1,499,000

Item		Amount
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		922,000
8100-101-001—For local assistance, Program 50, Local Project Awards, Office of Criminal Justice Planning		23,667,000
Schedule:		
(a) 50.21.040-Domestic Violence Program	1,500,000	
(b) 50.21.050-Victims Legal Resources Center	180,000	
(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	690,000	
(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	
(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) 50.61.010-Public Prosecutors and Public Defenders	30,000	
(*l*) 50.61.020-Child Sexual Abuse Prevention and Training	700,000	
(m) 50.71.010-California Career Criminal Apprehension Program	2,404,000	
(n) 50.71.040-Youth Emergency Telephone Referral	180,000	
(o) 50.71.055-Campaign Against Marijuana Planting	2,750,000	
(p) 50.71.060-Vertical Defense	721,000	

Item		Amount
(q)	50.71.080-Juvenile Sex Offender Treatment	225,000
(r)	50.71.110-Serious Habitual Offender	570,000

Provisions:

1. The amount appropriated in Schedule (h) 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. The amount appropriated in Schedule (f) 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, cities, school districts, counties, and other units of local government which have demonstrated cash flow problems according to the criteria set forth by the office.
4. $2,750,000 of the amount appropriated in Schedule (o) is for local assistance to Humboldt, Mendocino, Trinity, and Butte Counties for costs associated with marijuana production and eradication. The counties shall file claims for payment of these allocations directly with the State Controller. The State Controller shall allocate these funds 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 Butte County—$250,000.
5. The funds appropriated in category (c) of this item shall be allocated to recipients located in cities officially ranked as having the highest crime rates in the state. "Crime rate" means the level of incidence of crimes per 100,000 population.

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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		808,000
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, cities, school districts, counties, and other units of local government which have demonstrated cash flow problems according to the criteria set forth by the office.		
8100-101-425—For local assistance, Program 50, Office of Criminal Justice Planning, payable from the Victim/Witness Assistance Fund		12,320,000
Schedule:		
(a) 50.21.010-Victim Witness Assistance Program	8,590,000	
(b) 50.21.020-Rape Crisis Program	2,875,000	
(c) 50.21.030-Child Sexual Abuse and Exploitation Program	855,000	
Provisions:		
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, cities, school districts, counties, and other units of local government which have demonstrated cash flow problems according to the criteria set forth by the office.		
8100-101-890—For local assistance, Office of Criminal Justice Planning, payable from the Federal Trust Fund		27,009,000
Schedule:		
(a) 50.21.060-Victims of Crime Act (VOCA)	2,832,000	
(b) 50.31.030-Federal Rape Prevention	380,000	
(c) 50.41.010-Juvenile Justice and Delinquency Prevention	3,745,000	
(d) 50.41.030-Gang Violence Suppression	505,000	
(e) 50.71.100-Justice Assistance Act	3,781,000	

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(f) 50.71.120.000-Federal Anti-Drug Abuse Program	15,766,000	
Provisions:		
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, cities, school districts, counties, and other units of local government 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		6,618,000
Schedule:		
(a) 10-Standards	2,898,000	
(b) 20-Training	5,392,000	
(c) 30-Peace Officer Training Reimbursement	236,000	
(d) 40.01-Administration	2,236,000	
(e) 40.02-Distributed Administration..	−2,236,000	
(f) Amount payable from the Peace Officers' Training Fund (Item 8120-011-268)	−1,908,000	
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..		32,000,000
Provisions:		
1. Funds may be transferred between this item and Item 8120-011-268 in order to meet the needs of local training programs.		

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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 reach the goal of providing 100 percent salary reimbursement to the cities and counties.	
8140-001-001—For support of State Public Defender....	7,112,000
Schedule:	
(a) 10-State Public Defender 7,116,000	
(b) Reimbursements ..... −4,000	
8160-111-001—For local assistance, Assistance to Counties for Defense of Indigents, Program 10, pursuant to Section 987.9 of the Penal Code, for payment by the State Controller	7,000,000
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	2,000,000
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.	

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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 891,000

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.
2. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

8190-001-014—For transfer by the State Controller from the Hazardous Waste Control Account to the General Fund ..... (300,000)

8200-001-001—For support of Commission for Economic Development 549,000

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Schedule:		
(a) 10-Commission for Economic Development	552,000	
(b) Reimbursements	−3,000	
8260-001-001—For support of California Arts Council		2,699,000
Schedule:		
(a) 10-Artists in Residence	554,000	
(b) 20-Organizational Grants	964,000	
(c) 25-Performing Arts Touring/Presenting Program	348,000	
(d) 40-Statewide Projects	759,000	
(e) 50.01-Administration	1,554,000	
(f) 50.02-Distributed Administration	−1,404,000	
(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		12,961,997
Schedule:		
(a) 10-Artists in Residence	2,078,218	
(b) 20-Organizational Grants	7,811,000	
(c) 25-Performing Arts Touring/Presenting Program	597,000	
(d) 40-Statewide Projects	2,475,779	
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. The California Arts Council shall utilize $15,000 of the augmentation for the Interagency Arts Program to fund an Arts/Tourism Pilot Project through an interagency agreement with the Department of Commerce, Office of Tourism.		
3. The California Arts Council shall utilize $500,000 of the augmentation for the Multi-Cultural Arts Program.		
8260-101-890—For local assistance, California Arts Council, payable from the Federal Trust Fund		844,000
Schedule:		
(a) 10-Artists in Residence	275,000	
(b) 20-Organizational Grants	384,000	

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(c) 25-Performing Arts Touring/Presenting Program	185,000	
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		279,000
Schedule:		
(a) 10-Native American Heritage Commission	309,000	
(b) Reimbursements	−30,000	
8290-001-001—For support of the California Public Broadcasting Commission		1,750,000
Schedule:		
(a) Administration	250,000	
(b) Grants	3,000,000	
(c) Reimbursements	−1,500,000	
Provisions:		
1. Of the amount appropriated by this item, $160,000 shall be allocated to the Federation of Minority Broadcasters.		
2. Of the amount appropriated by this item, $1,500,000 may be spent only as it is matched on a dollar-for-dollar basis with challenge grants from other sources.		
3. For the purposes of this item, reimbursements are defined to mean challenge grants from other sources.		
8300-001-001—For support of Agricultural Labor Relations Board		6,621,250

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Schedule:		
(a) 10-Board Administration	3,085,250	
(b) 20-General Counsel Administration	3,536,000	
(c) 30.01-Administrative Services	646,000	
(d) 30.02-Distributed Administrative Services	−646,000	
8320-001-001—For support of Public Employment Relations Board		6,050,000
Schedule:		
(a) 10-Dispute Resolution	4,900,000	
(b) 20-Representation	1,150,000	
(c) 30.01-Administration	1,267,000	
(d) 30.02-Distributed Administration	−1,267,000	
8350-001-001—For support of Department of Industrial Relations		102,382,000
Schedule:		
(ax) Program operations	140,247,000	
(*l*) Reimbursements	−1,990,000	
(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)	−618,000	
(p) Amount payable from the Self-Insurance Plans Fund (Item 8350-001-396)	−1,421,000	
(q) Amount payable from the Elevator Safety Inspection Account, General Fund (Item 8350-001-452)	−2,482,000	
(r) Amount payable from the Pressure Vessel Inspection Account, General Fund (Item 8350-001-453)	−2,908,000	
(s) Amount payable from the Employee's Account, Uninsured Employer's Fund (Item 8350-001-571)	−10,355,000	
(t) Amount payable from the Asbestos Workers Account, Uninsured Employer's Fund (Item 8350-001-572)	−308,000	
(u) Amount payable from the Federal Trust Fund (Item 8350-001-890)	−17,633,000	
(v) Amount payable from the Asbestos Abatement Account (Item 8350-001-973)	−100,000	

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Provisions:

1. Of the funds appropriated for support of Schedule (ax), $100,000 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. Notwithstanding subdivision (a) of Section 6303 of the Labor Code, the Governor and the Director of the Department of Industrial Relations shall enforce the full scope of Part 9 (commencing with Section 7950) of Division 5 of the Labor Code.

3.5. No modification of regulations as they exist on January 1, 1987, affecting eligibility for, the amount of, or procedures governing the determination of, workers' compensation rehabilitation or permanent disability benefits shall be adopted until 30 days after the proposed changes have been reviewed in public hearings by any appropriate fiscal or policy committee of the Legislature which schedules a hearing on the proposed regulations prior to final adoption of the regulations.

4. The Labor Commissioner shall provide the appropriate policy committees: (a) timelapse data on all significant elements of the wage-claim collection process and (b) a quarterly breakdown by field office of active wage claims which require a hearing under subdivision (a) of Section 98 of the Labor Code and for which no hearing has been held within 75 days of the filing of the claim.
5. Of the funds appropriated in this item, $300,000 shall be available solely for a consultant study of the current system for processing workers' compensation cases. Any study authorized by the director shall: (a) consider the efficiency of current clerical procedures, the need for improved use of automation, the reasons for delays in the current system, the reasons for variations in productivity of judges in the 22 local offices; and (b) make recommendations with respect to the need for additional staff, the introduction of better management procedures, the need for an

Item	Amount
improved management reporting system, and standards for the timely issuance of decisions.	
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	618,000
8350-001-396—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Self-Insurance Plans Fund	1,421,000
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	2,482,000
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	2,908,000
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	10,355,000
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	308,000
8350-001-890—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Federal Trust Fund	17,633,000
8350-001-973—For support of Industrial Relations, for transfer to Item 8350-001-001, payable from the Asbestos Abatement Fund	100,000
8350-301-036—For capital outlay, Department of Industrial Relations, payable from the Special Account for Capital Outlay	433,000
Schedule:	
(1) 91.05.301.871—San Francisco—Computer Room Air Conditioning Up-grade/Firewall—Working Drawings, Construction and Equipment 433,000	
8380-001-001—For support of the Department of Personnel Administration	7,102,000
Schedule:	
(a) 100000-Personal Services 7,376,000	

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(b) 300000-Operating Expenses and Equipment	2,570,000	
(c) Reimbursements	−2,048,000	
(d) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-915)	−796,000	
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		796,000
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	
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 1987–88, 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		663,000

Item Amount

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 836,000

Schedule:

(a) 10-Board of Chiropractic Examiners 839,000

(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 392,000

Schedule:

(a) 10-Board of Osteopathic Examiners 400,000

(b) Reimbursements ..... −8,000

8530-001-290—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilot Commissioners' Special Fund 304,000

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.

Item			Amount
8540-001-114—For support of California Auctioneer Commission, Program 10, payable from the Auctioneer Commission Fund			192,000
8550-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund			2,687,000
Schedule:			
(a) 100000-Personal Services		1,897,000	
(b) 300000-Operating Expenses and Equipment		3,309,000	
(c) Reimbursements		−2,209,000	
(d) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-942)		−310,000	
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 paragraph (1) of subdivision (b) of Section 19641 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, 1988			(1,390,000)
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			10,327,000
Schedule:			
(a) 100000-Personal Services		5,349,000	
(b) 300000-Operating Expenses and Equipment		5,743,000	
(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.			

Item		Amount
2. The Director of Finance may authorize an augmentation request to this item if the California Exposition and State Fair has certified, in writing, that there is sufficient money in its reserve to cover the augmentation. The Director of Finance may also authorize the augmentation, by 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 in addition to the revenue appropriated by this item.		
3. It is the intent of the Legislature that the funds made available from the appropriation made in this item may be expended for promotional and public relations purposes of the California Exposition and State Fair pursuant to subdivision (a) of Section 4403 of the Food and Agricultural Code.		
4. Of the funds appropriated in this item, $25,000 shall be available for the purchase, transportation, and storage of the "Paradise in Panorama" Map.		
8560-001-660—For transfer by the State Controller from the State Exposition Revenue Bond Account, Public Building Construction Fund, to the General Fund as of June 30, 1987		(3,987,000)
Provisions:		
1. The Controller shall transfer the amount remaining in the State Public Works Board, State Exposition Revenue Bond Account, Public Building Construction Fund, to the unappropriated surplus of the General Fund.		
8560-011-466—For support of California Exposition and State Fair, for transfer to the California Exposition and State Fair Enterprise Fund, payable from the State Fair Police Special Account		6,000
8570-001-001—For support of Department of Food and Agriculture		68,852,000
Schedule:		
(a) 10-Pesticide Regulatory Program	22,833,000	
(b) 20-Plant Pest and Disease Prevention	27,074,000	
(c) 25-Animal Pest and Disease Prevention/Inspection Services	18,528,000	
(d) 30-Agricultural Marketing Services	4,461,000	

Item		Amount
(e)	40-Food and Agricultural Standards and Inspection Services	2,343,000
(f)	50-Measurement Standards	2,310,000
(g)	60-Financial and Administrative assistance to local fairs	1,277,000
(h)	70.01-Exec. Mgmt. and Admin. Svcs.	7,810,000
(i)	70.02-Distributed Exec. Mgmt. and Admin. Svcs.	−7,051,000
(j)	80-Gen. Agriculture Activities and Emergency Funding	7,609,000
(k)	Reimbursements	−1,154,000
(kx)	Amount payable from the Special Account for Capital Outlay (Item 8570-001-036)	−50,000
(*l*)	Amount payable from the Agricultural Fund (Item 8570-001-111)	−10,026,000
(*l*x)	Amount payable from the Environmental License Plate Fund (Item 8570-001-140)	−371,000
(m)	Amount payable from the Fair and Exposition Fund (Item 8570-001-191)	−1,129,000
(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)	−4,300,000
(p)	Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-112)	−110,000

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.

Item	Amount
2. No funds appropriated by this act or by any other statute may be expended for the Apple Maggot Project until the department has complied with any requirements imposed by the California Environmental Quality Act applicable to the project, or until the department receives an exemption from those requirements.	
3. The Director of Food and Agriculture shall not issue special permits pursuant to Section 3154 of Title 3 of the California Administrative Code without first giving all interested parties formal notice of this action. Any special permits issued in 1987 without such notice shall be immediately rescinded by the director.	
8570-001-036—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Special Account for Capital Outlay	50,000
8570-001-111—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Agricultural Fund	10,026,000
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	371,000
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	1,129,000
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 Section 624 of the Food and Agricultural Code.	
8570-001-890—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Federal Trust Fund	4,300,000
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	110,000
8570-011-191—For transfer by the State Controller from the Fair and Exposition Fund to the General Fund, for health benefits for retired employees of district agricultural associations	(626,000)
8570-011-192—For transfer by the State Controller from the Satellite Wagering Account, Fair and Exposition Fund, to the General Fund	(3,000,000)

Item Amount

Provisions:

1. This transfer is for the cancellation of loans made to local fairs through a diversion of General Fund revenue between 1977 and 1981. As of July 1, 1987, all existing loans, including principal and interest accumulated, are hereby forgiven to the General Fund.
2. The payment of all loans referred to in Provision 1 shall become payable to the Satellite Wagering Account, Fair and Exposition Fund, effective July 1, 1987. The department may collect the loan repayments for each outstanding loan referred to in Provision 1 for deposit into the Satellite Wagering Account, Fair and Exposition Fund. The existing terms of all loans (except for the 21st DAA) shall be maintained after the transfer of the loan liability from the General Fund to the Satellite Wagering Account, Fair and Exposition Fund.
3. Interest on the existing loans to the 21st DAA shall cease to accrue interest as of July 1, 1987. One payment of $500,000 shall be received from the 21st DAA by June 30, 1987, for deposit into the General Fund. This payment shall constitute the final payment to the General Fund of all loans referred to in Provision 1. A second payment of $500,000 shall be received from the 21st DAA by December 31, 1987, for deposit into the Satellite Wagering Account, Fair and Exposition Fund. For each subsequent year, a payment schedule for the balance of loans owed by the 21st DAA shall be determined annually based upon a review of its budget by the department.

8570-012-192—For support of Department of Food and Agriculture, Financial and Administrative Assistance to Local Fairs Program 103,000

8570-021-192—For transfer by the State Controller from the Satellite Wagering Account, Fair and Exposition Fund, to the California Exposition and State Fair Enterprise Fund 25,000

Provisions:

1. The State Controller shall transfer $25,000 to the California Exposition and State Fair, Item 8560-001-510, for the purpose of the purchase, transportation, and storage of the "Paradise in Panorama" map.

Item		Amount
8570-101-001—For local assistance, Department of Food and Agriculture		10,942,000
Schedule:		
(a) 10-Pesticide Regulatory Program	2,915,000	
(b) 20-Plant Pest and Disease Prevention	7,586,000	
(c) 50-Measurement Standards	475,000	
(d) 60-Financial and Administrative Assistance to local fairs	6,640,000	
(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)	−6,640,000	
(h) Payable from the General Fund (Item 8570-111-001)	−383,000	
Provisions:		
2. In providing assistance to counties under category (c) of this item, the department shall require each county to (1) use these funds for any weights and measures program activity giving first priority to 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 retail 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		6,640,000
Schedule:		
(a) Unemployment insurance at local fairs	950,000	
(b) Health and safety improvements	3,000,000	
(c) Other local fair projects	2,690,000	

Item	Amount
Provisions:	
1.3. The funds in Schedule (a) 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 (commencing with Section 18400) of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.	
1.5. The funds in Schedules (b) and (c) are in lieu of the appropriation made in Section 19630 of the Business and Professions Code.	
2. The Department of Food and Agriculture may only allocate the funds appropriated in Schedule (c) for the purposes described in Section 19630 of the Business and Professions Code.	
3. The Department of Food and Agriculture may only allocate the funds contained in Schedule (b) for health and safety repairs at local fairs. The department shall not allocate any funds from Schedule (b) until it completes a three-year project schedule that lists statewide priorities for needed health and safety repairs at all fairs. The department shall submit this schedule to the chair of the Senate Select Committee on Fairs and Rural Issues, the chair of the Assembly Subcommittee on Fairs and Expositions, and the chairs of the respective Senate and Assembly Fiscal Committees, with supporting documentation, at least 30 days prior to allocation of funds. The report shall explain how the priorities were established. Health and safety repairs shall be limited to projects that address problems which: (a) immediately threaten the public safety; (b) could be hazardous to the public health; or (c) projects needed to comply with the California Administrative Code or local fire and life safety codes.	

Item	Amount
4.5. Up to $755,000 of the amount appropriated in category (b) shall be specifically available to mitigate identified hazardous conditions relating to PCB's and underground storage tanks at local fairs. These projects shall only be funded from the amount appropriated in category (b) as the projects become eligible on the three-year project schedule for health and safety repairs referred to in Provision 3. The department may expend the funds for other projects for health and safety repairs on the three-year project schedule if the department determines that the projects related to PCB's and underground storage tanks will not become eligible for funding during the 1987–88 fiscal year.	
5.5. If the General Fund does not receive a $500,000 payment from the 21st DAA during the 1986–87 fiscal year, the State Controller shall transfer from category (b) of this item to the General Fund the difference between the amount due ($500,000) and the amount received from the association. The transfer shall be made by July 31, 1987. This transfer shall constitute the final payment to the General Fund of all loans made to local fairs through a diversion of General Fund revenue between 1977 and 1981. Reimbursement of this transfer shall be made by the 21st DAA to the Satellite Wagering Account, Fair and Exposition Fund.	
6. All funds that would otherwise be available for allocation pursuant to Section 19630 of the Business and Professions Code and which are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. The department shall submit a written notification to the chair of the Senate Select Committee on Fairs and Rural Issues, the chair of the Assembly Subcommittee on Fairs and Expositions, and the chairs of the respective Senate and Assembly Fiscal Committees prior to any expenditure over $50,000 from this augmentation, explaining the nature and use of the expenditure.	

Item Amount

7. The Department of Food and Agriculture shall allocate up to $1,950,000 of category (c) to the 51st District Agricultural Association upon the acquisition of a permanent site for the San Fernando Valley Fair for the construction of a display building. Funds appropriated by this provision shall be available for encumbrance for three years.

8570-101-192—For local assistance, Department of Food and Agriculture, Financial and Administrative Assistance to Local Fairs program 2,952,000

Provisions:

1. This appropriation is in lieu of the appropriation contained in subdivision (c) of Section 19596.5 of the Business and Professions Code.
2. The Department of Food and Agriculture may only allocate these funds for: (a) repayment of principal and interest on bonds or other debt service incurred for the purpose of constructing improvements at a fair's racetrack enclosure; (b) repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities; or (c) health and safety repairs at fairs.
3. The Department of Food and Agriculture shall not allocate any funds from the Satellite Wagering Account for health and safety repairs until it completes a three-year project schedule that lists statewide priorities for needed health and safety repairs at all fairs, including the California Exposition and State Fair. The department shall submit this schedule to the chair of the Senate Select Committee on Fairs and Rural Issues, the chair of the Assembly Subcommittee on Fairs and Expositions, and the chairs of the respective Senate and Assembly fiscal committees, with supporting documentation at least 30 days prior to allocation of funds. The report shall explain how the priorities were established.

   Health and safety repairs shall be limited to projects that address problems which: (a) immediately threaten the public safety, (b) could be hazardous to the public health, or (c) projects needed to comply with the California Administrative Code or local fire and life safety codes.

Item Amount

4. On June 30, 1988, any balance remaining from the appropriation of this item that will revert to the Satellite Wagering Account, Fair and Exposition Fund, shall then be transferred to the General Fund.

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.

8570-301-036—For capital outlay, Department of Food and Agriculture, payable from the Special Account for Capital Outlay 1,033,000

Schedule:

(1) 90.47.010—Sacramento—Vet Lab Conversion—Preliminary plans, working drawings and construction 903,000

(2) 90.90.010—Minor Projects 130,000

Provisions:

1. Notwithstanding any other provision of law, on June 30, 1988, the Controller shall transfer from the funds appropriated under category (1) of this item a sum equal to 10 percent of all unspent funds in category (1) to the Special Account for Capital Outlay in the General Fund.

8570-490—Reappropriation, Department of Food and Agriculture. Notwithstanding any other provision of law, on the effective date of this act, the unencumbered balance of the appropriation made in Chapter 435 of the Statutes of 1985 is reappropriated for eradication of yellow primrose and parrots feather in San Joaquin County and shall be available for expenditure until June 30, 1988.

8570-495—Reversion, Department of Food and Agriculture. Notwithstanding any other provision of law, as of July 1, 1987, the unencumbered balance of the appropriation provided in Chapter 228 of the Statutes of 1985 shall revert to the unappropriated surplus of the General Fund.

8620-001-001—For support of the Fair Political Practices Commission 773,000

Item		Amount
Schedule:		
(a) 10-Fair Political Practices Commission	773,000	
8640-001-001—For support of Political Reform Act of 1974, 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		1,978,000
Schedule:		
(a) 10-Secretary of State (for transfer by the State Controller to Item 0890-001-001)	632,000	
(b) 20-Franchise Tax Board (for transfer by the State Controller to Item 1730-001-001)	1,044,000	
(c) 30-Attorney General (for transfer by the State Controller to Item 0820-001-001)	310,000	
(d) 40-Fair Political Practices Commission	(2,823,000)	
(e) Reimbursements	−8,000	
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		1,501,000
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		2,138,000
8660-001-412—For support of Public Utilities Commission, payable from the Transportation Rate Fund		17,496,000
Schedule:		
(a) 100000-Personal Services	46,734,000	
(b) 300000-Operating Expenses and Equipment	19,455,000	
(c) Reimbursements	−2,973,000	
(d) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-042)	−1,501,000	
(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-046)	−2,138,000	

Item		Amount
(f) Amount payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund (Item 8660-001-461)	−3,938,000	
(g) Amount payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund (Item 8660-001-462)	−37,810,000	
(h) Amount payable from the Federal Trust Fund (Item 8660-001-890)	−260,000	
(i) Amount payable from the Universal Telephone Service Fund pursuant to Section 44181 of the Revenue and Taxation Code	−73,000	
Provisions:		
1. Of the amount appropriated in category (b), $255,000 shall be available for expenditure only upon an appeal of the commission's decision in its review of the reasonableness of Pacific Bell's capital investment program.		
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		3,938,000
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		37,810,000
8660-001-890—For support of Public Utilities Commission, for transfer to Item 8660-001-412, payable from the Federal Trust Fund		260,000
8700-001-001—For support of State Board of Control		793,000
Schedule:		
(a) 11-Citizens Indemnification	16,579,000	
(b) 21-Hazardous Substance Claims	20,000	
(c) 31-Civil Claims Against the State	845,000	
(d) 46-SWPR Interagency Agreement	45,000	
(e) 51.01-Administration	278,000	
(f) 51.02-Distributed Administration	−278,000	
(g) Reimbursements	−117,000	
(h) Amount payable from the Restitution Fund (Item 8700-001-214)	−11,379,000	
(i) Amount payable from the Federal Trust Fund (Item 8700-001-890)	−5,200,000	

Item Amount

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 11,379,000

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.
2. Of the amount appropriated in this item, $4,030,000 may be expended only if legislation is enacted at the 1987–88 Regular Session to increase penalty assessments levied in Section 1464 of the Penal Code by at least $2, and to provide for the transfer to the Restitution Fund of revenues collected from the penalty assessment increase.

8700-001-890—For support of the State Board of Control, for transfer to Item 8700-001-001, payable from the Federal Trust Fund 5,200,000

8700-495—Reversion, Board of Control. Notwithstanding any other provision of law, as of June 30, 1987, the unencumbered balance of the appropriation provided in Chapter 713, Statutes of 1985, shall revert to the unappropriated surplus of the General Fund.

8730-001-001—For support of Commission on State Finance, Program 10 792,000

8780-001-001—For support of Commission on California State Government Organization and Economy 496,000

Schedule:

(a) 10-Commission on California State Government Organization and Economy 498,000
(b) Reimbursements ..... −2,000

8800-001-001—To the State Controller for support of memberships..... 533,000

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Item		Amount
Schedule:		
(a) 10-Council of State Governments	215,000	
(b) 20-National Conference of State Legislatures	224,000	
(c) 30-Western States Forestry Task Force	22,000	
(d) 40-Governmental Accounting Standards Board	64,000	
(e) 50-State and Local Legal Center..	8,000	
8820-001-001—For support of Commission on the Status of Women		579,000
Schedule:		
(a) 100000-Personal Services	345,000	
(b) 300000-Operating Expenses and Equipment	234,000	
8830-001-001—For support of California Law Revision Commission, Program 10		524,000
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		98,000
8860-001-001—For support of Department of Finance		24,457,000
Schedule:		
(a) 10-Annual Financial Plan	10,460,000	
(b) 20-Program and Information System Assessments	6,047,000	
(c) 30-Supportive Data	8,227,000	
(d) 40.01-Administration	3,387,000	
(e) 40.02-Distributed Administration..	−3,330,000	
(f) Reimbursements	−334,000	
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.		

Item	Amount
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. 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 JLBC shall determine.	
4. 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.	
5. None of the funds appropriated in this item shall be expended for the physical relocation of the Department of Finance to another building prior to the submission to the Legislature of the study required to be performed by Item 1760-301-036 of this act. Any lease proposal for building space for the department shall be subject to the reporting requirements contained in Section 13332.10 of the Government Code and shall not be submitted prior to the submission of the study required by Item 1760-301-036.	
8885-001-001—For support of Commission on State Mandates, Program 10	546,000

Item		Amount
8885-011-360—For transfer by the State Controller's office, from the State Mandates Claims Fund to the General Fund as of June 30, 1987		(10,000,000)
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 17561 of the Government 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		87,414,000
Schedule:		
(4) 02.50.135.576—Justice court judges	26,000	
(5) 02.50.139.976—Custody of minors	1,009,000	
(6) 02.50.088.981—Lis pendens	5,000	
(7) 02.50.081.081—Parent/Child Counsel	117,000	
(9) 02.50.158.084—Judges' per diem	195,000	
(12) 06.90.103.280—Deaf teletype equipment	23,000	
(13) 08.20.046.278—Dental examinations	43,000	
(14) 08.20.095.276—Marijuana records	106,000	
(15) 08.20.101.184—Juvenile court records	22,000	
(16) 08.20.156.284—Firearms	27,000	
(17) 08.90.007.778—Absentee ballots	2,512,000	
(18) 08.90.045.474—Filing fees	29,000	
(19) 08.90.049.479—Handicapped voter access	16,000	
(20) 08.90.070.475—Registration by mail	840,000	
(21) 17.30.028.874—Substandard housing	10,000	
(22) 19.00.139.874—Unused sick leave credit	1,378,000	
(23) 19.00.117.078—Increased pension	7,615,000	
(24) 19.00.103.679—Increased benefits	1,755,000	
(25) 19.00.079.980—Increased death benefits	375,000	
(27) 22.40.114.380—Regional housing needs	72,000	
(28) 37.20.133.076—Local coastal plans	350,000	
(29) 39.40.999.001—Underground storage tanks	12,084,000	
(31) 42.60.045.374—Sudden infant death syndrome	6,000	

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(32) 42.60.116.381—Medi-Cal beneficiary death notices	80,000
(33) 43.00.049.877—Coroners	50,000
(34) 43.00.064.480—Judicial proceeding	58,000
(35) 43.00.069.475—Attorney fees	77,000
(36) 43.00.125.380—MR Representation	69,000
(37) 43.00.130.480—Conservatorship	63,000
(38) 44.40.103.678—MDSO recommitments	85,000
(46) 54.60.999.001—Detention of Minors	16,000
(47) 61.00.028.279—School Crossing Guards	3,000
(48) 61.00.089.477—Pupil basic skills	3,731,000
(49) 61.00.096.175—Collective bargaining	12,133,000
(51) 61.00.117.677—Immunization records	1,314,000
(52) 61.00.125.375—Disciplinary procedures	1,000
(53) 61.00.134.780—Scoliosis screening	586,000
(55) 63.00.103.679—STRS benefit increase	25,552,000
(56) 63.00.128.680—STRS allowance increase	8,989,000
(57) 81.70.135.776—Guardianship/conservatorship	4,558,000
(58) 81.75.112.377—Adult Felony Restitution	340,000
(61) 83.50.999.001—Personal alarm devices	164,000
(62) 83.80.084.578—Filipino employee surveys	2,000
(63) 83.80—Personnel files	18,000
(64) 91.00.124.277—Senior citizens' property tax deferral	200,000
(65) 91.00.128.180—Involuntary lien notices	1,050,000
(66) Amount payable from the Restitution Fund (Item 8885-101-214)	—340,000

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Provisions:

1. Except as provided in Provisions 2, 3, 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 17561 of the Government 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 appropriated in Schedules (55) and (56) 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.
3. 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 2. No order may 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.
4. Notwithstanding any other provision of law to the contrary, the funds appropriated in Schedules 22, 23, 24, and 25 are for transfer to the Public Employees Retirement System for reimbursement of costs incurred pursuant to Chapter 1398, Statutes of 1974, Chapter 1170, Statutes of 1978, Chapter 1036, Statutes of 1979 and Chapter 799, Statutes of 1980.

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5. The funds provided in Schedule (6) 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.		
7. None of the funds appropriated in Schedule (20) which are for reimbursement of costs incurred by counties pursuant to Chapter 704 of the 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, 1987, the undisbursed balance of the appropriation provided in Section 17(b) of Chapter 1217 of the Statutes of 1985, shall revert to the unappropriated surplus of the General Fund.		
8910-001-001—For support of Office of Administrative Law		2,614,300
Schedule:		
(a) 10—Regulatory Oversight	1,965,850	
(b) 20—Public Programs	648,450	
(c) 30.01—Administration	589,000	
(d) 30.02—Distributed Administration	−589,000	
8915-001-001—For support of Department of Economic Opportunity, for transfer to Item 8915-001-890		84,000
8915-001-890—For support of Department of Economic Opportunity, payable from the Federal Trust Fund		7,844,000
Schedule:		
(a) 20—Energy Programs	6,291,000	
(b) 30—Special Programs	84,000	
(c) 40—Community Services	1,553,000	
(d) 50.01—Administration	2,990,000	
(e) 50.02—Distributed Administration	−2,990,000	

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(f) Amount payable from the General Fund (Item 8915-001-001) ..... —84,000

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 $5,858,000 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 1987–88 state fiscal year, even if based on a higher, revised grant level and 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 Department of Social Services, payable from the Federal Trust Fund ..... (8,363,000)

8915-101-853—For local assistance, Department of Economic Opportunity, for transfer to Item 8915-101-890, payable from the Petroleum Violation Escrow Account 5,500,000

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 102,507,000

Schedule:

(a) 20-Energy Programs 78,501,000

(b) 40-Community Services 29,506,000

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(c) Amount payable from the Petroleum Violation Escrow Account (Item 8915-101-853) ..... —5,500,000

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 rural 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.
3. 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 1987–88, 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.
4. The department shall notify the Joint Legislative Budget Committee and the legislative fiscal committees by September 1, 1987, of: (1) the actual amount of the 1986–87 fiscal year Energy and CSBG funds that are carried forward into the 1987–88 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

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each program.

5. Notwithstanding Sections 16304.1 and 16361 of the Government Code, $5,500,000 of the funds appropriated by this item in Schedule (a) shall be available for encumbrance until June 30, 1990.
6. The expenditure of $5,500,000 appropriated in Schedule (a) by this item is subject to approval of the proposed project described in Provision 7 of this item, by the Federal Department of Energy and the appropriate district court.
7. Of the amount appropriated in Schedule (a) by this item, $5,500,000 shall be available for the Home Energy Assistance Program for direct payments.
8. Funds collected by the department from energy contractors as a result of overpayments shall be used for local assistance for energy programs, and funds collected from community service block grant (CSBG) contractors as a result of overpayments shall be used for local assistance for CSBG programs in fiscal year 1987–88.

8915-111-890—For local assistance, Department of Economic Opportunity, for transfer to Item 8915-101-853, payable from the Federal Trust Fund ..... (5,500,000)

8915-490—Reappropriation, Department of Economic Opportunity. Notwithstanding any other provision of law, the balance remaining 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, 1988, as follows:

(a) Schedules (a) and (b) of Item 8915-101-890 of the Budget Act of 1986, Energy and CSBG funds.

8940-001-001—For support of Military Department 19,903,000

Schedule:

(a) 10-Army National Guard	32,667,000
(b) 20-Air National Guard	7,701,000
(c) 30.01-Office of the Adjutant General	4,969,000
(d) 30.02-Distributed Office of the Adjutant General	−4,969,000
(e) 35-Military Support to Civil Authority	119,000
(f) 40-Military Retirement	1,976,000
(g) 50-California Cadet Corps	489,000

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(h) 55-State Military Reserve	275,000	
(i) 60-Farm and Home Loan	66,000	
(j) 71-California Innovative Military Projects and Career Training	1,658,000	
(k) Reimbursements	−1,718,000	
(*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)	−23,076,000	
(n) Amount payable from the Armory Fund (Item 8940-001-604)	−144,000	

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.

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).

8940-001-604—For support of the Military Department, for transfer to Item 8940-001-001, payable from the Armory Fund 144,000

8940-001-890—For support of Military Department, for transfer to Item 8940-001-001, payable from the Federal Trust Fund 23,076,000

8940-301-036—For capital outlay, Military Department, payable from the Special Account for Capital Outlay 333,000

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Schedule:		
(1) 70.10.010-Statewide—Project planning, working drawings and supervision of construction financed from federal funds	157,000	
(2) 70.24.010—Sacramento—Vehicle Storage Compound Surface Paving—preliminary plans, working drawings, and construction	176,000	
8940-301-604—For capital outlay, Military Department, payable from the Armory Fund		40,000
Schedule:		
(1) 70.30.010-Ukiah—Armory—preliminary plans	40,000	
Provisions:		
1. No expenditures for capital outlay projects included in this item shall be made from the Armory Fund until all outstanding loans to the fund have been repaid.		
8940-301-890—For capital outlay, Military Department, payable from the Federal Trust Fund		187,000
Schedule:		
(1) 70.24.010—Sacramento—Vehicle Storage Compound Surface Paving—preliminary plans, working drawings, and construction	163,000	
(2) 70.30.010-Ukiah—Armory—preliminary plans	24,000	
9100-101-001—For local assistance, Tax Relief		863,517,000
Schedule:		
(a) 10-Senior Citizens' Property Tax Assistance	4,166,000	
(b) 20-Senior Citizens' Property Tax Deferral Program	7,000,000	
(c) 30-Senior Citizen Renters' Tax Assistance	19,602,000	
(d) 50-Homeowners' Property Tax Relief	343,273,000	
(e) 60-Subventions for Open Space	14,350,000	
(f) 80-Renters' Tax Relief	475,000,000	
(g) 90-Substandard Housing	126,000	

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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.
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.

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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 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.

9210-495—Reversion, Local Government Financing. As of June 30, 1987, the unencumbered balance of the appropriation provided in subdivision (c) of Section 6 of Chapter 16 of the Statutes of 1986, as amended by Chapter 1110 of the Statutes of 1986, is transferred from the Disaster Response-Emergency Operations Account to the General Fund. In addition, as of June 30, 1987, the unencumbered balance of the appropriation provided in subdivision (d) of Section 6 of Chapter 16 of the Statutes of 1986, as amended by Chapter 1110 of the Statutes of 1986, is transferred from the Disaster Response-Emergency Operations Account to the General Fund; however, reversion of up to $7 million of this transfer may be delayed until January 1, 1988, to

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meet outstanding local disaster assistance obligations as a result of the storms and floods of February 1986. In addition, the unencumbered balance of the appropriation provided in subdivision (c) of Section 6 of Chapter 107 of the Statutes of 1985 shall revert to the unappropriated surplus in the General Fund.		
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		126,505,000
Schedule:		
(a) Health benefit premiums	109,500,000	
(b) Dental care premiums.....	17,005,000	
9800-001-001—For augmentation for Employee Compensation		107,575,000
Schedule:		
(a) 10.01—Civil Service Employees—Represented	76,592,000	

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(b)	10.02—Civil Service Employees—Nonrepresented	19,031,000
(c)	20—Exempt/Excluded and Other Employees	5,623,000
(d)	30—Rate Increases for Retired Annuitants	6,329,000

Provisions:

.5. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.

1. The funds appropriated in Schedules (a) to (d), inclusive, are for compensation increases, increases in benefits related thereto, and other benefits including retired annuitants' health and dental benefit rate increases, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, other state agencies, the Assembly Committee on Rules, the Senate Committee on Rules, the Joint Rules Committee, the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, and Item 9650-001-001, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, and each officer or employee of either house of the Legislature or joint committee thereof, to receive any such increases provided on or after July 1, 1987, by the Department of Personnel Administration, or any committee of the Legislature responsible for establishing salaries for officers and employees of the Legislature, as the case may be.
2. Funds appropriated in Schedules (a) and (b) for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.

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3. Where memoranda of understanding have not been approved prior to passage of this act, the current provisions of existing memoranda of understanding, including compensation and benefit levels, shall remain in effect until superseded by approved memoranda of understanding.
4. The funds provided in this item, except for those amounts necessary for health and dental benefit rate increases, shall be used to provide a general compensation increase of 6 percent commencing January 1, 1988.

9800-001-494—For augmentation for Employee Compensation payable from other unallocated special funds 53,345,000

(a) 10.01-Civil Service Employees—Represented 42,246,000
(b) 10.02-Civil Service Employees—Nonrepresented 10,496,000
(c) 20-Exempt/Excluded and Other Employees 603,000

Provisions:

.5. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.
1. The funds appropriated in Schedules (a) to (c), inclusive, are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to special funds, to receive any such increases provided on or after July 1, 1987, by the Department of Personnel Administration.
2. Funds appropriated in Schedules (a) and (b) for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of

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Personnel Administration in accordance with Section 19826 of the Government Code.

3. Where memoranda of understanding have not been approved prior to passage of this act, the current provisions of existing memoranda of understanding, including compensation and benefit levels, shall remain in effect until superseded by approved memoranda of understanding.
4. The funds provided in this item, except for those amounts necessary for health and dental benefit rate increases, shall be used to provide a general compensation increase of 6 percent commencing January 1, 1988.

9800-001-988—For augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds 35,357,000

Schedule:

(a) 10.01-Civil Service Employees—Represented 28,001,000
(b) 10.02-Civil Service Employees—Nonrepresented 6,956,000
(c) 20-Exempt/Excluded and Other Employees 400,000

Provisions:

.5 The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.

1. The funds appropriated in Schedules (a) to (c), inclusive, are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to nongovernmental cost funds, to receive any such increases provided on or after July 1, 1987, by the Department of Personnel Administration.

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2. Funds appropriated in Schedules (a) and (b) for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.
3. Where memoranda of understanding have not been approved prior to passage of this act, the current provisions of existing memoranda of understanding, including compensation and benefit levels, shall remain in effect until superseded by approved memoranda of understanding.
4. The funds provided in this item, except for those amounts necessary for health and dental benefit rate increases, shall be used to provide a general compensation increase of 6 percent commencing January 1, 1988.

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. 505,000

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. Payments made from this item only for state court actions shall be made only for those actions filed pursuant to Section 1021.5 of the Code of Civil Procedure, the "private attorney general" doctrine, or the "substantial benefit" doctrine and payments for state court actions shall not exceed a maximum hourly rate of $125.
3. 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.

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4. 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.	
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	150,000
Provisions:	
1. Provisions 1, 2, 3, and 4 of 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.	320,000
Provisions:	
1. Provisions 1, 2, 3, and 4 of 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	

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the health or safety of persons or property within the state. 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 1987–88 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 Chairperson 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

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Provisions:

1. Provisions 1, 2, 3, 4, 5, and 6 for Item 9840-001-001 are also applicable to this item.
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 1987–88 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 1987–88 fiscal year under the provisions of Section 11006 of the Government Code.

9840-011-001—For Reserve for Contingencies or Emergencies (Loans) ..... (2,500,000)

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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 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, 1987, the balances of the appropriations made by Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1986, shall revert to the unappropriated surplus of the General Fund, special funds, and nongovernmental cost funds, respectively.

As of July 1, 1987, the amounts reverted as of June 30, 1987, for Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1986, are reappropriated and shall be available until June 30, 1988, 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 1986–87 fiscal year.

Item	Amount
9860-301-036—For statewide capital outlay (10.10.010), payable from the Special Account for Capital Outlay	300,000

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 1988–89 or 1989–90 Governor's Budget. The amount appropriated 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.

9860-301-782—For statewide capital outlay, (10.10.020), Matching Funds for Energy Grants, Federal Schools and Hospitals Grants Program, payable from the Higher Education Capital Outlay Bond Fund 500,000

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 Chairperson 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 1987–88 fiscal year.

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, 1987, 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 expenditure 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 the 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 1987–88," submitted by the Governor to the Legislature at the 1987 portion, of the 1987–88 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 Old Age and Survivors' Insurance Revolving Fund for payment of hospital insurance taxes imposed by the Internal Revenue Code, the state's contribution to the Public Employees' Contingency Reserve Fund, the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code, and the state's contribution for costs of other employee benefits established by any state agency legally authorized to negotiate and set salary and benefit levels.

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, contributions required for payment of the hospital insurance tax, and upon certification by the Board of Administration of the Public Employees' Retirement System as required by 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.

SEC. 3.60. (a) Notwithstanding any other provisions of law, the employers' retirement contributions for the 1987–88 fiscal year which are chargeable to an appropriation made in this act; with respect to each state officer and employee who is a member of the Public Employees' Retirement System and who is in such employment or office, including university members as provided by Section 20751 of the Government Code shall be the percentage of employee compensation by state member category as shown:

Miscellaneous, First Tier	15.202%
Miscellaneous, Second Tier	15.038%
State Industrial	15.332%
State Safety	19.229%
Highway Patrol	20.859%
Peace Officer/Firefighter	17.171%

(b) 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 1987–88 fiscal year retirement benefits, as adopted in subdivision (a).

The Department of Finance shall certify to the State Controller the amount of the reductions in this act by item and program or 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 subdivision are made.

SEC. 3.70. Notwithstanding any other provision of law, the Department of Finance may reduce amounts in any appropriation item, or any category thereof, in this act which are determined by the Department of Finance to be in excess of the amount required to fund premises telephone equipment costs, as a result of savings achieved through the purchase of telephone equipment that was previously leased. The Department of General Services shall provide the amounts of these savings by department, board, bureau, commission, or agency, based on telephone vendor billing data no later than October 30, 1987.

SEC. 3.80. The sum of sixty-nine million five hundred twenty-one thousand dollars ($69,521,000) is hereby appropriated from the General Fund to restore the one percent (1%) 1987–88 General Fund reductions that were implemented in the January 10 version of the Governor's Budget. These funds shall be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective support appropriations.

SEC. 4.00. Notwithstanding any other provisions of law, the employer's contributions for the 1987–88 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 $92 for basic and related major medical plans with respect to employees or annuitants enrolled for self alone, or $174 for an employee or annuitant so enrolled for self and one family member, or $233 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 0.45 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 report quarterly to the Chairperson of the Joint Legislative Budget Committee approval of any contracts and interagency agreements for consultant or personal services.

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 $15,000 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. 7.50. 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 1987–88 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. 8.60. The State Controller may, with the concurrence of the Director of Finance and the Chairperson of the Joint Legislative Budget Committee, bill affected state departments for activities required by State Administrative Manual Section 20050—Administration of Federal Pass-through Funds.

No billing may be sent to affected departments 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 amounts specified in the billings.

SEC. 9.00. The Supplemental Report of the Committee on 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 1987–88 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1987 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 1987 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 subdivision (b) of Section 6217 of the Public Resources Code shall be in the amount of three million six hundred forty thousand dollars ($3,640,000) for the 1987–88 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 1987–88 fiscal year.

(c) Notwithstanding any other provision of law, no allocation to the Capital Outlay Fund for Public Higher Education shall be made pursuant to subdivision (e) of Section 6217 of the Public Resources Code for the 1987–88 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

for the 1987–88 fiscal year.

(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 1987–88 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 ten million dollars ($10,000,000) for the 1987–88 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 1987–88 fiscal year.

(h) Notwithstanding any other provision of law, the amount of eighty-six million four hundred thousand dollars ($86,400,000) shall be allocated to the General Fund for the 1987–88 fiscal year from tideland oil revenues otherwise subject to Section 6217 of the Public Resources Code.

SEC. 11.51. There is hereby appropriated the amount of three hundred twenty-nine thousand dollars ($329,000) for transfer by the State Controller from the Special Account for Capital Outlay to the Energy and Resources Fund as of July 1, 1987. 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, 1987, the State Controller shall transfer the amount of three million four hundred forty-two thousand dollars ($3,442,000) from the Special Account for Capital Outlay to the Disaster Response-Emergency Operations Account, Special Fund for Economic Uncertainties in the General Fund.

SEC. 11.60. On July 1, 1987, the State Controller shall transfer the amount of fourteen million nine hundred sixty thousand dollars ($14,960,000) from the General Fund to the Disaster Response-Emergency Operations Account in the Special Fund for Economic Uncertainties.

SEC. 12.00. (a) For the purposes of Article XIII B of the California Constitution, there is hereby established a state "appropriations limit" of twenty-five billion four hundred eighty-four million dollars ($25,484,000,000) for 1987–88. Any judicial action or proceeding to attack, review, set aside, void or annul the "appropriations limit" for the 1987–88 fiscal year shall be commenced within 45 days of the effective date of this act.

(b) In adopting the state appropriations limit for the 1987–88 fiscal year, the Legislature finds and declares that it is necessary to correct several errors made in the computation of the state appropriations limit for the 1978–79 and subsequent fiscal years. It is the intent of the Legislature that the correct appropriations limit, reflecting changes in the treatment of the renters' tax credit program, community college apportionments, liquor license fees, and the increase in school district appropriations limits pursuant to Section 7902.1 of the Government Code, shall be construed to apply to the computation of the amount of appropriations subject to limitation and the appropriations limit in all years for which the computations are made.

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 1987–88 fiscal year ending balance in the Special Fund for Economic Uncertainties, as of July 1, 1987. 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 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, 1987, 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. 12.50. (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, 1988, 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, 1987, of the appropriations made by Items 0160-001-001 and 8840-001-001 of the Budget Act of 1986 are reappropriated and shall be available for encumbrance until June 30, 1988, for the same programs and purposes for which appropriations for these items have been made by this act.

SEC. 14.00. (a) Notwithstanding Section 28.00 of this act, the Director of Finance may authorize the expenditure of federal funds received by the state pursuant to the Immigration Reform and Control Act of 1986 (P.L. 99-603) no sooner than 60 days after notification in writing of the necessity therefor to the chairpersons of the committees in each house which consider 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.

(b) All authorizations reported or requested under this section shall include all of the following:

(1) A description of the proposed expenditure and identification of statutory authority for the expenditure.

(2) A determination of whether the expenditure, if federally funded, is specifically designed to be a one-time expenditure, 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.

SEC. 15.00. (a) The sum of thirty-nine million sixty-eight thousand dollars ($39,068,000) is hereby appropriated from the General Fund to the Controller.

(b) The amount appropriated by this section shall be transferred by the Controller, upon the order of the Director of Finance, to fund AIDS-related programs during the 1987–88 fiscal year, in accordance with the following schedule:

(1) State Health and Welfare Agency 450,000

(2) Department of Housing and Community

	Development	50,000
(3)	Department of Alcohol and Drug Programs	1,000,000
(4)	State Department of Health Services	30,518,000
(5)	Department of Mental Health	3,250,000
(6)	Department of Corrections	300,000
(7)	California Youth Authority	200,000
(8)	State Department of Education	1,000,000
(9)	California State University	220,000
(10)	University of California	100,000
(11)	California Community Colleges	680,000
(12)	Department of Social Services (AFDC-FC)	1,300,000

(bx) Each agency listed in subdivision (b) shall prepare expenditure plans for the funds transferred to it pursuant to this section. These expenditure plans shall be submitted to the appropriate legislative policy and fiscal committees and to the Joint Legislative Budget Committee no later than September 1, 1987.

(c) The Health and Welfare Agency shall allocate the amount transferred to it pursuant to paragraph (1) of subdivision (b) for use by the California Commission on AIDS as established in Chapter 1.17 (commencing with Section 199.85) of Part 1 of Division 1 of the Health and Safety Code as contained in AB 87 of the 1987–88 Regular Session if that bill is enacted.

(d) The Department of Housing and Community Development shall allocate the amount transferred to it pursuant to paragraph (2) of subdivision (b) to provide technical assistance to organizations which are developing housing for persons with HIV infection.

(e) The Department of Alcohol and Drug Programs shall allocate the amount transferred to it pursuant to paragraph (3) of subdivision (b) to counties to increase treatment programs related to IV drug use. The department shall allocate 80 percent of the funds to the 20 counties with the highest AIDS caseloads, based upon reported IV drug abuse cases. The director shall allocate the remaining 20 percent of these funds to counties in accordance with their needs for addressing the AIDS epidemic.

(f) The State Department of Health Services shall allocate the amount transferred to it pursuant to paragraph (4) of subdivision (b) for use as follows:

(1) $130,000 to maintain funding for statewide education programs which have demonstrated effectiveness in educating and informing health care workers, emergency service workers, and hemophiliacs about AIDS. The department may enter into sole source contracts with the contractors who received funding in 1986–87. The department shall ensure that the contracts address the needs of minorities in the target populations.

(2) To adopt a goal of spending 25% of funds provided for information to and education of minority populations.

(3) (A) To increase state efforts during the 1987–88 fiscal year to educate specified target populations on AIDS as follows: (i) $638,000

for persons attending sexually transmitted disease clinics and other public health clinics; (ii) $3,830,000 for men who have sex with men; (iii) $2,320,000 for sexually active heterosexuals; (iv) $2,261,000 for minority populations; (v) $2,553,000 for IV drug users; (vi) $192,000 for prostitutes; (vii) $638,000 for health professionals with special emphasis on education of black and hispanic health care networks; (viii) $209,000 to support English and Spanish language hotlines in Southern and Northern California; (ix) $319,000 for inmates and employees of county jails; and (x) $160,000 for health professionals responsible for education of diagnosing pediatric AIDS.

(B) In allocating funds pursuant to this paragraph, the department shall give first priority to those contractors who were determined to have high-quality proposals for funding during the 1987–88 fiscal year, but whose requests were reduced or denied because of insufficient funds. During the 1988–89 fiscal year, these amounts shall be increased by 33 percent to reflect annualized funding.

(C) The department may reallocate up to 14% of the increased funds provided herein to educate men who have sex with men, sexually active heterosexuals, and minority populations to programs which, instead, educate the general population if the department does not receive a sufficient number of high quality proposals in those categories. In no event shall the reallocation exceed $2,000,000.

(4) $1,000,000 to establish four resource centers—two in the south and two in the north—to provide service to provider counties, schools, colleges, and the public with the most recent information on AIDS on the effective intervention for controlling the epidemic. These centers shall include information on all target groups affected by AIDS, including men who have sex with men, sexually active heterosexuals, IV drug users, and minorities. In allocating the funds, the department shall give consideration to those entities experienced in acting as a resource center.

(5) $750,000 to evaluate the effectiveness of the prevention and intervention of AIDS through information and education grants.

(6) $5,856,000 to support activities and programs designed to care for HIV infected people in nonhospital settings. These funds may be used for case management services, home health care, attendant care, housing costs, food, and for subsidizing rates paid to skilled nursing facility distinct parts.

(7) $250,000 to support programs to encourage private sector providers to offer the HIV antibody test.

(8) To encourage publicly funded clinics to provide the HIV antibody test and to allocate $250,000 to reimburse costs incurred by the clinics in providing the test.

(9) To provide that alternate test sites may refer persons with HIV infection to mental health services, as appropriate.

(10) $1,462,000 for counties for their AIDS programs. These funds may be used for serologic monitoring, active case monitoring, monitoring of sexually transmitted diseases, county epidemiology plan-

ning, evaluation of data collective efforts, and coordination of AIDS activities.

(11) $5,700,000 for construction of a multidisciplinary AIDS research center at San Francisco General Hospital. The department shall only allocate the funds to the City and County of San Francisco after the department submits a Section 28.00 notification, which includes the projects' preliminary plans, to the Joint Legislative Budget Committee and the legislative fiscal committees for review. The Joint Legislative Budget Committee shall report on the adequacy of the plans within 30 days of receipt of the Section 28.00 request. After approval of the preliminary plans, changes affecting the scope or cost of the project shall be submitted under the review process set forth above to the Chair of the Joint Legislative Budget Committee and the chair of the fiscal committee in each house prior to implementing the proposed change. The department shall ensure that the City and County of San Francisco shall expedite the development of preliminary plans for this project. It is the intent of the Legislature that this project shall be expedited to make possible the start of the construction in the 1987–88 fiscal year.

It is the intent of the Legislature that the remaining $4,800,000 in construction costs for this project shall be funded in the Budget Act of 1988. The Legislature requests the City and County of San Francisco to let a single contract for the project which provides for phased construction award and phased construction.

(12) $500,000 to establish 13 positions to administer the additional funds provided in this subdivision for information and education activities.

(13) The department shall ensure that HIV-infected children are eligible for California Children Services (CCS). CCS shall coordinate with county welfare departments to facilitate appropriate foster placements for these children.

(14) $1,500,000 to fund health care costs of HIV-infected infants and children. Of this amount, $1,000,000 shall be transferred to California Children Services to fund health care costs of HIV-infected infants and children, and $500,000 shall be contracted through the RFP process to fund clinical treatment centers within existing health care facilities for infants and children diagnosed as having AIDS, ARC, or HIV infection. In awarding these grants, the department shall ensure that the centers are located in, or in close proximity to, the communities with the highest concentration of HIV-infected infants and children.

(g) The Department of Mental Health shall allocate the amount transferred to it pursuant to paragraph (5) of subdivision (b) for use as follows:

(1) $700,000 for community services as follows: (i) $250,000 for promotion of mental health; (ii) $250,000 for training of volunteers and peer counselors; and (iii) $200,000 for counseling of hemophiliacs with regard to AIDS-related mental health issues.

(2) To prepare a report regarding state hospital issues related to AIDS which shall include, but not be limited to, all of the following with regard to patients with AIDS, ARC, or who test positive for the AIDS antibody: (i) state policy regarding admission to the state hospitals; (ii) issues relating to confidentiality, testing, and treatment including the need for data collection; (iii) the number of patients currently in the state hospitals and, to the extent possible, the projected unmet need for hospital beds; (iv) projections regarding appropriate treatment programs; and (v) mechanisms for improving coordination between the state hospitals and community mental health programs.

The report shall be submitted by November 1, 1987, to the Assembly Ways and Means Committee and the Senate Budget and Fiscal Review Committee.

(3) $2,500,000 to provide critical mental health treatment service to people with AIDS-related mental health needs. These funds shall not be expended for any other mental health program and shall be used to provide services to the following populations: (i) people with AIDS; (ii) people with ARC; (iii) people who test antibody positive for exposure to the AIDS virus; (iv) significant others of any of those in the above groups; (v) those suffering from AIDS-related depression, anxiety, or somatization disorders; and (vi) people whose work brings them in contact with anyone identified in groups (i) through (v) above.

The department shall develop a request for proposals for allocation of funds pursuant to paragraph (3). Both county mental health departments and private, nonprofit agencies shall be eligible for funding. However, priority shall be given to proposals from county mental health departments which propose to make use of appropriate private provider expertise.

(h) The Department of Corrections shall allocate $300,000 of the amount transferred to it pursuant to paragraph (6) of subdivision (b) to inform and educate inmates and employees of the state's prisons on AIDS.

(i) The California Youth Authority shall allocate the amount transferred to it pursuant to paragraph (7) of subdivision (b) to inform and educate wards and department employees on AIDS.

(j) The Superintendent of Public Instruction shall allocate the amount transferred to the State Department of Education pursuant to paragraph (8) of subdivision (b) to local school districts to: (i) train teachers and staff to provide classroom instruction on AIDS; (ii) purchase AIDS instructional materials, including videos; and (iii) develop AIDS curricula and teaching guidelines.

(k) The Board of Trustees shall allocate the amount transferred to the California State Universities the amount pursuant to paragraph (9) of subdivision (b) to (i) train health personnel to provide AIDS education to students and staff; (ii) purchase AIDS instructional materials; (iii) develop AIDS curricula; and (iv) coordinate campus

AIDS education programs.

(*l*) In allocating funds appropriated for AIDS research in Item 6440-001-001, the university shall increase its emphasis on social and behavioral science and policy research which identifies effective ways to combat the spread of AIDS by: (i) funding more research on issues such as effective prevention and education strategies, local AIDS policy directions, and the quality of health care; and (ii) diversifying its task force to include researchers in disciplines such as health education and policy, medical anthropology, or other social sciences.

Of the amount allocated to the University of California, the Regents of the University of California shall allocate $100,000 to the eight general campuses to: (i) train health personnel to provide AIDS education to students and staff; (ii) purchase AIDS instructional materials; (iii) develop AIDS curricula; and (iv) coordinate campus AIDS education programs.

(m) (1) The Chancellor of the California Community Colleges shall develop and distribute a program which shall do both of the following:

(A) Train health personnel to provide AIDS education.

(B) Develop AIDS curricula and instructional materials for use in community colleges.

(2) The Chancellor shall further allocate up to $680,000 from the amount transferred to it pursuant to paragraph (11) of subdivision (b) to community college districts in order to do both of the following:

(A) Provide direct instruction and information to community college staff and students.

(B) Coordinate community college campus AIDS education programs.

(n) The amount appropriated in paragraph (12) of subdivision (b) shall be transferred to the Department of Social Services for payment of AFDC-FC grants for infants and children in foster care placement diagnosed as having AIDS, ARC, or HIV infection. The department is authorized to pay any supplemental rate that may be approved.

RESOURCES

SEC. 18.10. (a) 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.

(b) 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. 22.00. (a) The sum of forty-four million dollars ($44,000,000) is hereby appropriated from the General Fund for transfer by the Controller, upon order of the Director of Finance, to the Department of Social Services, the 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 1987–88 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 occupa-

tional 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.

(c) The funds appropriated by this section shall be allocated in accordance with the following schedule:

(1) Community colleges	$10,000,000
(2) Adult education	15,000,000
(3) Regional occupation programs	5,000,000
(4) Other appropriate agencies	14,000,000

The Director of Finance may transfer funds among the categories in the schedule above.

(d) It is the intent of the Legislature to fully fund the GAIN program as soon as is feasible. The funding included in this act reflects the most recent information on county implementation dates and increasing time lags experienced by counties. It also reflects a budget shortfall. It does not reflect lack of legislative commitment to this program.

SEC. 23.00. (a) The sum of thirteen million one hundred forty-six thousand dollars ($13,146,000) is hereby appropriated to the Controller in accordance with the following schedule:

(1) $7,715,000 from the General Fund.

(2) $1,270,000 from the Hazardous Waste Control Account.

(3) $4,161,000 from fees (reimbursements).

(b) Of the funds appropriated from the Hazardous Waste Control Account, $444,000 shall be transferred by the Controller to Item 4260-011-014 for support of state and local hazardous waste management planning. These funds shall not be available for expenditure until after 30 days' notice to the legislative fiscal committees and to the Joint Legislative Budget Committee of the Department of Health Services' intention to encumber the funds.

(c) Twelve million seven hundred two thousand dollars ($12,702,000), which is the balance of the amount appropriated by this section, shall be allocated by the Controller upon order of the Director of Finance, for the purpose of implementing the Safe Drinking Water and Toxic Enforcement Act of 1986 and in accordance with the schedules set forth in subdivisions (d), (e), (f), (g), and (h) to complete activities as identified. The amounts appropriated from the Hazardous Waste Control Account and fee reimbursements shall be allocated according to the schedules identified in the Department of Finance letter dated May 19, 1987.

(d) Scientific Functions. The sum of six million six hundred twenty-two thousand dollars ($6,622,000) shall be allocated in this

category according to the following schedule:

Air Resources Board	$279,000
Department of Food and Agriculture	1,929,000
Department of Health Services	3,387,000
Health and Welfare Agency	253,000
State Water Resources Control Board	774,000

This allocation shall be consistent with the following priorities:

(1) Priority 1: Policies and Guidelines. The first priority under this subdivision shall be for the Department of Health Services to update existing policies and guidelines to be used for assessing risks posed by cancer-causing substances; to develop policies and guidelines to be used for assessing risks posed by reproductive toxicants; and to develop policies and guidelines to be used for exposure assessment protocols. These policies and guidelines shall, to the extent appropriate, incorporate procedures to assess risks from multiple routes of exposure from individual sources. These policies and guidelines shall be updated and developed under the direct supervision, and with the active participation, of staff with direct experience in such policy and guideline development, and who possess knowledge and expertise in the areas of carcinogenesis, reproductive toxicology, epidemiology, and the identification of exposures in the workplace and the environment.

(2) Priority 2: Listing of Chemicals (Scientific Advisory Panel). The second priority under this subdivision shall be for support of the activities of the Scientific Advisory Panel for the purpose of listing chemicals subject to the prohibitions of the Safe Drinking Water and Toxic Enforcement Act of 1986.

(3) Priority 3: Health Hazard Assessment. The third priority under this subdivision shall be for the Department of Health Services to develop chemical-specific health hazard assessments to be used for implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986. The development of these health hazard assessments shall be based on the policies and guidelines updated or developed pursuant to Priority 1.

(4) Priority 4: Permit and Pesticide Registration Review and Modification. The fourth priority under this subdivision shall be to review and revise permits and registrations relating to waste discharges, air emissions, and pesticide labeling requirements and use, consistent with the policies and guidelines updated or developed pursuant to Priority 1, with actions taken to list chemicals subject to the prohibitions of the Safe Drinking Water and Toxic Enforcement Act of 1986, and with the health hazard assessments developed pursuant to Priority 3.

(5) Priority 5: Safe Use Determinations. The last priority under this subdivision shall be the review and approval or denial of individual Safe Use Determinations based on regulations or guidelines consistent with policies and guidelines developed pursuant to Priority 1 and health hazard assessments developed pursuant to Priority 3.

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(e) Technical Assistance. The sum of one million six hundred sixty-one thousand dollars ($1,661,000) is allocated for the purpose of providing technical assistance to the general public, employees, chemical users, and local governmental entities in implementing the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986. This allocation shall be subject to the following schedule:

Department of Health Services	$818,000
Department of Health Services for allocation to the HESIS Unit for technical assistance relating to occupational exposures	133,000
Department of Food and Agriculture	430,000
State Water Resources Control Board	214,000
Air Resources Board	66,000

(f) Monitoring and Enforcement. The sum of three million one hundred forty thousand dollars ($3,140,000) is allocated for monitoring and enforcement of the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986. The allocation shall be made according to the following schedule:

Department of Health Services	$498,000
Department of Food and Agriculture	971,000
State Water Resources Control Board	887,000
Department of Justice	518,000
Department of Industrial Relations	266,000

(g) Management and Support. The sum of five hundred sixty-nine thousand dollars ($569,000) is allocated for management and support for state agencies to implement the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, as follows:

Department of Health Services	$152,000
Health and Welfare Agency	250,000
State Water Resources Control Board	167,000

(h) Employee Reporting. The sum of seven hundred ten thousand dollars ($710,000) is allocated for assistance in state employee reporting requirements pursuant to Section 25180.7 of the Health and Safety Code, as provided in the Safe Drinking Water and Toxic Enforcement Act of 1986. This allocation shall be made according to the following schedule:

Department of Fish and Game	$23,000
Department of Food and Agriculture	36,000
Department of Health Services	229,000
Office of Emergency Services	23,000
State Water Resources Control Board	363,000
Department of Justice	36,000

(i) The Department of Health Services shall consult with the State Water Resources Control Board, the Department of Food and Agriculture, and the Air Resources Board in the development of policies and guidelines updated or developed pursuant to Priority 1 of subdivision (d) and health hazard assessments developed pursuant to Priority 3 of subdivision (d).

(j) The Department of Health Services, by direction of the Health and Welfare Agency, shall work with other agencies and may enter into contracts with private parties for assistance in developing the health hazard assessments described in Priority 3 of subdivision (d).

(k) In the event that Safe Use Determinations are issued, they shall be based on the policies and guidelines updated or developed in Priority 1 of subdivision (d) and health hazard assessments developed in Priority 3 of subdivision (d).

(*l*) The Health and Welfare Agency shall develop a system to track the number and type of Safe Use Determinations that are developed by various agencies. To the extent feasible, the agency shall assist departments in avoiding duplication of effort in the development of Safe Use Determinations.

(m) The Health and Welfare Agency shall prepare a schedule of fees to be paid by private parties in seeking to obtain Safe Use Determinations. The schedule of fees shall be set at a level sufficient to fund the total state cost of administering Safe Use Determinations requests.

(n) In the event that programs relating to worker protection are not available within the Department of Industrial Relations in the 1987–88 fiscal year to implement the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, the Director of Finance shall report to the chairpersons of the legislative toxics policy committees and the fiscal committees on how the administration plans to discharge its responsibilities to protect workers pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986.

(o) Among the activities conducted by HESIS pursuant to subdivision (e) shall be the development of a worker notification and information dissemination program.

(p) In conjunction with the Governor's 1988–89 Budget, the Health and Welfare Agency shall report to the Legislature on activities of agencies in implementing provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986.

(q) To the extent that funds in this section need to be reallocated to implement priorities specified in subdivision (d), the Director of Finance shall do so after 30 days' notice to the Chairpersons of the Assembly Ways and Means Committee and the Senate Committee on Budget and Fiscal Review of his or her intention to provide for the reallocation.

EDUCATION

SEC. 24.00. For the 1987–88 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, 1988, to the General Fund.

SEC. 24.40. (a) Notwithstanding any other provision of law, the State Allocation Board may make available to the Director of General Services up to thirty-five million dollars ($35,000,000) 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.

(b) The State Allocation Board may advance to the Emergency Classroom Program an amount, which may not exceed fifteen million dollars ($15,000,000), from any funds available to the board. This advance shall be repaid from funds authorized pursuant to Chapter 887 of the Statutes of 1986, as required by Section 15504 of the Education Code for the 1988–89 fiscal year.

SEC. 24.60. From the funds appropriated in Items 5460-001-814, 6100-226-001, 6440-001-001, 6600-001-001, 6610-001-001, 6860-001-001 and 6870-101-001 of this act, the Department of the Youth Authority and 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, 1988, the amount of lottery funds which each entity received and the purposes for which the funds were expended in the 1987–88 fiscal year, including administrative costs and proposed expenditures and purposes for expenditure for the 1988–89 fiscal year, provided that the University of California, the Hastings College of the Law, and the California State University shall submit their reports on proposed expenditures on or before April 1, 1988. If applicable, the amount of lottery funds received on the basis of adult education ADA and the amount of lottery funds expended for adult education shall be reported. No additional report shall be required of local educational agencies regarding the use of lottery funds unless that report is specifically authorized by the Legislature.

GENERAL GOVERNMENT

SEC. 26.00. No funds appropriated by this act shall be encum-

bered 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. 26.50. Up to ten percent of all revenues payable to the state from satellite wagering facilities located at fairs is hereby appropriated to the Department of Food and Agriculture for allocation in accordance with the determination made pursuant to subdivision (e) of Section 19596.5 of the Business and Professions Code.

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 expenditure 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 1987–88 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 1988–89 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no

event after June 30, 1989.

(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 services 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 the 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, 1988, 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 $2,641 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 1987–88 fiscal year shall terminate on June 30, 1988, except that those positions which have been (a) included in the 1988–89 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1988–89 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1988–89 fiscal year, provided these positions are shown in the 1989–90 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 1988–89 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 expenditure 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 1987–88 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, but this provision shall not apply to the California State University. 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 1988–89 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 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 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 or her 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 Chairperson of the Joint Legislative Budget Committee, and the chairperson 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. 32.50. There is hereby appropriated from the General Fund the amount of eighty-eight million eight hundred seventy thousand dollars ($88,870,000) for payment to local jurisdictions. Except as provided pursuant to subdivision (c), these funds shall be distributed as follows:

(a) Local jurisdictions, other than counties, or cities and counties, that received funds from the programs listed in subdivision (b) in the 1986–87 fiscal year, shall receive an amount of funds equal to 5.97 percent of the amount the local jurisdiction received in the 1986–87 fiscal year. The Director of Finance shall certify to the State Controller the amount of discretionary block grant funds to be distributed to each local jurisdiction under this provision.

(b) The remaining amount shall be distributed to counties and cities and counties as discretionary block grants. The Director of Finance shall certify to the State Controller the amount of discretionary block grant funds to be distributed in lieu of a 5.97 percent cost-of-living adjustment for each of the following programs:

(1) Alcohol and drug programs.

(2) Medically indigent services programs.

(3) Local mental health programs, including special education pupils.

(4) Aid to Families with Dependent Children-Foster Care programs.

(5) Social services-county services block grant programs.

(6) Social services-employment programs.

(7) Social services-adoptions programs.

(8) Social services-community care licensing programs.

These funds shall be distributed as follows:

(A) 66.66 percent shall be allocated in the same proportions as each county's maximum allocation under Section 16702 of the Welfare and Institutions Code in the 1987–88 fiscal year.

(B) 16.67 percent shall be distributed in the same proportion as 1986–87 program allocations under the cited programs. The Director of Finance shall determine this proportion by dividing (a) the sum of the amounts each county was allocated in the 1986–87 fiscal year for each separate program by (b) the total allocations for all programs.

(C) 16.67 percent shall be distributed in the same proportion as the population of each county as estimated by the Department of Finance on July 1, 1987.

(D) The Controller shall subvene these funds on or before January 1, 1988.

(c) The Department of Social Services shall establish a procedure which allows counties to verify that they have voluntarily provided a cost-of-living adjustment for foster care from funds provided pursuant to this section and to claim federal foster care cost-of-living adjustment funds available in Item 5180-181-890. The department shall also establish a procedure for auditing claims made by counties pursuant to this subdivision.

(d) (1) When the Director of Finance determines that an allocation of money pursuant to subdivisions (a) and (b) would result in a jurisdiction having proceeds of taxes in excess of its appropriations limit pursuant to Article XIII B of the Constitution, the Director of Finance shall reduce the amounts computed pursuant to subdivisions (a) and (b) accordingly.

(2) In the case of a reduction pursuant to this subdivision, and if the electors of the local jurisdiction subsequently raise the 1987–88 fiscal year appropriations limit of the jurisdiction, the department shall certify a supplemental amount to the Controller by May 1, 1988. The Controller shall issue a warrant in that amount to the jurisdiction no later than June 30, 1988. In the case of a reduction pursuant to this subdivision where there is no certification of a supplemental amount to the Controller on or before May 1, 1988, the Controller shall distribute the amount of the reduction to all other counties and cities and counties pursuant to the formula specified in subdivision (b).

(e) It is the intent of the Legislature that the funding formula established in this section shall be effective for one year only. It is the intent of the Legislature that, subject to the passage of a concurrent resolution, the Legislative Analyst shall prepare a report that reviews the various formulas which can be used to allocate discretionary COLA's for health, mental health, social services, and alcohol and drug programs. It is the intent of the Legislature that the concurrent resolution shall identify and specify the criteria which the Legislative Analyst shall use in reviewing the formulas.

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 the 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 1987–88 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, 1987. 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.

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Alcoholic Beverage Control, Department of	2100
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Architectural Examiners, Board of	1130
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California/Mexico Affairs, Office of	0580
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Coastal Commission, California	3720
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Community Colleges, Board of Governors of the California	6870
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Fair Employment and Housing, Department of	1700
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Fish and Game, Department of	3600
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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
3.70 Telephone Equipment Costs
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5.00 Attorneys Fees
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7.50 Appropriation Augmentations
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9.00 Supplemental Report of Conference Committee
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
11.60 Transfer to Disaster Response-Emergency Operations Account
12.00 Appropriations limits
12.30 Special Fund for Economic Uncertainties
12.50 Special Funds Reserves
13.00 Legislative Counsel Bureau
14.00 Expenditure of Federal Funds Received Pursuant to Immigration Reform and Control Act of 1986
15.00 AIDS-Related Funding
18.10 Concession Contracts, Lease, and Operating Agreements
21.00 Federal Block Grants
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23.00 Public Health and Toxics Funding (Proposition 65)
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CHAPTER 136

An act to amend Section 84713 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1987. Filed with Secretary of State July 8, 1987.]

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

SECTION 1. The Legislature finds that the role, mission, governance, finance, and personnel policies of the California Community Colleges has been the subject of a study by the Commission for the Review of the Master Plan for Higher Education and the Joint Committee for the Review of the Master Plan for Higher Education.

The Legislature reiterates its declaration of intent, as expressed in Chapter 1465 of the Statutes of 1986, to establish, by July 1, 1988, through statutory provisions and administrative rules and regulations, a new funding mechanism for determining the allocation of state general apportionments for community colleges which assures access to all Californians, promotes educational excellence, and is more reflective of a postsecondary educational system.

The Legislature further finds that, through Chapter 1465 of the Statutes of 1986, it charged the Chancellor of the Community Colleges with convening a special task force on community college financing reform to develop and make recommendations on a new financing system no later than May 1, 1987.

The Legislature further finds that, in order to ensure a smooth transition from the current community college funding mechanism to a new cost differential mechanism, the statutory authorization for the current methodology needs to be extended for two years.

SEC. 2. Section 84713 of the Education Code is amended to read:

84713. This article shall become inoperative on July 1, 1989, and, as of January 1, 1990, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1990, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Notwithstanding subdivision (b) of Section 84701 of the Education Code, for 1987–88 only, the equalization funding allocation made pursuant to Provision 17 of Item 6870-101-001 of Section 2.00 of the Budget Act of 1986 shall be used in lieu of the allocation prescribed in paragraph (2) of Section 84705 of the Education Code for determining 1987–88 base revenues.

SEC. 4. Notwithstanding paragraph (2) of Section 84705 of the Education Code, for 1987–88 only, equalization funding shall be allocated based on Provision 17 of Item 6870-101-001 of Section 2.00 of the Budget Act of 1987.

SEC. 5. Notwithstanding subdivision (b) of Section 84701 of the Education Code, for 1988–89 only, the Chancellor of the California Community Colleges shall use the 1987–88 computational revenues derived pursuant to subdivision (a) of Section 84700 of the Education Code for district base revenues for 1988–89.

SEC. 6. Notwithstanding Section 84706 of the Education Code, for 1986-87 only, the Chancellor of the California Community Colleges may allocate up to four million six hundred thousand dollars ($4,600,000) for additional average daily attendance growth over and beyond the allowable growth provided through paragraph (2) of subdivision (b) of Section 84706 of the Education Code.

SEC. 7. It is the intent of the Legislature to reaffirm the need for an accountability system for the community colleges as expressed in Assembly Bill 3409 of the 1985–86 Regular Session, enacted as Chapter 1465 of the Statutes of 1986. The Chancellor of the California Community Colleges shall develop a plan for an accountability reporting system for the community colleges in accordance with, but not limited to, the system described in the report prepared pursuant to Chapter 1465 of the Statutes of 1986 and entitled "A.B. 3409 Community College Accountability Report," and shall provide a written description of the system, as so developed, to the Legislature.

The plan shall explain how the accountability reporting system would be related to, and would build upon, the chancellor's proposed management information system, which is beginning pilot testing in the 1987–88 fiscal year.

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 for the Task Force on Community College Finance Reform, established pursuant to Chapter 1465 of the Statutes of 1986, to develop and make specific recommendations on a differential funding model for allocating state funds to community colleges, and in order for the Legislature to adequately consider and act upon those recommendations, it is necessary that this act take effect immediately.

Further, in order for community college districts to adopt budgets for the 1987–88 fiscal year without fear of a disruption in state funding, it is necessary that this act take effect immediately.

CHAPTER 137

An act to amend Section 21155.1 of the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1987 Filed with Secretary of State July 8, 1987]

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

SECTION 1. Section 21155.1 of the Government Code is amended to read:

21155.1. A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system as a member of the academic staff of a California state university, if that service does not exceed, in any fiscal year, a total of 90 days for all employers or 50 percent of the hours the member was employed during the last fiscal year of service prior to retirement.

SEC. 2. This act shall become operative on July 1, 1987, or the date on which it takes effect, whichever is the later.

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 the provisions of the memorandum of understanding between the Trustees of the California State University and the California Faculty Association, Unit No. 3, may be effective on or near the commencement of the 1987–88 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 138

An act to add Article 4 (commencing with Section 19998.3) to Chapter 7 of Part 2.6 of Division 5 of Title 2 of, and to repeal Section 19143 of, the Government Code, relating to state employees.

[Approved by Governor July 8, 1987 Filed with Secretary of State July 8, 1987]

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

SECTION 1. Section 19143 of the Government Code is repealed.

SEC. 2. Article 4 (commencing with Section 19998.3) is added to Chapter 7 of Part 2.6 of Division 5 of Title 2 of the Government Code, to read:

Article 4. Reentry to State Service

19998.3. Notwithstanding any other provision of law to the contrary, an employee whose continuity of employment in the state service as either an exempt or civil service employee is broken for six months or longer by a permanent separation such as resignation, dismissal, or rejection during a probationary period, and who is subsequently reemployed after December 31, 1949, shall not be credited for service prior to that separation for purposes of sick leave, nor shall the employee be credited with any sick leave which the employee had accumulated prior to his or her separation and he or she shall again serve the months required to qualify for vacation credit. The department shall adopt rules governing the crediting of service before and after a break in service for purposes of vacation as specified in Section 19858.1 and the keeping of service records related thereto.

When an employee has a break in the continuity of his or her state employment because of a temporary separation such as layoff, suspension, leave of absence, military leave, disability retirement, or medical termination, his or her prior service shall be counted upon his or her return to state service for purposes of layoff, sick leave, and vacation.

If an employee had a break in the continuity of his or her state employment because of absence occasioned by his or her evacuation and relocation pursuant to orders issued by the commanding officer of the Western Defense Command in March 1942, for the evacuation of persons of Japanese descent from the area, where that employee was in state service on March 5, 1942, and returned to state service on or before December 31, 1949, the time of absence during which those orders were in effect shall be counted for purposes of layoff.

19998.4. (a) An employee who entered county employment pursuant to a resolution or agreement effecting the transfer of that employee by the State Department of Mental Health to a local mental health services program in accordance with Chapter 1330 of the Statutes of 1984, shall, upon reentry into state service, be credited with vacation and sick leave owed to that employee by the county, except as provided by subdivisions (b) and (c).

(b) Any hours of vacation and sick leave for which the employee receives monetary compensation upon separation from the county, shall be deducted from the total hours of vacation and sick leave to which the employee is entitled. The credit for accumulated vacation and sick leave shall not exceed that to which each employee would be entitled if he or she had been continuously employed by the State of California in the classification in which he or she held permanent status at the time of separation from state service.

(c) The separation from state service shall be considered permanent for purposes of subdivision (a) and no vacation or sick leave credit for time employed by the county shall be granted by the state if either of the following has occurred:

(1) The employee permanently separated from county service for six months or longer.

(2) More than five years elapsed since the employee was transferred by the department to the county.

CHAPTER 139

An act to amend Section 5256.1 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor July 8, 1987. Filed with Secretary of State July 8, 1987.]

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

SECTION 1. Section 5256.1 of the Welfare and Institutions Code is amended to read:

5256.1. The certification review hearing shall be conducted by either a court-appointed commissioner or a referee, or a certification review hearing officer. The certification review hearing officer shall be either a state qualified administrative law hearing officer, a medical doctor, a licensed psychologist, a registered nurse, a lawyer, a certified law student, a licensed clinical social worker, or a licensed marriage, family and child counselor. Licensed psychologists, licensed clinical social workers, licensed marriage, family and child counselors, and registered nurses who serve as certification review hearing officers shall have had a minimum of five years experience in mental health. Certification review hearing officers shall be selected from a list of eligible persons unanimously approved by a panel composed of the local mental health director, the county public defender, and the county counsel or district attorney designated by the county board of supervisors. No employee of the county mental health program or of any facility designated by the county and approved by the State Department of Mental Health as a facility for 72-hour treatment and evaluation may serve as a certification review hearing officer.

The location of the certification review hearing shall be compatible with, and least disruptive of, the treatment being provided to the person certified. In addition, hearings conducted by certification review officers shall be conducted at an appropriate place at the facility where the person certified is receiving treatment.

CHAPTER 140

An act to amend Section 5544.2 of the Public Resources Code, relating to regional park, park and open-space, or open-space districts.

[Approved by Governor July 8, 1987 Filed with Secretary of State July 8, 1987]

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

SECTION 1. Section 5544.2 of the Public Resources Code is amended to read:

5544.2. (a) A district may acquire all necessary and proper lands and facilities, or any portion thereof, by means of a plan to borrow money or by purchase on contract.

(b) The amount of indebtedness to be incurred shall not exceed an amount equal to the anticipated property tax revenue allocations for the next five-year period derived pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code or the anticipated tax income for the next 20-year period derived pursuant to Section 50077 of the Government Code, or both. All indebtedness which is incurred on or after July 1, 1982, pursuant to this section shall be repaid during a period not to exceed 20 years from the date on which it is incurred and shall bear interest at a rate not exceeding 10 percent per annum, or the rate allowed pursuant to Section 53531 of the Government Code, if higher, payable annually or semiannually or in part annually and in part semiannually. Notwithstanding any other provision of this section, with respect to the East Bay Regional Park District only, all indebtedness incurred pursuant to this section for acquisition of lands and facilities designated in the district's master plan, including the Chabot Ridgelands, shall be repaid during a period not to exceed 30 years and at a rate not exceeding the rate allowed in this section for other districts. All other acquisitions of land and facilities by the East Bay Regional Park District not designated in the master plan are subject to the 20-year repayment period limitation of this section. Each indebtedness shall be authorized by a resolution adopted by the affirmative votes of at least two-thirds of the members of the district board, shall be evidenced by a promissory note or contract signed by the president of the board and attested by the secretary or treasurer, and shall be sold at not less than 95 percent of the principal amount in the manner determined by the board at a discount which equals the underwriter's spread. The board shall determine that the discount reflects an underwriter's spread which is both reasonable and customary under the prevailing market conditions. One of the two signatures may be by facsimile reproduction. At the time of making the general tax levy after incurring each indebtedness and annually thereafter until the indebtedness is paid or until there is a

sum in the treasury set apart for that purpose sufficient to meet all payments of principal and interest on the indebtedness as they become due, a portion of the taxes levied and collected pursuant to Section 50077 of the Government Code, if any, shall be levied and collected and set aside sufficient to pay the interest on the indebtedness and the part of the principal that will become due before the proceeds of a tax levied at the next general tax levy will be available.

(c) The indebtedness authorized to be incurred by this section shall be in addition to, and the provisions of this section shall not apply to, any bonded indebtedness authorized by vote of the electors.

CHAPTER 141

An act to amend Sections 74905, 74907, 74909, and 74912 of the Government Code, relating to courts.

[Approved by Governor July 8, 1987. Filed with Secretary of State July 8, 1987.]

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

SECTION 1. Section 74905 of the Government Code is amended to read:

74905. (a) There shall be one clerk of the Ventura County Municipal Court, who shall be known as the court executive officer and who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The court executive officer shall receive the monthly compensation from four thousand one hundred fifty dollars ($4,150) to five thousand two hundred eighty-five dollars ($5,285).

(b) There shall be one assistant court executive officer and assistant clerk of the Ventura County Municipal Court who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The assistant court executive officer and assistant clerk shall receive the monthly compensation from three thousand one hundred fifty dollars ($3,150) to three thousand nine hundred seventy-three dollars ($3,973).

(c) The rate of monthly compensation to be paid to the court executive officer and the assistant court executive officer and assistant clerk within the compensation ranges set forth in subdivisions (a) and (b) shall be established by joint action and approval of the board of supervisors and a majority of the judges of the court at an amount equal to that paid county employees with comparable experience and responsibility.

SEC. 2. Section 74907 of the Government Code is amended to read:

74907. The court executive officer may appoint the following positions which shall receive biweekly compensation specified in Section 74909:

(a) Two manager-municipal court divisions.
(b) Eight supervising court clerks.
(c) Seventeen deputy municipal court clerks III.
(d) Twenty-nine deputy municipal court clerks II.
(e) Twenty-one deputy municipal court clerks I.
(f) Two deputy municipal court legal process clerks.
(g) One deputy municipal court clerk interpreter.
(h) Two municipal court secretaries.
(i) One supervising data entry operator.
(j) Seven data entry operators III.
(k) One administrative assistant II.
(*l*) One accounting technician.
(m) One senior microfilm technician.
(n) One municipal court executive secretary.
(o) One mail messenger.
(p) Five account clerks II.
(q) Two clerks.

SEC. 3. Section 74909 of the Government Code is amended to read:

74909. (a) The following biweekly salary schedule, which is consistent with the Salary Ordinance of the County of Ventura shall apply to the personnel of the Ventura County Municipal Court:

Municipal court classification	Biweekly rate
Manager-municipal court divisions	$1,092.93–1,329.16
Supervising court clerk	835.20–1,016.80
Deputy municipal court clerk III	688.80– 836.00
Deputy municipal court clerk II	597.60– 723.20
Deputy municipal court clerk I	498.40– 627.20
Deputy municipal court legal process clerk	640.00– 776.00
Deputy municipal court clerk interpreter	597.60– 723.20
Supervising data entry operator	653.60– 797.60
Data entry operator III	596.80– 726.40
Municipal court secretary	692.80– 840.00
Administrative assistant II	972.80–1,183.31
Accounting technician	802.40– 975.20
Senior microfilm technician	642.40– 784.00
Municipal court executive secretary	764.80– 931.20
Mail messenger	525.60– 627.20
Account clerk II	564.80– 688.80
Clerk	424.80– 534.40

Merit increases within the salary range shall be in accordance with the salary merit increment plan.

(b) In the event that the above biweekly salary schedule is not applicable, then Section 74912 shall apply.

SEC. 4. Section 74912 of the Government Code is amended to read:

74912. Certain classifications in the Ventura County Municipal Court are deemed to be equivalent in position responsibility and salary level to certain classifications in the service of Ventura County and whenever the salary of an equivalent classification in the Ventura County service is adjusted by the board of supervisors, the salary of the equivalent classification in the Ventura County Municipal Court and the salary of the personnel in such classifications, shall be adjusted an equivalent amount. Such adjustment shall be effective on the same date as the effective date of the action by the board of supervisors as it applies to classifications in the Ventura County service. Any salary increases granted or reclassifications made pursuant to this article shall be effective only until the effective date of general legislation enacted by the Legislature at its next regular session following the date such salary increases are granted or reclassifications made. Classifications deemed to be equivalent are as follows:

Municipal court classification	County classification
Manager-municipal court divisions	Manager-municipal court divisions
Supervising court clerk	Supervising court clerk
Deputy municipal court clerk III	Superior court clerk III
Deputy municipal court clerk II	Superior court clerk II
Deputy municipal court clerk I	Superior court clerk I
Deputy municipal court legal process clerk	Legal process clerk
Deputy municipal court clerk interpreter	Superior court clerk II
Supervising data entry operator	Supervising data entry operator
Data entry operator III	Data entry operator III
Data entry operator II	Data entry operator II
Data entry operator I	Data entry operator I
Municipal court secretary	Superior court secretary
Administrative assistant II	Administrative assistant II
Accounting technician	Accounting technician
Senior microfilm technician	Senior microfilm technician
Municipal court executive secretary	Executive secretary-confidential
Mail messenger	Mail messenger
Account clerk II	Account clerk II
Clerk	Clerk

SEC. 5. 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 142

An act to amend Section 120107 of, and to add and repeal Section 120107.5 of, the Public Utilities Code, relating to transit development boards.

[Approved by Governor July 8, 1987 Filed with Secretary of State July 8, 1987.]

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

SECTION 1. Section 120107 of the Public Utilities Code is amended to read:

120107. (a) Each member of the board, including alternate members appointed pursuant to Section 120051.6 when serving in the absence of a regular member, shall be compensated for each day the member attends meetings of the board and committees of the board, not to exceed six committee meetings in any one quarter, and for his or her necessary and reasonable expenses in performing his or her duties as a board member.

(b) In addition, the board may, by resolution, authorize and designate members and alternates to be compensated for representing the board by attendance at specified meetings of other governmental entities and public agencies.

(c) The board shall, by ordinance, after a public hearing, fix the amounts of compensation payable pursuant to subdivisions (a) and (b).

SEC. 2. Section 120107.5 is added to the Public Utilities Code, to read:

120107.5. The board may, by ordinance, after a public hearing, provide that the chairperson be paid compensation in addition to that received as a member of the board.

The compensation may be paid for representing the board before governmental and private agencies, and community and industry organizations and their officers and management, pursuing adequate financing for public transit in the region, participating in community relations for public transit, and undertaking additional duties as directed by the board. The services shall be separate from, and shall not include the performance of, any of the general manager's duties in administering and managing the board and its programs.

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 143

An act to amend Section 50517.7 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1987 Filed with Secretary of State July 8, 1987]

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

SECTION 1. Section 50517.7 of the Health and Safety Code is amended 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.

(e) The 12-month period specified in this section shall be extended for an additional nine months for the disaster declared due

to the floods in northern California in February of 1986.

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 delays in receipt of federal disaster assistance funding to match funding available under Section 50517.7 of the Health and Safety Code, it is necessary to extend eligibility for funding thereunder in order to provide appropriate relief for areas damaged by the floods of February 1986.

CHAPTER 144

An act to amend Section 423 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 8, 1987. Filed with Secretary of State July 9, 1987]

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

SECTION 1. Section 423 of the Revenue and Taxation Code is amended to read:

423. Except as provided in Section 423.7, when valuing enforceably restricted open-space land, other than land used for the production of timber for commercial purposes, the county assessor shall not consider sales data on lands, whether or not enforceably restricted, but shall value these lands by the capitalization of income method in the following manner:

(a) The annual income to be capitalized shall be determined as follows:

(1) Where sufficient rental information is available the income shall be the fair rent which can be imputed to the land being valued based upon rent actually received for the land by the owner and upon typical rentals received in the area for similar land in similar use, where the owner pays the property tax. Any cash rent or its equivalent considered in determining the fair rent of the land shall be the amount for which comparable lands have been rented, determined by average rents paid to owners as evidenced by typical land leases in the area, giving recognition to the terms and conditions of the leases and the uses permitted within the leases and within the enforceable restrictions imposed.

(2) Where sufficient rental information is not available, the income shall be that which the land being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the land is enforceably restricted. There shall be a rebuttable presumption that "prudent management" does not include use of the land for a recreational use,

as defined in subdivision (n) of Section 51201 of the Government Code, unless the land is actually devoted to that use.

(3) Notwithstanding any other provision herein, if the parties to an instrument which enforceably restricts the land stipulate therein an amount which constitutes the minimum annual income per acre to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated.

For the purposes of this section, income shall be determined in accordance with rules and regulations issued by the board and with this section and shall be the difference between revenue and expenditures. Revenue shall be the amount of money or money's worth, including any cash rent or its equivalent, which the land can be expected to yield to an owner-operator annually on the average from any use of the land permitted under the terms by which the land is enforceably restricted, including, but not limited to, that from the production of salt and from typical crops grown in the area during a typical rotation period, as evidenced by historic cropping patterns and agricultural commodities grown. When the land is planted to fruit-bearing or nut-bearing trees, vines, bushes, or perennial plants, the revenue shall not be less than the land would be expected to yield to an owner-operator from other typical crops grown in the area during a typical rotation period, as evidenced by historic cropping patterns and agricultural commodities grown. Proceeds from the sale of the land being valued shall not be included in the revenue from the land.

Expenditures shall be any outlay or average annual allocation of money or money's worth that has been charged against the revenue received during the period used in computing that revenue. Those expenditures to be charged against revenue shall be only those which are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the land, interest on funds invested in trees and vines valued as land as provided by Section 429, property taxes, corporation income taxes, or corporation franchise taxes based on income. When the income used is from operating the land being valued or from operating comparable land, amounts shall be excluded from the income to provide a fair return on capital investment in operating assets other than the land, to amortize depreciable property, and to fairly compensate the owner-operator for his operating and managing services.

(b) The capitalization rate to be used in valuing land pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and which was the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board, rounded to the nearest ¼ percent.

(2) A risk component which shall be a percentage determined on the basis of the location and characteristics of the land, the crops to be grown thereon and the provisions of any lease or rental agreement to which the land is subject.

(3) A component for property taxes which shall be a percentage equal to the estimated total tax rate applicable to the land for the assessment year times the assessment ratio. The estimated total tax rate shall be the cumulative rates used to compute the state's reimbursement of local governments for revenues lost on account of homeowners' property tax exemptions in the tax rate area in which the enforceably restricted land is situated.

(4) A component for amortization of any investment in perennials over their estimated economic life when the total income from land and perennials other than timber exceeds the yield from other typical crops grown in the area.

(c) The value of the land shall be the quotient for the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b).

(d) Unless a party to an instrument which creates an enforceable restriction expressly prohibits such a valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the lesser of either the valuation that would have resulted by calculation under Section 110, or the valuation that would have resulted by calculation under Section 110.1, as though the property was not subject to an enforceable restriction in the base year.

In determining the 1975 base year value under Article XIII A of the California Constitution for any parcel for comparison, the county may charge a contractholder a fee limited to the reasonable costs of such determination not to exceed twenty dollars ($20) per parcel.

(e) If the parties to an instrument which creates an enforceable restriction expressly so provide therein, the assessor shall assess those improvements which contribute to the income of land in the manner provided herein. As used in this subdivision "improvements which contribute to the income of the land" shall include, but are not limited to, wells, pumps, pipelines, fences, and structures which are necessary or convenient to the use of the land within the enforceable restrictions imposed.

CHAPTER 145

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

[Approved by Governor July 8, 1987. Filed with Secretary of State July 9, 1987]

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

SECTION 1. The Department of Corrections shall perform a preliminary evaluation of sites for the purpose of potentially constructing a prison in or near Coalinga.

SEC. 2. The sum of fifty thousand dollars ($50,000) is appropriated from the 1986 Prison Construction Fund to the Department of Corrections for the purpose of this act.

Funds appropriated under this section shall be available for preliminary site evaluation and shall also be available for purposes of site acquisition, suitability studies, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment items.

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:

Because of the severe overcrowding of California prisons it is necessary that prison site evaluation be conducted in the most expeditious manner.

CHAPTER 146

An act to amend Section 35401.5 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof to take effect immediately.

[Approved by Governor July 8, 1987 Filed with Secretary of State July 9, 1987]

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

SECTION 1. The Legislature hereby finds and declares that the federal Surface Transportation Assistance Act of 1982 precludes any state from prohibiting the use of trailers or semitrailers of dimensions that were in actual and lawful use in the state on December 1, 1982, and further requires that those vehicles can operate in unlimited combination lengths on those highways specified in subdivision (a) of Section 35401.5 of the Vehicle Code. The Legislature further finds that on that date 53-foot semitrailers with a kingpin-to-rear-axle

distance of 38 feet or less were in actual and legal operation in this state.

The provisions of this act authorizing the use of 53-foot semitrailers with specified kingpin distances are intended to conform with both the express requirements of subsection (b) of Section 2311 of Title 49 of the United States Code as provided by the Surface Transportation Assistance Act and also the kingpin-to-rear-axle specifications enacted in Chapter 1378 of the Statutes of 1986. These provisions also are intended to ensure public safety and preservation of the state's highways by conditioning the 53-foot semitrailers' use on those highways specified in subdivision (a) of Section 35401.5 of the Vehicle Code with the kingpin-to-rearmost-axle limitations of paragraph (4) of subdivision (b) of Section 35400 of the Vehicle Code.

SEC. 2. Section 35401.5 of the Vehicle Code is amended to read:

35401.5. (a) A combination of vehicles consisting of a truck tractor and semitrailer, or of a truck tractor, semitrailer, and trailer, is not subject to the limitations of Sections 35400 and 35401, when operating on the National System of Interstate and Defense Highways or when using those portions of federal-aid primary highways or federal-aid urban system highways that have been qualified by the United States Secretary of Transportation for that use, or when using routes appropriately identified by the Department of Transportation or local authorities as provided in subdivision (c) or (d), if all of the following conditions are met:

(1) The length of the semitrailer in exclusive combination with a truck tractor does not exceed 48 feet. A semitrailer not more than 53 feet in length shall satisfy this requirement when configured with two or more rear axles, the rearmost of which is located 40 feet or less from the kingpin or when configured with a single axle which is located 38 feet or less from the kingpin. For purposes of this paragraph, a motor truck used in combination with a semitrailer, when that combination of vehicles is engaged solely in the transportation of motor vehicles, is considered to be a truck tractor.

(2) Neither the length of the semitrailer nor the length of the trailer when simultaneously in combination with a truck tractor exceeds 28 feet 6 inches.

(b) Subdivisions (b), (c), (d), and (e) of Section 35402 do not apply to combinations of vehicles operated subject to the exemptions provided by this section.

(c) Combinations of vehicles operated pursuant to subdivision (a) may also use highways not specified in subdivision (a) which provide reasonable access to facilities for purposes limited to fuel, food, lodging, and repair when that access is consistent with the safe operation of the combinations of vehicles and when the facility is within one-half road mile of identified points of ingress and egress to or from highways specified in subdivision (a) for use by those combinations of vehicles.

(d) The Department of Transportation or local authorities may, in

consideration of public safety and preservation of the highway, issue special permits for combinations of vehicles operated pursuant to subdivision (a) for terminal access pursuant to Sections 35780 and 35795. In lieu of issuing a permit, the Department of Transportation or local authorities with respect to highways under their jurisdiction may provide signing as necessary to indicate the use of specific routes as terminal access routes. For purposes of this subdivision, "terminal" means a facility at which freight is consolidated to be shipped or where full load consignments may be offloaded or at which the vehicle combinations are regularly maintained, stored, or manufactured. This subdivision does not provide for the issuance of permits to operate combinations of vehicles on highways, or portions of highway, subject to the limitations of subdivision (d) of Section 35401.

(e) Nothing in subdivision (c) or (d) authorizes state or local agencies to require permits of terminal operators or to charge terminal operators fees for the purpose of attaining access for vehicles described in this section.

(f) Notwithstanding subdivision (d), the limitations of access specified in that subdivision do not apply to licensed carriers of household goods when directly enroute to or from a point of loading or unloading of household goods, if travel on highways other than those specified in subdivision (a) is necessary and incidental to the shipment of the household goods.

(g) The Legislature finds and declares that, in authorizing the use of 53-foot semitrailers, it is its intent to conform with subsection (b) of Section 2311 of Title 49 of the United States Code by permitting the continued use of semitrailers of the dimensions as those that were in actual and legal use on December 1, 1982, and does not intend this action to be a precedent for future increases in any of those vehicles parameters that adversely affect the turning maneuverability of vehicle combinations.

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 conform the provisions of law of this state regarding the operation and use of certain semitrailers with the federal Surface Transportation Assistance Act of 1982 as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 147

An act to add Sections 74658, 74659, 74660, and 74661 to the Food and Agricultural Code, relating to wine, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1987. Filed with Secretary of State July 9, 1987.]

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

SECTION 1. Section 74658 is added to the Food and Agricultural Code, to read:

74658. (a) Any vintner who processes winegrapes into must, grape juice, or grape concentrate for the manufacture of nonalcoholic beverages other than nonalcoholic wine may apply to the commission for either an exemption from the assessment due pursuant to this chapter or for a refund of the assessment on that portion of his or her production used in the manufacture of nonalcoholic beverages other than nonalcoholic wine.

(b) In order to be eligible for the exemption or refund, the vintner shall file an affidavit with the commission attesting that the must, grape juice, or grape concentrate was, in fact, used for the manufacture of nonalcoholic beverages other than nonalcoholic wine. The commission shall render a determination on the claim. All approved claims shall be subject to verification through an independent audit of the claimant's business records by the commission or its duly authorized agent.

SEC. 2. Section 74659 is added to the Food and Agricultural Code, to read:

74659. Any vintner receiving an exemption or refund pursuant to Section 74658, shall, in addition to the requirements of Section 74654, maintain sales invoices and any other business documents specified by the commission as necessary to verify the claim. The records shall be preserved by the vintner for a period of two years and shall be offered and submitted for inspection at any reasonable time upon written demand of the commission or its duly authorized agent.

SEC. 3. Section 74660 is added to the Food and Agricultural Code, to read:

74660. No refund pursuant to Section 74658 shall be approved by the commission after two years from the date the assessment was due. Failure to file a claim within the time prescribed in this section constitutes a waiver of all demands for a refund against the commission.

SEC. 4. Section 74661 is added to the Food and Agricultural Code, to read:

74661. Within 30 days, after disallowing any claim in whole or in part, the commission shall serve written notice of its action on the claimant.

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 clarify the conducting of a referendum regarding the California Wine Commission due to be held in 1987, it is necessary that this act take effect immediately.

CHAPTER 148

An act relating to highways.

[Approved by Governor July 10, 1987 Filed with Secretary of State July 10, 1987]

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

SECTION 1. The Department of Transportation, in consultation with the Department of the California Highway Patrol, shall conduct a study on the feasibility of establishing a traffic control center to operate the state highway system in San Diego County.

The department shall report its findings and recommendations to the Legislature on or before January 1, 1989.

CHAPTER 149

An act to amend Section 1985.3 of the Code of Civil Procedure, and to amend Section 2891 of the Public Utilities Code, relating to personal records, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1987 Filed with Secretary of State July 10, 1987]

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

SECTION 1. 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, pharmacist, pharmacy, 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, or psychotherapist, as defined in Section 1010 of the Evidence Code, or a private or public preschool, elementary school, or secondary school.

(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 the provisions of 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 as follows:

(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 3, or, if he or she is a party, to his or her attorney of record. If the consumer is a minor, service shall be made on the minor's parent, guardian, conservator, or similar fiduciary, or if one of them cannot be located with reasonable diligence, then service shall be made on any person having the care or control of the minor or with whom the minor resides or by whom the minor is employed, and on the minor if the minor is at least 12 years of age.

(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.

(3) At least five days prior to service upon the custodian of the records, 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 (h).

(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) A subpoena duces tecum for personal records maintained by a telephone corporation which is a public utility, as defined in Section 216 of the Public Utilities Code, shall not be valid or effective unless it includes a consent to release, signed by the consumer whose records are requested, as required by Section 2891 of the Public Utilities Code.

(g) 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 such a 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.

(h) 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.

(i) Nothing contained in this section shall be construed to apply 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.

(j) The provisions of this section shall 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.

(k) Failure to comply with this section shall be sufficient basis for the witness to refuse to produce the personal records sought by a subpoena duces tecum.

SEC. 2. Section 2891 of the Public Utilities Code is amended to read:

2891. (a) No telephone or telegraph corporation shall make available to any other person or corporation, without first obtaining the residential customer's or subscriber's consent, in writing, of any of the following information:

(1) The customer's or subscriber's personal calling patterns, including any listing of the telephone or other access numbers called by the customer or subscriber, but excluding the identification to the person called of the person calling and the telephone number from which the call was placed.

(2) The residential customer's or subscriber's credit or other personal financial information, except when the corporation is ordered by the commission to provide this information to any electrical, gas, heat, telephone, telegraph, or water corporation for the purpose of determining the creditworthiness of new subscribers.

(3) Services obtained from the corporation or from independent suppliers of information services who use the corporation's telephone or telegraph line to provide service to the residential customer or subscriber. This paragraph does not apply to information transmitted between telephone or telegraph corporations pursuant to the furnishing of telephone service between service areas.

(4) Demographic information about the residential customer or subscriber, either as an individual or in the aggregate.

(b) Any residential subscriber who gives his or her written consent for the release of one or more of the categories of personal information specified in subdivision (a) shall be informed by the telephone or telegraph corporation regarding the identity of each person or corporation to whom the information has been released, upon written request. The corporation shall notify every residential subscriber of the provisions of this subdivision whenever consent is requested pursuant to this subdivision.

(c) Any residential subscriber who has, pursuant to subdivision (b), given written consent for the release of one or more of the categories of personal information specified in subdivision (a) may rescind this consent upon submission of a written notice to the telephone or telegraph corporation. The corporation shall cease to make available any personal information about the subscriber, within 30 days following receipt of notice given pursuant to this

subdivision.

(d) This section does not apply to information provided by subscribers for inclusion in the corporation's directory of subscribers, information customarily provided by the corporation through directory assistance services, postal zip code information, information provided under supervision of the commission to a collection agency by a telephone corporation exclusively for the collection of unpaid debts, information provided to an emergency service agency responding to a 911 telephone call, information provided to law enforcement agencies in response to lawful process issued under state or federal law, or information which is required by the commission pursuant to its jurisdiction and control over telephone and telegraph corporations.

(e) Every violation shall be a grounds for a civil suit by the aggrieved residential subscriber against the telephone or telegraph corporation and its employees responsible for the violation.

(f) For purposes of this section, "access number" shall mean a telex, teletex, facsimile, computer modem, or any other code which is used by a residential subscriber of a telephone or telegraph corporation to direct a communication to another customer of the same or another telephone or telegraph corporation.

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 eliminate the possibility of telephone corporations being exposed to legal liability for obeying Section 2891 of the Public Utilities Code forbidding the disclosure of certain customer records, it is necessary for this act to take effect immediately.

CHAPTER 150

An act to amend Section 830.4 of the Penal Code, relating to peace officers.

[Approved by Governor July 10, 1987. Filed with Secretary of State July 10, 1987.]

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

SECTION 1. Section 830.4 of the Penal Code is amended to read:

830.4. The following persons are peace officers while engaged in the performance of their duties in or about the properties owned, operated, or administered by their employing agency, or when they are required by their employer to perform their duties anywhere within the political subdivision which employs them. These officers shall also have the authority of peace officers anywhere in the state as to an offense committed, or which there is probable cause to

believe has been committed, with respect to persons or property the protection of which is the duty of the officer or when making an arrest pursuant to Section 836 of the Penal Code as to any public offense with respect to which there is an immediate danger to person or property or of the escape of the perpetrator of the offense. These peace officers may carry firearms only if authorized by, and under such terms and conditions as are specified by, their employing agency:

(a) Security officers of the California State Police Division.

(b) The Sergeant at Arms of each house of the Legislature.

(c) Bailiffs of the Supreme Court and of the courts of appeal.

(d) Guards and messengers of the Treasurer's office.

(e) Officers designated by the hospital administrator of a state hospital under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services pursuant to Section 4313 or 4493 of the Welfare and Institutions Code.

(f) Any railroad policeman commissioned by the Governor pursuant to Section 8226 of the Public Utilities Code.

(g) Persons employed as members of a police department of a school district pursuant to Section 39670 of the Education Code.

(h) Safety police officers of the County of Los Angeles.

(i) Housing authority patrol officers employed by the housing authority of a city, district, county, or city and county or employed by the police department of a city and county.

(j) Transit police officers of a county, city, or district.

(k) Any person regularly employed as an airport law enforcement officer by a city, county, or district operating the airport or by a joint powers agency, created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, operating the airport.

(*l*) Court service officers in a county of the third class.

(m) Security officers of the Department of General Services of the City of Los Angeles designated by the General Manager of the department. Notwithstanding any other provision of law, the peace officers designated by this subdivision shall not be authorized to carry firearms.

(n) Firefighter/security guards employed by the Military Department.

CHAPTER 151

An act to add Section 71040.7 to the Government Code, relating to courts.

[Approved by Governor July 10, 1987. Filed with Secretary of State July 10, 1987]

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

SECTION 1. Section 71040.7 is added to the Government Code, to read:

71040.7. In the event that the Board of Supervisors of El Dorado County consolidates the Ponderosa Judicial District, the Placerville Judicial District, and the Lake Valley Judicial District, any municipal court established in the consolidation shall have three judges. The judges shall be selected as otherwise provided by law.

CHAPTER 152

An act to amend Sections 822 and 58577 of, and to add Section 54041 to, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1987 Filed with Secretary of State July 10, 1987]

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

SECTION 1. Section 822 of the Food and Agricultural Code is amended 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, including, but not limited to, energy rates and rate structures.

(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.

(n) Recycling agricultural byproducts.

(o) Applied new technologies including, but not limited to, new food product and value-added product development.

SEC. 2. Section 54041 is added to the Food and Agricultural Code, to read:

54041. (a) Subject to subdivision (c), Chapter 7 (commencing with Section 1500) of Title 10 of Part 3 of the Code of Civil Procedure does not apply to any proprietary interest in an association organized in accordance with this chapter. Any proprietary interest that would otherwise escheat to the state pursuant to Chapter 7 (commencing with Section 1500) of Title 10 of Part 3 of the Code of Civil Procedure shall instead become the property of the association.

(b) This section shall apply to all proprietary interests which as of January 1, 1988, have not yet been paid or delivered to the Controller pursuant to the provisions of Chapter 7 (commencing with Section 1500) of Title 10 of Part 3 of the Code of Civil Procedure.

(c) Notwithstanding subdivision (a), no proprietary interest shall become the property of the association under this section unless all of the following requirements are satisfied:

(1) At least 60 days prior notice of the proposed transfer of the proprietary interest to the association is given to the affected member by first-class or certified mail to the last address of the member shown on the association's records, and by publication in a newspaper of general circulation in the county in which the member last resided as shown on the association's records. Notice given in that manner constitutes actual notice.

(2) No written notice objecting to the transfer is received by the association from the affected member or, if the member is deceased, from the member's heirs or the executor or executrix of the estate, prior to the date of the proposed transfer.

(d) "Proprietary interest" means and includes any membership, membership certificate, membership share, share certificate, or equity or dividend certificate of any class representing a proprietary interest in, and issued by, the association together with all accrued and unpaid earnings, dividends, and patronage distributions relating thereto.

SEC. 3. Section 58577 of the Food and Agricultural Code is amended 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.

This information is exempt from the California Public Records Act

(Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government 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 to enable needed changes in laws relating to agriculture contained in this act to become operative as soon as possible so as to ensure the continuing recovery of this state's agricultural industry, it is necessary that this act take effect immediately.

CHAPTER 153

An act relating to highways.

[Approved by Governor July 10, 1987. Filed with Secretary of State July 10, 1987.]

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

SECTION 1. The Department of Transportation shall conduct a study, in consultation with the Department of the California Highway Patrol, on methods which could be utilized to prevent or reduce the incidence of drivers entering or leaving freeways, via onramps and offramps, in the wrong direction. The department shall submit the results of the study, together with its recommendations, to the Legislature not later than January 1, 1989.

CHAPTER 154

An act to add Section 19613.2 to the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1987 Filed with Secretary of State July 10, 1987.]

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

SECTION 1. Section 19613.2 is added to the Business and Professions Code, to read:

19613.2. (a) Any horsemen's organization or organization representing horsemen shall be incorporated under the laws of the State of California in order to receive a distribution or deduction under this chapter. Each corporation shall represent a majority of the horsemen in the state with respect to the breed of horses the corporation represents. The board shall initially determine the

organization which represents California horsemen with respect to each breed. Any distribution or deduction received by any of those organizations shall be used only for the benefit of California horsemen.

(b) Notwithstanding subdivision (a), any organization incorporated in a state other than California is exempt from the requirements of subdivision (a) until January 1, 1991, if all of the following conditions exist:

(1) All of the members of the board of directors of the organization are legal residents of the State of California.

(2) No funds of the organization other than nominal dues or incidental amounts have been paid to an out-of-state organization during the previous five years.

(3) The organization has no obligation to any out-of-state organization requiring it to make payments of any kind other than voluntary payments.

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 for distribution of revenues in a manner that maximizes horseracing in this state at the earliest opportunity, it is necessary that this act take effect immediately.

CHAPTER 155

An act to amend Sections 58556 and 58562 of the Food and Agricultural Code, relating to agricultural marketing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1987. Filed with Secretary of State July 10, 1987.]

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

SECTION 1. Section 58556 of the Food and Agricultural Code is amended to read:

58556. "Cooperator" means a private or nonprofit agricultural marketing organization; a nonprofit trade association, whose members market agricultural commodities, which has demonstrated expertise in the promotion of agricultural commodities that will coordinate a foreign market development program for its members;

a federal marketing order board for California produced agricultural commodities; or a state marketing order board or commission organized pursuant to this code operating in California which is actively engaged in the marketing of agricultural commodities and has entered into a project agreement with the department to contribute cash, goods, or services to a foreign market development program.

SEC. 2. Section 58562 of the Food and Agricultural Code is amended to read:

58562. (a) "Cooperator contributions" means contributions of money, personnel, materials, facilities, services, or supplies, expressed in terms of United States dollar value, that are furnished by the cooperator and any third party cooperator to help carry out the terms of a project agreement. Funds, services, or personnel provided by any state or federal agency, except funds from a state marketing order board, agricultural commission organized pursuant to this code, or a federal marketing order board for California-produced commodities, cannot be counted as a contribution.

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:

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 156

An act to amend Sections 61404, 61405, 61408, 61409, 61411, 61441, 61443, 61810, 62095, 62146, 62149, 62151, 62181, 62182, 62187, 62242, and 62243 of, to amend the heading of Article 13 (commencing with Section 62181) of Chapter 2 of Part 3 of Division 21 of, to add Sections 61344, 61345, 61405.1, 61407.1, 61407.2, 61407.3, 61407.4, 61411.2, 61411.3, 61411.4, 61411.5, 61415.1, 61415.2, 61415.3, 61442.1, 62062.5, 62186.1, 62191, 62192, 62193, 62194, 62195, 62196, 62197, 62198, 62199, 62200, 62201, 62202, and 62241.5 to, to add Chapter 2.5 (commencing with Section 62500) to Part 3 of Division 21 of, and to repeal Sections 62096, 62097, 62098, 62099, 62100, and 62101 of, the Food and Agricultural Code, relating to milk, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1987. Filed with Secretary of State July 10, 1987.]

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

SECTION 1. Section 61344 is added to the Food and Agricultural Code, to read:

61344. This chapter shall be liberally construed. If any article, section, subdivision, sentence, clause, or phrase of this chapter is for any reason held to be unconstitutional or invalid as applied to any person or as applied under certain circumstances, that decision shall not affect the validity of the remaining provisions of this chapter or the application of this chapter to any other person or under any other circumstances.

The Legislature hereby declares that it would have enacted each article, section, subdivision, sentence, clause, or phrase of this chapter regardless of the fact that one or more other articles, sections, subdivisions, sentences, clauses, or phrases are declared unconstitutional or invalid.

SEC. 2. Section 61345 is added to the Food and Agricultural Code, to read:

61345. Chapter 2 (commencing with Section 61801), Chapter 2.5 (commencing with Section 62500), and Chapter 3 (commencing with Section 62700) shall be liberally construed as being complementary of, and supplemental to, this chapter. This chapter, Chapter 2 (commencing with Section 61801), Chapter 2.5 (commencing with Section 62500), and Chapter 3 (commencing with Section 62700) shall be liberally construed as constituting a single comprehensive scheme for the regulation of the production and handling of milk. However, each of the chapters, and each article, section, subdivision, sentence, clause, and phrase of each chapter is severable.

If one of the chapters or any article, section, subdivision, sentence, clause, or phrase of any one of the chapters is for any reason held void, invalid, or unconstitutional, the decision shall not affect the validity of any other chapter or any of its articles, sections, subdivisions, sentences, clauses, or phrases.

SEC. 3. Section 61404 of the Food and Agricultural Code is amended to read:

61404. The bond provided for in this article is required for each manufacturing milk handler.

SEC. 4. Section 61405 of the Food and Agricultural Code is amended to read:

61405. (a) Every manufacturing milk handler, which operates only one plant within the state, before purchasing any manufacturing milk from a producer, shall execute and deliver to the director a surety bond, executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety. The amount of the bond shall be based upon the average

daily quantity of manufacturing milk purchased by the handler during any calendar month during a license year. The minimum amount of the bond shall be as follows:

(1) Five thousand dollars ($5,000) for any handler that purchases an average daily quantity of less than 1,000 gallons.

(2) Ten thousand dollars ($10,000) for any handler that purchases an average daily quantity of at least 1,000 gallons but less than 4,000 gallons.

(3) Fifteen thousand dollars ($15,000) for any handler that purchases an average daily quantity of at least 4,000 gallons but less than 8,000 gallons.

(4) Twenty thousand dollars ($20,000) for any handler that purchases an average daily quantity of 8,000 gallons or more.

(b) Every manufacturing milk handler, which operates more than one plant within the state, before purchasing any manufacturing milk from a producer, shall execute and deliver to the director a surety bond, executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety. The bond shall be a single bond covering all plants within the state and shall be in an amount determined by multiplying twenty thousand dollars ($20,000) by the number of plants operated by the handler in the state.

(c) Any milk purchase agreement between a handler and a producer may provide for surety bonds, guarantees, or other forms of security in addition to the bonding requirements in this article.

SEC. 5. Section 61405.1 is added to the Food and Agricultural Code, to read:

61405.1. If any handler increases his or her purchases of manufacturing milk during the license year so that the purchases exceed the amount for which the handler is bonded, the handler shall immediately post an additional bond as may be required to comply with this article.

SEC. 6. Section 61407.1 is added to the Food and Agricultural Code, to read:

61407.1. (a) After determining the claims of the producers pursuant to Section 61407, the director shall bring an action on the bond on behalf of the producers.

(b) Any producer not satisfied with the amount of the producer's claim as determined by the director, or with the ratio the producer's claim bears to all claims against the bond as determined by the director, may intervene in an action commenced upon the bond so that the correct amount of his or her claim and the ratio it bears to all the claims may be adjudicated.

SEC. 7. Section 61407.2 is added to the Food and Agricultural Code, to read:

61407.2. If the recovery upon the bond is not sufficient to pay all of the claims as finally determined and adjudged by the court, the amount recovered shall be divided pro rata among the producer-creditors.

SEC. 8. Section 61407.3 is added to the Food and Agricultural Code, to read:

61407.3. Payments by a handler to a producer, for the purposes of any action on a handler's bond for any year, shall be credited first to interest and then to principal due, owed, and unpaid. Amounts to be applied to the principal shall be applied first to the amount owed for the most recent deliveries and then successively, in descending order, to the amounts owed to the next most recent deliveries.

SEC. 9. Section 61407.4 is added to the Food and Agricultural Code, to read:

61407.4. (a) The director may bring an action against a surety bond company for engaging in unfair claims settlement practices, if the surety company fails to do any of the following:

(1) To acknowledge promptly and act reasonably upon receiving a bond demand from the director.

(2) To promptly investigate and process claims.

(3) To make fair and equitable settlement of claims.

(4) To pay the bond amount to the director.

(b) The authority provided in subdivision (a) is in addition to the authority provided for in subdivision (h) of Section 790.03 of the Insurance Code.

(c) In addition to the bond proceeds, the surety bond company may be ordered to pay all of the department's court costs, reasonable attorney's fees, and interest at the prevailing prime rate on the amounts so owed from the date the claim was filed.

SEC. 10. Section 61408 of the Food and Agricultural Code is amended to read:

61408. If a manufacturing milk handler fails to pay any producer in the manner that is required by this chapter, the director may require the filing of a new or additional bond in the amount determined by the director to be sufficient to satisfy claims for the payment of producers thereafter supplying manufacturing milk to the manufacturing milk handler. The failure of a manufacturing milk handler to have filed a new bond within 10 days after notice from the director constitutes grounds for the revocation or suspension of the manufacturing milk handler's license of the manufacturing milk handler.

SEC. 11. Section 61409 of the Food and Agricultural Code is amended to read:

61409. The failure of any manufacturing milk handler that purchases manufacturing milk from producers to execute and deliver the bond as provided and required in this article is a violation of this chapter. The failure of any handler to post any additional bond as may be required to comply with this chapter is also a violation of this chapter.

SEC. 12. Section 61411 of the Food and Agricultural Code is amended to read:

61411. Except as otherwise provided in Section 61411.2 or 61411.3, the purchase of any manufacturing milk in excess of 1,000 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 producer 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. 13. Section 61411.2 is added to the Food and Agricultural Code, to read:

61411.2. Section 61411 does not apply to the purchase of manufacturing milk which is necessary to meet an unanticipated increase in demand or an unanticipated shortage in the supply of a handler if the quantity of manufacturing milk so purchased from any one producer does not exceed 5,000 gallons in any one month. However, if the producer is a cooperative association acting as a producer, the purchases shall not exceed 30,000 gallons per month.

SEC. 14. Section 61411.3 is added to the Food and Agricultural Code, to read:

61411.3. Section 61411 does not apply to manufacturing milk purchased under cash-on-delivery terms.

SEC. 15. Section 61411.4 is added to the Food and Agricultural Code, to read:

61411.4. Any contract between a producer and a handler shall be voidable by the producer for 45 days following the occurrence of either of the following:

(a) The handler has failed to pay the producer, under the terms specified in subdivision (c) of Section 61411, the full price specified in the contract, and this failure has not been corrected by the handler within one business day after notification by the producer or

director. The 45-day period shall commence on the day after the payment was due.

(b) The handler has failed on three separate occasions within a 12-month period to pay the producer, under the terms specified in subdivision (c) of Section 61411, the full price specified in the contract. The 45-day period shall commence on the day after the third occurrence.

SEC. 16. Section 61411.5 is added to the Food and Agricultural Code, to read:

61411.5. If a notice has been issued by the director that the future deliveries to the handler shall not be covered under the Milk Producers Security Trust Fund created pursuant to Chapter 2.5 (commencing with Section 62500), all contracts between producers and the handler are voidable by the producers. Producers shall have the option to void their contracts for 45 days from the date the notice is issued or until the date the director establishes for reinstatement of the handler's eligibility under the trust fund, whichever is later.

SEC. 17. Section 61415.1 is added to the Food and Agricultural Code, to read:

61415.1. (a) Handlers shall pay producers either by check or cash. Handlers electing to pay producers in cash shall, in all cases, obtain a dated, signed receipt from each producer. These receipts shall be made a part of the permanent records of the handler. Handlers paying by check shall issue checks which are immediately negotiable by the producer.

(b) The giving of a promissory note is not payment within the meaning of this chapter.

SEC. 18. Section 61415.2 is added to the Food and Agricultural Code, to read:

61415.2. If a handler fails to pay for manufacturing milk delivered to him or her at the time and in the manner specified in the contract, the handler shall pay the producer interest from the time the payment was due until paid at the rate of 12 percent per annum. The interest is in addition to any other penalties provided for in this chapter.

SEC. 19. Section 61415.3 is added to the Food and Agricultural Code, to read:

61415.3. If a handler fails to pay for manufacturing milk delivered to him or her at the time and in the manner specified in this chapter, the director may assess a penalty for each payment date that the producers were not fully paid. Any penalty assessed shall be a minimum of one hundred dollars ($100) for each payment date. If the amount not properly paid for is more than forty thousand dollars ($40,000), the penalty assessed shall be five thousand dollars ($5,000) or one-fourth of 1 percent of the amount not properly paid, whichever is less.

SEC. 20. Section 61441 of the Food and Agricultural Code is amended to read:

61441. Every distributor, person who sells at wholesale, or

manufacturer of milk, cream, or any dairy product shall maintain and keep, for a period of three years from their initial recordation, or for a period of three years from their expiration date, whichever period is longer, all of the following records:

(a) A record of all milk, cream, or dairy products received, detailed as to location, names and addresses of suppliers, prices paid, and deductions or charges made, and the use to which the milk or cream was put.

(b) A record of all milk, cream, or dairy products sold, classified as to kind and grade of milk, cream, or dairy product, showing where the milk, cream, and dairy products were sold, the quantities sold, the amounts received for the sales, and the written price schedules maintained by the distributor, person who sells at wholesale, or manufacturer for all milk, cream, and dairy products sold.

(c) A record of the wastage or loss of milk or any dairy product.

(d) A record of all costs of manufacturing, processing, handling, sale, and delivery, including overhead costs.

(e) A record of all property or financial transactions, other than those for which records are maintained under subdivision (b), between the distributor, person who sells at wholesale, or manufacturer and wholesale customers.

(f) Other records that the director may deem necessary for the proper enforcement of this chapter.

SEC. 21. Section 61442.1 is added to the Food and Agricultural Code, to read:

61442.1. Within 60 days of the effective date of this section, each manufacturing milk handler shall provide the director with a list of the name, address, and date of every current contract between the handler and manufacturing milk producers. Monthly thereafter, the handler shall report to the director the same information on all terminated, new, and amended contracts which has not been previously reported. The director may assess a one hundred dollar ($100) penalty against any manufacturing milk handler who fails to file the required report for each report not filed.

SEC. 22. Section 61443 of the Food and Agricultural Code is amended to read:

61443. Any record or report which is made to the director pursuant to this article, or any contract required to be filed pursuant to this chapter, is confidential and shall not be divulged, except if necessary for the proper determination of any court proceeding or hearing before the director.

SEC. 23. Section 61810 of the Food and Agricultural Code is amended to read:

61810. Chapter 1 (commencing with Section 61301), Chapter 2.5 (commencing with Section 62500), and Chapter 3 (commencing with Section 62700) shall be liberally construed as being complementary of, and supplemental to, this chapter. This chapter, Chapter 1 (commencing with Section 61301), Chapter 2.5 (commencing with Section 62500), and Chapter 3 (commencing

with Section 62700) shall be liberally construed as constituting a single comprehensive scheme for the regulation of the production and handling of market milk. However, each of the chapters, and each article, section, subdivision, sentence, clause, and phrase of each chapter is severable.

If one of the chapters or any article, section, subdivision, sentence, clause, or phrase of any one of the chapters is for any reason held void, invalid, or unconstitutional, the decision shall not affect the validity of the other chapter or any of its articles, sections, subdivisions, sentences, clauses, or phrases.

SEC. 24. Section 62062.5 is added to the Food and Agricultural Code, to read:

62062.5. The minimum prices otherwise established pursuant to this chapter shall be increased by any security charges that are imposed pursuant to Chapter 2.5 (commencing with Section 62500).

SEC. 25. Section 62095 of the Food and Agricultural Code is amended to read:

62095. The payment, gift, or the offer or promise of any payment or gift, of money or other thing of value by any person, directly or indirectly or through any agent or other intermediary, to any handler or producer, or the acceptance by any handler or producer of the payment or gift or thing of value is an unlawful trade practice if it is for any of the following:

(a) For the purpose of inducing a handler or producer to enter into a new contract, or to renew, extend, or modify an existing contract, for the purchase of market milk by a handler from a producer.

(b) As a condition upon which a handler will enter into a new contract, or renew, extend, or modify an existing contract, for the purchase of market milk from a producer.

(c) For the purpose of enabling a handler to pay to a producer, or a producer to receive from a handler, less than the minimum class usage prices established by the director to be paid by handlers to producers for market milk.

(d) Nothing in this section prevents a handler from paying to a producer, or a producer from receiving from a handler, prices in excess of the minimum prices established by the director if these prices are paid to all producers supplying the handler under the same terms and conditions.

SEC. 26. Section 62096 of the Food and Agricultural Code is repealed.

SEC. 27. Section 62097 of the Food and Agricultural Code is repealed.

SEC. 28. Section 62098 of the Food and Agricultural Code is repealed.

SEC. 29. Section 62099 of the Food and Agricultural Code is repealed.

SEC. 30. Section 62100 of the Food and Agricultural Code is repealed.

SEC. 31. Section 62101 of the Food and Agricultural Code is repealed.

SEC. 32. Section 62146 of the Food and Agricultural Code is amended to read:

62146. The director may refuse to grant or renew any license if he or she is satisfied that any applicant, or any person connected with the applicant, either directly or indirectly, has violated any of the following:

(a) This chapter or any stabilization and marketing plan or other regulation adopted under this chapter.

(b) Chapter 1 (commencing with Section 61301).

(c) Chapter 3 (commencing with Section 62700) or any pooling plan established thereunder.

SEC. 33. Section 62149 of the Food and Agricultural Code is amended to read:

62149. The decision may include an order refusing to grant or renew the license applied for, or affixing other conditional and probationary orders that may be proper for the enforcement of any of the following:

(a) This chapter or any stabilization and marketing plan formulated pursuant to this chapter.

(b) Chapter 1 (commencing with Section 61301).

(c) Any regulation duly adopted by the director pursuant to Section 61891.

(d) Chapter 3 (commencing with Section 62700) or any pooling plan established thereunder.

SEC. 34. Section 62151 of the Food and Agricultural Code is amended to read:

62151. The director may revoke or suspend, as the case may require, any license which is issued pursuant to this chapter, if he or she is satisfied that any licensee or any person who is connected with the licensee has violated any of the following:

(a) This chapter or any stabilization and marketing plan which is formulated pursuant to this chapter.

(b) Any regulation which is adopted by the director pursuant to Section 61891.

(c) Chapter 1 (commencing with Section 61301).

(d) Chapter 3 (commencing with Section 62700) or any pooling plan adopted thereunder.

The proceedings 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 director shall have all the powers which are granted in that chapter.

SEC. 35. The heading of Article 13 (commencing with Section 62181) of Chapter 2 of Part 3 of Division 21 of the Food and Agricultural Code is amended to read:

Article 13. Bonding and Payment for Market Milk

SEC. 36. Section 62181 of the Food and Agricultural Code is amended to read:

62181. The bonds provided for in this article are required for each handler and apply to all purchases of milk by that handler. A handler bonded under this article is not required to be separately bonded under Section 61405.

SEC. 37. Section 62182 of the Food and Agricultural Code is amended to read:

62182. (a) Every handler which operates only one plant within the state, before purchasing any market milk from a producer, shall execute and deliver to the director a surety bond, executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety. The minimum amount of the bond shall be based upon the average daily quantity of market milk purchased by the handler during any calendar month during a license year.

The minimum amount of the bond shall be as follows:

(1) Five thousand dollars ($5,000) for any handler that purchases an average daily quantity of less than 1,000 gallons.

(2) Ten thousand dollars ($10,000) for any handler that purchases an average daily quantity of at least 1,000 gallons but less than 4,000 gallons.

(3) Fifteen thousand dollars ($15,000) for any handler that purchases an average daily quantity of at least 4,000 gallons but less than 8,000 gallons.

(4) Twenty thousand dollars ($20,000) for any handler that purchases an average daily quantity of 8,000 gallons or more.

(b) Every handler which operates more than one plant within the state, before purchasing any market milk from a producer, shall execute and deliver to the director a surety bond, executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety. The bond shall be a single bond covering all plants within the state and shall be in an amount determined by multiplying twenty thousand dollars ($20,000) by the number of plants operated by the handler in the state.

(c) Any milk purchase agreement between a handler and a producer may provide for additional surety bonds, guarantees, or other forms of security in addition to the bonding requirements in this article.

SEC. 38. Section 62186.1 is added to the Food and Agricultural Code, to read:

62186.1. (a) The director may bring an action against a surety bond company for engaging in unfair claims settlement practices if the surety company fails to do any of the following:

(1) To acknowledge promptly and act reasonably upon receiving a bond demand from the director.

(2) To promptly investigate and process claims.

(3) To make fair and equitable settlement of claims.

(4) To pay the bond amount to the director.

(b) The authority provided in subdivision (a) is in addition to the authority provided for in subdivision (h) of Section 790.03 of the Insurance Code.

(c) In addition to the bond proceeds, the surety bond company may be ordered to pay all of the department's court costs, reasonable attorney's fees, and interest at the prevailing prime rate on the amounts so owed from the date the claim was filed.

SEC. 39. Section 62187 of the Food and Agricultural Code is amended to read:

62187. If a handler fails to pay any producer in the manner that is required by this chapter, the director may require the filing of a new or additional bond in an amount determined by the director that will be sufficient to satisfy claims for the payment of producers thereafter supplying market milk to the handler. The failure of a handler to have filed a new bond within 10 days after notice from the director constitutes grounds for the revocation or suspension of the license of the handler.

SEC. 40. Section 62191 is added to the Food and Agricultural Code, to read:

62191. (a) Except as otherwise provided in Section 62193 or 62194, the purchase of any market milk in excess of 1,000 gallons monthly from any producer, unless a written contract, which complies with all of the requirements which are prescribed by this section, has been entered into with the producer, is an unlawful trade practice.

(b) The contract shall include all of the following:

(1) The amount of market milk which is to be purchased for any period.

(2) Except as otherwise provided in this paragraph, the minimum quantity of the market milk which is to be paid for as class 1, if any, is to be purchased for class 1 purposes. The quantity shall be stated in pounds of market milk, pounds of market milk fat, or gallons of market milk, unless the price which is to be paid for the class 1 market milk is established separately for the market milk fat and market skim milk contained in the market milk. If it is, the quantity to be paid for as class 1 shall be stated in pounds of market milk, pounds of market milk fat, or gallons of market milk, or both in pounds of market milk fat and pounds of market skim milk separately. The minimum quantity of market milk to be paid for as class 1 shall not be less than 70 percent of the total quantity provided in the contract to be purchased at a milk products plant, and not less than 60 percent of the total quantity of market milk fat, or the total quantity of market skim milk components, but not necessarily both, provided in the contract to be purchased at a country plant, as defined by the director in stabilization and marketing plans.

(3) The price to be paid for all market milk received.

(4) The date and method of payment for the market milk, which shall be that payment which shall be made for approximately one-half of the market milk delivered in any calendar month not later than the first day of the next following month and the remainder not later than the 15th day of that month unless the milk is subject to a pooling plan as authorized in Chapter 3 (commencing with Section 62700) and the pooling plan provides for different dates and methods of payment, in which case the date and method of payment for the milk shall be as provided for in the pooling plan.

(5) The charges for transportation if hauled by the handler.

(6) A proviso that no market milk received within the total quantity provided by the contract to be purchased for any period shall be paid for at less than the minimum price for market milk used for class 2.

(c) The contract may contain other provisions that are not in conflict with this chapter. A signed copy of the contract shall be filed by the producer with the director within five days from the date of its execution.

(d) Paragraphs (2) and (6) of subdivision (b) shall not be applicable if an equalization pool, as provided for pursuant to Chapter 3 (commencing with Section 62700), is in effect for the area in which the purchase of the market milk occurs.

SEC. 41. Section 62192 is added to the Food and Agricultural Code, to read:

62192. The production of market milk in excess of amounts provided to be purchased under contracts executed pursuant to Section 62191 shall be voluntary on the part of the producer and shall not be a condition, oral or written, of execution or renewal of any of those contracts.

SEC. 42. Section 62193 is added to the Food and Agricultural Code, to read:

62193. Section 62191 does not apply to the purchase of market milk which is necessary to meet an unanticipated increase in demand or an unanticipated shortage in the supply of a handler if both of the following occur:

(a) The quantity of market milk so purchased from any one producer does not exceed 5,000 gallons in any one month. However, if the producer is a cooperative association acting as a producer, the purchases shall not exceed 30,000 gallons per month.

(b) A complete record of all of these purchases is kept by the handler, and the price paid for the milk by the handler is not less than the price which is established in the applicable stabilization and marketing plan for the usage to which the milk is applied.

SEC. 43. Section 62194 is added to the Food and Agricultural Code, to read:

62194. Section 62191 does not apply to market milk purchased under cash-on-delivery terms.

SEC. 44. Section 62195 is added to the Food and Agricultural Code, to read:

62195. The payment by a handler to any producer, including any nonprofit cooperative association acting as a producer, or the receipt by a producer, including any nonprofit cooperative association acting as a producer, from a handler of a lesser price for any market milk, distributed to any person, including any agency of federal, state, or local government, for less than the minimum prices established by the director to be paid by handlers to producers for market milk for the marketing area is an unlawful trade practice.

SEC. 45. Section 62196 is added to the Food and Agricultural Code, to read:

62196. The failure of any handler to pay for market milk delivered to him or her at the time and in the manner specified in the contract with the producer is an unlawful trade practice.

SEC. 46. Section 62197 is added to the Food and Agricultural Code, to read:

62197. This article applies regardless of the form in which market milk is received by the handler and regardless of the area of origin of the market milk.

SEC. 47. Section 62198 is added to the Food and Agricultural Code, to read:

62198. Any contract between a producer and handler is voidable by the producer for 45 days following the occurrence of either of the following events:

(a) The handler has failed to pay the producer, under the terms specified in paragraph (4) of subdivision (b) of Section 62191, the full price specified in the contract, and the failure has not been corrected by the handler within one business day after notification by the producer or director. The 45-day period shall commence on the day after the payment was due.

(b) The handler has failed on three separate occasions within a 12-month period to pay the producer, under the terms specified in paragraph (4) of subdivision (b) of Section 62191, the full price specified in the contract. The 45-day period shall commence on the day after the third occurrence.

SEC. 48. Section 62199 is added to the Food and Agricultural Code, to read:

62199. If a notice has been issued by the director that the future deliveries to the handler will not be covered under the Milk Producers Security Trust Fund created pursuant to Chapter 2.5 (commencing with Section 62500), all contracts between producers and the handler are voidable by the producers. Producers shall have the option to void their contracts for 45 days from the date the notice is issued or until the date the director establishes for reinstatement of the handler's eligibility under the trust fund, whichever is later.

SEC. 49. Section 62200 is added to the Food and Agricultural Code, to read:

62200. (a) Handlers shall pay producers either by check or cash. Handlers electing to pay producers by cash shall, in all cases, obtain a dated, signed receipt from each producer. The receipts shall be

made a part of the permanent records of the handler. Handlers paying by check shall issue checks which are immediately negotiable by the producer.

(b) The giving of a promissory note is not payment within the meaning of this chapter.

SEC. 50. Section 62201 is added to the Food and Agricultural Code, to read:

62201. If a handler fails to pay for market milk delivered to him or her at the time and in the manner specified in the contract, the handler shall pay the producer interest from the time the payment was due until paid at the rate of 12 percent per annum. This interest is in addition to any other penalties provided for in this chapter.

SEC. 51. Section 62202 is added to the Food and Agricultural Code, to read:

62202. If a handler fails to pay for market milk delivered to him or her at the time and in the manner specified in this chapter, the director may assess a penalty for each payment date that producers were not fully paid. Any penalty assessed shall be a minimum of one hundred dollars ($100) for each payment date. If the amount not properly paid for is in excess of forty thousand dollars ($40,000), the penalty assessed will be five thousand dollars ($5,000) or one-fourth of 1 percent of the amount not properly paid for, whichever is less.

SEC. 52. Section 62241.5 is added to the Food and Agricultural Code, to read:

62241.5. Within 60 days of the effective date of this section, each market milk handler shall provide the director with a list of the name, address, and date of every current contract between the handler and market milk producer. Monthly thereafter, the handler shall report to the director the same information on all terminated, new, and amended contracts which has not been previously reported. The director may assess a one hundred dollar ($100) penalty against any manufacturing milk handler who fails to file the required report for each report not filed.

SEC. 53. Section 62242 of the Food and Agricultural Code is amended to read:

62242. Every handler that purchases market milk shall make and keep for three years a correct record which shows in detail all of the following with reference to the handling, sale, or storage of the market milk:

(a) The name and address of the seller.

(b) The date the market milk was received.

(c) The amount of market milk received.

(d) The official tests of the market milk purchased.

(e) The usage of the market milk.

(f) Evidence of payment for the market milk purchased.

(g) Other records that the director may require.

SEC. 54. Section 62243 of the Food and Agricultural Code is amended to read:

62243. Any record or report made to the director pursuant to this

article, or any contract required to be filed under this chapter, is confidential and shall not be divulged, except if necessary for the proper determination of any court proceedings or hearing before the director.

SEC. 55. Chapter 2.5 (commencing with Section 62500) is added to Part 3 of Division 21 of the Food and Agricultural Code, to read:

CHAPTER 2.5. MILK PRODUCERS SECURITY TRUST FUND

Article 1. Legislative Declaration

62500. The production and distribution of milk, and the components thereof, is hereby declared to be a business affected with a public interest. This chapter is enacted in the exercise of the police powers of this state for the purpose of protecting the health and welfare of the people of this state.

62501. It is hereby declared that the dairy industry is a paramount agricultural industry of the state, and the normal processes of producing and marketing milk are enterprises of vast economic importance to the state and of vital importance to the consuming public which should be safeguarded and protected in the public interest. The Legislature finds that the marketing of milk requires dairy farmers to receive prompt payment. It is the policy of this state to protect producers against loss of payment for bulk milk. The public interest requires the establishment of a system to provide payment security for producers.

62502. It is recognized by the Legislature that the powers conferred upon the director by Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), and Chapter 3 (commencing with Section 62700) are inadequate to enable the dairy industry to maintain satisfactory producer payment protection. Therefore, those powers must be supplemented by the powers conferred by this chapter upon the director to establish and administer a milk producers security trust fund.

62503. This chapter shall be liberally construed. If any article, section, subdivision, sentence, clause, or phrase of this chapter is for any reason held to be unconstitutional or invalid as applied to any person or as applied under certain circumstances, that decision shall not affect the validity of the remaining provisions of this chapter or the application of this chapter to any other person or under any other circumstances.

The Legislature hereby declares that it would have enacted each article, section, subdivision, sentence, clause, or phrase of this chapter regardless of the fact that one or more other articles, sections, subdivisions, sentences, clauses, or phrases are declared unconstitutional or invalid.

62504. Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), and Chapter 3 (commencing with Section 62700) shall be liberally construed as being

complementary of, and supplemental to, this chapter. This chapter, Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), and Chapter 3 (commencing with Section 62700) shall be liberally construed as constituting a single comprehensive scheme for the regulation of the production and handling of milk. However, each of the chapters, and each article, section, subdivision, sentence, clause, and phrase of each chapter is severable.

If one of the chapters or any article, section, subdivision, sentence, clause, or phrase of any one of the chapters is for any reason held void, invalid, or unconstitutional, the decision shall not affect the validity of any other chapter or any of its articles, sections, subdivisions, sentences, clauses, or phrases.

62505. This chapter does not preclude any producer from bringing any action against any handler in any court of competent jurisdiction.

62506. In order to effectuate the purposes of this chapter, the Milk Producers Security Trust Fund is hereby created.

62507. It is hereby declared, as a matter of legislative determination, that producers and handlers appointed to the Milk Producers Security Trust Fund Board are intended to represent and further the interest of a particular agricultural industry concerned, and that this representation and furtherance is intended to serve the public interest. Accordingly, the Legislature finds that, with respect to persons who are appointed to the board, the particular agricultural industry concerned is tantamount to, and constitutes, the public generally within the meaning of Section 87103 of the Government Code.

Article 2. Definitions

62520. Unless otherwise defined in this chapter, or the context otherwise requires, the definitions contained in Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), or Chapter 3 (commencing with Section 62700) govern the construction of this chapter.

62521. For purposes of this chapter, the following definitions apply:

(a) "Board" means the Milk Producers Security Trust Fund Board.

(b) "Fund" means the Milk Producers Security Trust Fund created pursuant to Section 62506.

(c) "Handler" means any person who as owner, agent, broker, or intermediary, either directly or indirectly, receives, purchases, or otherwise acquires ownership, possession, or control of milk in unprocessed or bulk form from a producer or a producer-handler for the purpose of manufacturing, processing, selling, or other handling. It includes cooperative associations that, either directly or indirectly, receive, purchase, or otherwise acquire ownership, possession, or

control of milk from other handlers or producers who are nonmembers of the cooperative.

(d) "Milk" means bulk whole milk, bulk lowfat milk, bulk skim milk, bulk condensed skim, and bulk cream, and any other combination of these products which have not had nondairy ingredients added. It does not include milk which has been packaged in bottles, cartons, dispenser cans, or other consumer packages.

(e) "Producer" means any person that produces milk from five or more cows whose bulk milk is received, acquired, or handled by a handler. It includes the nonprofit cooperative associations described in Article 3 (commencing with Section 61871) of Chapter 2 in the sale of milk of its member producers to other handlers.

Article 3. Milk Producers Security Trust Fund Board

62540. The director shall appoint a Milk Producers Security Trust Fund Board consisting of seven members.

The director shall appoint two members of the first board for a term of one year, two members for a term of two years, and three members for a term of three years. Thereafter, all appointments shall be for a term of three years, and no member shall be appointed to more than three consecutive three-year terms.

Members of the board shall include three milk producers, two representatives of handlers licensed under Chapter 2 (commencing with Section 61801), and two nonproducer members representing cooperative associations of milk producers.

62541. Each member of the board shall be paid one hundred dollars ($100) per day plus travel expenses, including expenses for lodging and meals, which are incurred in the attendance at board meetings or in conducting the business of the board. All per diem and expense claims are subject to approval by the director.

62542. The board shall advise the director on the administration of the fund, including, but not limited to, the amount of the fund defaults under this chapter and the implementation of the security charge necessary to accomplish its functions.

Article 4. Financing Plan

62560. Within 90 days after the effective date of this chapter, the director shall implement the collection of the security charges provided for in Section 62561 for a minimum 30-month period. Subsequent collection periods shall be implemented by the director following consultation with the board.

It shall be the objective of the director and the board to maintain a fund which, in their estimation, is large enough to cover approximately 110 percent of one month's milk purchases by the handler who has the largest monthly payment obligation to milk producers.

62561. (a) The following security charges shall be in effect for

any period for which the director has implemented collections under this chapter:

(1) (A) Class 1 fat, five and seven-tenths mills per pound ($0.0057).

(B) Class 1 solids-not-fat, two and three-tenths mills per pound ($0.0023).

(C) Class 1 fluid, one-tenth mill per pound ($0.0001).

(2) (A) Classes 2 and 3 fat, seven and one-tenth mills per pound ($0.0071).

(B) Classes 2 and 3 solids-not-fat, two and nine-tenths mills per pound ($0.0029).

(b) The director shall add the security charges to the prices established for class 1, class 2, and class 3 milk established pursuant to Chapter 2 (commencing with Section 61801).

62562. Any increase in classified prices due to Section 62561 shall be considered as part of the minimum prices required to be paid to producers under other provisions of this code. No other provisions of this chapter modify the minimum payment requirements contained in Chapter 1 (commencing with Section 61301) and Chapter 2 (commencing with Section 61801).

62563. Any handler subject to any pooling plan in effect under Chapter 3 (commencing with Section 62700) shall continue to be obligated for the minimum prices provided for in the stabilization and marketing plans on the pooled usage of the handler. However, any part of the minimum prices which are attributable to the security charges established pursuant to Section 62561 shall be deducted before producer prices are determined under the pooling plan.

Any handler subject to the pooling plan that also receives milk which is not included in the calculation of producer prices determined under the pooling plan shall also be obligated to pay the security charges established pursuant to Section 62561 for any portion of that milk which is assigned to class 1, class 2, and class 3 usage.

The amount of any handler's obligation attributable to the security charges established pursuant to Section 62561 shall be remitted by the director to the fund by the end of the month following the month the pool calculations were completed.

62564. Any handler receiving milk not subject to any pooling plan in effect pursuant to Chapter 3 (commencing with Section 62700) shall be obligated to remit directly to the director any security charges in effect pursuant to Section 62561 for class 1, class 2, and class 3 products produced from the milk and may deduct the security charges from the minimum prices required to be paid to producers.

62564.5. Any producer-handler who has milk production that is exempt pursuant to Section 62708, 62708.1, or 62708.5 from the pooling plan in effect pursuant to Chapter 3 (commencing with Section 62700) shall be exempt from any security charges established pursuant to this article for that exempt production.

62565. Security charges may be collected by the director through

direct payment or through pool accounting procedures established by the director pursuant to Chapter 3 (commencing with Section 62700).

62566. The director may add a penalty of 10 percent to amounts which are not paid when due.

62567. If any handler or producer-handler does not provide the information necessary to determine the amount due, when required, the director shall estimate the amount due from the records of the department or from any other source of information which is available.

62568. The director may take all appropriate action against any person to recover any unpaid amounts. In any action, a certificate of the director which shows the amount, including penalty, determined by the director to be required to be paid is prima facie evidence of the delinquency. The presumption established by this section is a presumption affecting the burden of proof.

62569. Any money which is collected by the director pursuant to this chapter shall be deposited in a bank or other depository which is approved by the director. Funds which are so collected are exempt from Sections 11270 and 11272 of the Government Code and shall be deposited and disbursed only to pay for milk produced and delivered within this state, which has not been otherwise paid for, including pool equalization fund obligations; attorney's fees and other costs incurred in litigation involving the fund; expenses generated by the auditing requirement imposed by Section 62570; and for the costs set forth in Section 62573. The expenditure of those funds shall be exempt from Section 925.6 of the Government Code.

62570. All fund activities shall be subject to an audit at least once every two years by an auditing firm recommended by the board and selected by the director. A copy of the audit shall be delivered within 30 days after completion to the director.

62571. In addition to the security charges imposed pursuant to Section 62561, the director may impose an additional security charge in the amount necessary to cover the department's costs in administering this chapter.

62572. Any money which is deposited pursuant to Section 62569, which the director determines is available for investment, may be invested or reinvested by the Treasurer in any of the securities described in Article 1 (commencing with Section 16430) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, or placed in a depository as provided in Chapter 4 (commencing with Section 16500) of that part, and handled in the same manner as money in the State Treasury. For these purposes, the money may also be combined with funds determined by the director to be available for investment pursuant to Section 58939.

62573. Any increment which is received from investment, reinvestment, or deposit of money pursuant to Section 62572 shall be deposited to the credit of the fund. The Treasurer may deduct from this remittance an amount equal to the reasonable costs incurred in

carrying out Section 62572 and this section or may bill the director for the costs, and the director shall pay the costs from money collected pursuant to this chapter.

Article 5. Milk Producers Security Trust Fund Coverage

62580. In order for milk shipped by a producer to a handler to be considered for coverage pursuant to this chapter, the following criteria shall be met:

(a) Milk shipment was made after December 31, 1986.

(b) A valid contract between the producer and handler pursuant to Chapter 1 (commencing with Section 61310) or Chapter 2 (commencing with Section 61801) has been filed with the director prior to the date the milk was shipped, unless the shipment was made in the first five days after the contract was executed. This requirement shall be waived for all shipments made prior to the effective date of this chapter.

(c) The handler was licensed and bonded as required by Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with Section 61801) when the contract was filed with the director.

(d) The milk was produced within the state and delivered to a plant within the state.

(e) The director has not issued a prior notice that the shipments would not be covered by the fund.

(f) The shipment was not made under a custom processing arrangement with the producer retaining title.

(g) The producer or cooperative shipping the milk had a direct contract with the handler. In the case of a cooperative, only the milk of its members shipped under the contract is covered. Milk shipped to a handler under a contract held by intermediaries, brokers, or agents is not covered.

(h) The producer does not have a beneficial ownership interest in the handler to whom shipments were made.

(i) The producer is in compliance with this chapter, Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), and Chapter 3 (commencing with Section 62700).

62581. Only produced shipments which occur during the first 30 days from the date of the earliest shipment for which a producer has not been paid are eligible.

62582. If the director determines that future shipments to a handler will not be eligible for coverage under this chapter, the director shall notify all producers who have a contract on file with the director, all cooperative associations, and other interested parties. The director may determine that future shipments will not be eligible when any of the following events occur:

(a) The handler fails to maintain a valid license or bond as required under Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with Section 61801).

(b) The handler has failed to pay producers as required under

Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with Section 61801).

(c) The handler has failed to pay the amount due the pool equalization fund provided for in Chapter 3 (commencing with Section 62700).

62583. If, on the date of the notice issued pursuant to Section 62582, a producer has a contract with the handler which is on file with the director, shipments by that producer after 45 days from the date of the notice will not be considered in determining any claim the producer may make against the fund, unless the director reestablishes eligiblity for future shipments to be covered by the fund.

62584. If, on the date of the notice issued pursuant to Section 62582, a producer does not have a contract with the handler which is on file with the director, shipments by the producer after five days from the date of the notice will not be considered in determining any claim the producer may make against the fund, unless the director reestablishes eligibility for future shipments to be covered by the fund.

62585. If the director issues a notice pursuant to Section 62582, the director may again qualify shipments to the handler if any of the following occur:

(a) The handler has corrected the deficiency upon which the notice was originally issued and has done all of the following:

(1) Paid all amounts owed to producers, including interest, provided for in Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with Section 61801). Producers are not entitled to receive interest on amounts for which they have been paid by the fund after the date of payment by the fund.

(2) Reimbursed the fund for any payments made by the fund due to a default by the handler plus interest at the rate of 12 percent per annum from the date of payment by the fund.

(3) Paid any amount owed to the pool equalization fund.

(4) Paid any assessments, penalties, or other amounts owed under federal, state, or local laws.

(b) Four years have elapsed since the date of the default in payment.

(c) The director, with the advice of the board, finds that reinstatement is fair and equitable.

62586. The director shall periodically publish a list of all handlers to whom shipments are not eligible for coverage under the fund.

62587. The director may waive any of the provisions of this article if, after consultation with the board, the director finds that a hardship would be imposed on persons subject to this chapter which is not consistent with the intent of this chapter.

Article 6. Discovery and Notification of Default in Payments

62600. Any producer who does not receive payment for milk sold or delivered to a handler in the manner required by Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with Section 61801) shall promptly notify the director.

62601. The director shall, upon his or her own motion or upon information from a producer, producer representative, or any other person, promptly take whatever action is necessary to determine whether a payment default has occurred.

62602. The director may, but is not required to, investigate a payment default which occurred more than one year prior to the date the director received the information.

62603. If the director determines that reasonable grounds exist to believe that a payment default has occurred, the director shall notify the handler that it has one business day from receipt of the notification to correct the payment deficiency. If there is not sufficient reason, the director shall so notify the handler and complaining party.

62604. When a payment default has occurred, which was not corrected within one business day after notification, the director shall issue a notice pursuant to Section 62582 which identifies the defaulting handler and informs producers of the provisions of Sections 62841 and 62843. The notice shall also inform producers of their rights to file claims pursuant to Article 7 (commencing with Section 62620).

Article 7. Producer Claims

62620. If the director determines that the fund is liable for any nonpayments to producers, the director shall provide to the producers, who have a contract with the defaulting handler on file with the director, a claim form. The claim form, which shall be verified, shall be returned to the director within 60 days from the date the claim forms are mailed by the director. The producer need only verify that a nonpayment has occurred. The amount of the nonpayment shall be determined by the director.

62621. If a verified claim form is not filed as required by Section 62620, the director and the fund are relieved of any further duty or liability pursuant to this chapter.

62622. Upon receipt of all verified claim forms from producers or the expiration of the time allowed to file claims, whichever occurs first, the director shall calculate the amount due each producer and shall notify each producer of their calculated amount and the relationship that amount bears to the total of all claims. Any producer not satisfied with the determination of the director may, within 30 days of receiving the notice pursuant to this section, request the director to review his or her calculated amount.

62623. For purposes of this chapter, the amounts owed to the

producers shall be calculated as follows:

(a) Only producers' shipments which occur during the first 30 days from the date of the earliest shipment for which a producer has not been paid shall be used.

(b) The minimum prices established in the stabilization and marketing plans applied to the usage assigned under the pooling plan shall be used for cooperative marketing associations.

(c) The price specified in the contract with the handler shall be used for manufacturing milk produers unless a low price is contained in stabilization and marketing plans, in which case the lower price shall be used.

(d) The minimum prices established in the stabilization and marketing plans shall be used for direct market milk producers who are not shipping their milk under the pooling plan.

(e) The quota, base, and overbase prices, as provided for in the pooling plan, shall be used for producers, other than cooperative marketing associations, who ship their milk directly to a handler.

(f) Deductions shall be made for those items which the handler customarily deducts from the payments, unless the deductions are in violation of Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), or Chapter 3 (commencing with Section 62700), or the deductions are for voluntary assignments made by the producer.

(g) The producer's share of any bond recovery under Chapter 1 (commencing with Section 61301) or Chapter 2 (commencing with 61801) shall be deducted.

62624. Two hundred thousand dollars ($200,000) shall be deducted from the total of the amount owed to all producers, as calculated in Section 62623, and the balance shall be paid from the fund on a pro rata basis. The amount calculated pursuant to Section 62623 shall be the basis for prorating.

62625. A prorated payment shall be made to all affected producers based on the amount payable pursuant to Section 62624 when there is not sufficient money in the fund. Additional payments shall be made on a quarterly basis until the total amount due is paid. Each payment shall take into consideration all claims that have been partially satisfied and new claims approved since the previous payment.

Article 9. Trust Fund Coverage of the Pool Equalization Fund

62640. If a handler defaults in payments to the pool equalization fund provided for in Chapter 3 (commencing with Section 62700) and the director determines that additional efforts will not result in collection of the amount due, the director, after consultation with the board, may transfer funds from the fund to cover the amount of the default.

Article 10. Administration

62660. The director may use money in the Department of Food and Agriculture Fund derived from assessments and fees collected pursuant to Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), and Chapter 3 (commencing with Section 62700) to the extent necessary to defray the costs of administering this chapter, except costs for which the fund is liable, as provided for in Section 62569.

62661. The director is the instrumentality of this state for the purpose of administering and enforcing this chapter and to execute the legislative intent expressed in this chapter, and is hereby vested with the administrative authority specified in this chapter.

62662. The director may exercise any or all of powers conferred by the Government Code upon the head of a department with respect to hearings and investigations under this chapter.

62663. For purposes of enforcing this chapter, the director may investigate any and all transactions between producers and handlers, between nonprofit cooperative associations and producers, and among handlers. For that purpose, the director shall have access to, and may enter at all reasonable hours, any place where milk is being stored, bottled, or manufactured and where milk is being bought, sold, or handled, or where the books, papers, records, or documents which relate to those transactions are kept. The director may inspect and copy those books, papers, records, or documents at any place within the state.

62664. The director may consult with the board regarding defaults and claims. The director may request that all parties involved in any dispute appear before the board to present information which will assist the board in advising the director.

62665. Any order of the director made pursuant to this chapter which substantially affects the rights of any interested party shall be subject to judicial review upon petition to the appropriate court. The petition shall be filed within 30 days after the effective date of the order.

62666. Any producer who recovers from the fund shall subrogate to the director all rights of recovery against any person or organization, and the producer shall execute and deliver to the director instruments and papers, and perform any other acts necessary to carry out this section.

62667. Any payments made to producers from the fund due to a handler's default is a judgment against the defaulting handler. The judgment shall be considered a lien on all real and personal property of the defaulting handler. The director may file the lien for record with any county recorder where a defaulting handler's property is located and shall specify the amount owed, the name of the handler, the federal social security number or the federal employer tax number if known, and the last known address of the handler. The lien shall remain in full force and effect until the handler has repaid to

the fund an amount equal to the default.

SEC. 56. 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. 57. 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 Milk Producers Security Trust Fund be created and protection to dairy producers be enacted to protect the dairy industry and the public from the catastrophic effects resulting from the closure of milk processing plants, including the nonpayment of producers for their milk production and the interruption of adequate supplies of milk and milk products to the consuming public, as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 157

An act to amend Sections 832, 15000, 15002, and 15004 of the Penal Code, relating to peace officers, and making an appropriation therefor.

[Approved by Governor July 10, 1987. Filed with Secretary of State July 10, 1987.]

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

SECTION 1. Section 832 of the Penal Code is amended to read:

832. (a) Every person described in this chapter as a peace officer, shall satisfactorily complete an introductory course of training prescribed by the Commission on Peace Officer Standards and Training. On or after July 1, 1989, satisfactory completion of the course shall be demonstrated by passage of an appropriate examination developed or approved by the commission. Training in the carrying and use of firearms shall not be required of any peace officer whose employing agency prohibits the use of firearms.

(b) (1) Every such peace officer described in this chapter, within 90 days following the date that he or she was first employed by any employing agency, shall, prior to the exercise of the powers of a peace officer, have satisfactorily completed the course of training as described in subdivision (a).

(2) Every peace officer described in Section 13510 or in subdivision (a) of Section 830.2 may satisfactorily complete the training required by this section as part of the training prescribed pursuant to Section 13510.

(c) Persons described in this chapter as peace officers who have not satisfactorily completed the course described in subdivision (a) as specified in subdivision (b), shall not have the powers of a peace officer until they satisfactorily complete the course.

(d) Any peace officer who on March 4, 1972, possesses or is qualified to possess the basic certificate as awarded by the Commission on Peace Officer Standards and Training shall be exempted from this section.

SEC. 2. Section 15000 of the Penal Code is amended to read:

15000. There is in state government the Peace Officers' Memorial Commission, hereinafter referred to as the commission, composed of nine members. Five of the members shall be appointed by the Governor, two shall be appointed by the Speaker of the Assembly, and two shall be appointed by the Senate Committee on Rules. The members of the commission shall elect a chairperson.

Members of the commission shall receive no compensation, but shall receive per diem and expenses while engaged in commission activities.

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.

SEC. 3. Section 15002 of the Penal Code is amended to read:

15002. With respect to the design and construction of the memorial, the commission may do all of the following:

(a) Establish a schedule for the design, construction, and dedication of the memorial.

(b) Implement procedures to solicit designs for the memorial and devise a selection process for the choice of the final design.

(c) Select individuals or organizations to provide fundraising services and to construct the memorial.

(d) Review and monitor the design and construction of the memorial and establish a program for the dedication of the memorial.

(e) Report to the Legislature through the Senate Judiciary Committee biannually on the progress of the memorial.

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.

SEC. 4. Section 15004 of the Penal Code is amended to read:

15004. (a) The sum of twenty-five thousand dollars ($25,000) is hereby appropriated from the General Fund to the commission as a loan for purposes of this part. The commission shall reimburse the amount of the appropriation, plus interest at the same rate of interest as that earned by moneys in the Pooled Money Investment Account during the term of the loan, from the first contributions received by the commission under this part.

(b) The Peace Officers' Memorial Account in the General Fund, hereinafter referred to as the account, is hereby established. All funds received by the commission under Sections 15001 and 15002,

and subdivision (a) of this section shall be deposited in the account. Notwithstanding Section 13340 of the Government Code, the moneys in the account are hereby appropriated to the commission for purposes of this part without regard to fiscal years.

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 158

An act to add Section 3410 to the Public Contract Code, relating to public contracts.

[Approved by Governor July 13, 1987. Filed with Secretary of State July 13, 1987]

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

SECTION 1. The Legislature finds and declares as follows:

(a) California-produced and processed foods are the safest in the world as a result of the state's comprehensive health and safety requirements, monitoring, and enforcement. Especially important are those procedures relating to pesticide use, chemical residues, and sanitation.

(b) The state's agricultural economy is suffering from an increase in imported food that is produced at a lower cost and often with subsidies. These lower costs of production and processing are often a result of foreign producers and processors not having to comply with the strict health and safety requirements that California producers must comply with.

(c) The value of the state's exports has substantially decreased this decade due to many factors, including, but not limited to, a high valued dollar and competition from foreign producers.

(d) When a government entity purchases imported foods the result is support of foreign producers and processors with California taxpayer dollars. That support instead should go into the United State's economy.

(e) When a government entity purchases food, preference should be given to United States-grown and United States-processed commodities.

SEC. 2. Section 3410 is added to the Public Contract Code, to read:

3410. Any public entity, as defined in Section 1100, including any school district or community college district, when purchasing food, shall give preference to United States-grown produce and United States-processed foods when there is a choice and it is economically feasible to do so. For purposes of this section, the determination of "economically feasible" shall be made by the purchasing public

entity, considering the total cost, quantity, and quality of the food and the budget and policies of the entity.

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 159

An act to amend Sections 51, 51.5, 51.8, 52, and 53 of the Civil Code, relating to civil rights.

[Approved by Governor July 14, 1987. Filed with Secretary of State July 14, 1987]

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

SECTION 1. Section 51 of the Civil Code is amended to read:

51. This section shall be known, and may be cited, as the Unruh Civil Rights Act.

All persons within the jurisdiction of this state are free and equal, and no matter what their sex, race, color, religion, ancestry, national origin, or blindness or other physical disability are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.

This section shall not be construed to confer any right or privilege on a person which is conditioned or limited by law or which is applicable alike to persons of every sex, color, race, religion, ancestry, national origin, or blindness or other physical disability.

Nothing in this section shall be construed to require any construction, alteration, repair, structural or otherwise, or modification of any sort whatsoever to any new or existing establishment, facility, building, improvement, or any other structure, or to augment, restrict, or alter in any way the authority of the State Architect to require construction, alteration, repair, or modifications that the State Architect otherwise possesses pursuant to other provisions of the law.

Nothing in this section shall require any person renting, leasing, or otherwise providing real property for compensation to modify his or her property in any way, or to provide a higher degree of care for a blind or other physically disabled person than for a person who is not physically disabled.

SEC. 2. Section 51.5 of the Civil Code is amended to read:

51.5. No business establishment of any kind whatsoever shall discriminate against, boycott or blacklist, refuse to buy from, sell to,

or trade with any person in this state because of the race, creed, religion, color, national origin, sex, or blindness or other physical disability of the person or of the person's partners, members, stockholders, directors, officers, managers, superintendents, agents, employees, business associates, suppliers, or customers.

As used in this section "person" includes any person, firm, association, organization, partnership, business trust, corporation, or company.

Nothing in this section shall be construed to require any construction, alternation, repair, structural or otherwise, or modification of any sort whatsoever to any new or existing establishment, facility, building, improvement, or any other structure, or to augment, restrict, or alter in any way the authority of the State Architect to require construction, alteration, repair, or modifications that the State Architect otherwise possesses pursuant to other provisions of the law.

Nothing in this section shall require any person renting, leasing, or otherwise providing real property for compensation to modify his or her property in any way, or to provide a higher degree of care for a blind or other physically disabled person than for a person who is not physically disabled.

SEC. 3. Section 51.8 of the Civil Code is amended to read:

51.8. No franchisor shall discriminate in the granting of franchises solely because of the race, color, religion, sex, or national origin of the franchisee and the racial, ethnic, religious, national origin, or blindness or other physical disability composition of a neighborhood or geographic area in which the franchise is located. Nothing in this section shall be interpreted to prohibit a franchisor from granting a franchise to prospective franchisees as part of a program or programs to make franchises available to persons lacking the capital, training, business experience, or other qualifications ordinarily required of franchisees, or any other affirmative action program adopted by the franchisor.

Nothing in this section shall be construed to require any construction, alteration, repair, structural or otherwise, or modification of any sort whatsoever to any new or existing establishment, facility, building, improvement, or any other structure, or to augment, restrict, or alter in any way the authority of the State Architect to require construction, alteration, repair, or modifications that the State Architect otherwise possesses pursuant to other provisions of the law.

Nothing in this section shall require any person renting, leasing, or otherwise providing real property for compensation to modify his or her property in any way, or to provide a higher degree of care for a blind or other physically disabled person than for a person who is not physically disabled.

SEC. 4. 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, national origin, or blindness or other physical disability 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, national origin, or blindness or other physical disability, 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 that 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.

(g) Nothing in this section shall be construed to require any construction, alteration, repair, structural or otherwise, or modification of any sort whatsoever to any new or existing establishment, facility, building, improvement, or any other structure, or to augment, restrict, or alter in any way the authority of the State Architect to require construction, alteration, repair, or modifications that the State Architect otherwise possesses pursuant to other provisions of the law.

Nothing in this section shall require any person renting, leasing, or otherwise providing real property for compensation to modify his or her property in any way, or provide a higher degree of care for a blind or other physically disabled person than for a person who is not physically disabled.

SEC. 5. Section 53 of the Civil Code is amended to read:

53. (a) Every provision in a written instrument relating to real property which purports to forbid or restrict the conveyance, encumbrance, leasing, or mortgaging of that real property to any person of a specified sex, race, color, religion, ancestry, national origin, or blindness or other physical disability, is void and every restriction or prohibition as to the use or occupation of real property because of the user's or occupier's sex, race, color, religion, ancestry, national origin, or blindness or other physical disability is void.

(b) Every restriction or prohibition, whether by way of covenant, condition upon use or occupation, or upon transfer of title to real property, which restriction or prohibition directly or indirectly limits the acquisition, use or occupation of that property because of the acquirer's, user's, or occupier's sex, race, color, religion, ancestry, national origin, or blindness or other physical disability is void.

(c) In any action to declare that a restriction or prohibition specified in subdivision (a) or (b) is void, the court shall take judicial notice of the recorded instrument or instruments containing the prohibitions or restrictions in the same manner that it takes judicial notice of the matters listed in Section 452 of the Evidence Code.

Nothing in this section shall require any person renting, leasing, or otherwise providing real property for compensation to modify his or her property in any way, or provide a higher degree of care for a blind or other physically disabled person than for a person who is not physically disabled.

SEC. 6. The Legislature does not intend by this act to impose building standards or construction requirements of any sort whatsoever or to augment, restrict, or alter in any way the authority that the State Architect otherwise possesses pursuant to other provisions of the law.

CHAPTER 160

An act to add and repeal Chapter 7 (commencing with Section 5575) of Part 1 of Division 5 of the Welfare and Institutions Code, relating to mental health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1987 Filed with Secretary of State July 15, 1987.]

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

SECTION 1. Chapter 7 (commencing with Section 5575) is added to Part 1 of Division 5 of the Welfare and Institutions Code, to read:

CHAPTER 7. MENTAL HEALTH SERVICES FOR CHILDREN

5575. The Legislature finds that there is no comprehensive system for the delivery of mental health services to children and youth, including families or foster families. It further finds that services to children and youth are provided by various departments and agencies at both the state and county level, often without appropriate collaboration. The Legislature finds that mental health services to children in the County of Ventura are comparatively more comprehensive, involve more interagency collaboration, and provide a potential model program. Therefore, it is the intent of the Legislature to extend for a third year the demonstration project in Ventura County established under former Chapter 7 (commencing with Section 5575) by Chapter 1474 of the Statutes of 1984, to accomplish the following goals:

(a) Design and implement a comprehensive coordinated children's mental health service system as described in the 1983 State Department of Mental Health planning model.

(b) Build on existing service capabilities within the various agencies currently serving children's needs.

(c) Provide for a joint evaluation or interagency consultation by all publicly funded agencies for minors experiencing emotional disturbances.

(d) Identify statutory and regulatory changes that would facilitate interagency cooperation.

(e) Develop appropriate interagency protocols and agreements.

(f) Develop appropriate services for difficult-to-place children.

(g) Provide services in a manner that gives priority to permitting the minor to reside in his or her usual family setting.

(h) Where a joint evaluation indicates that out-of-home care and treatment is required, ensure that these services are provided in the least restrictive setting consistent with effective services, and in as close proximity as possible to the minor's usual residence.

(i) Conduct research into children's mental health service system in order that the system may be evaluated for effectiveness of treatment and cost benefit on an ongoing basis.

(j) Provide for other counties or regions a replicable model for a comprehensive, coordinated children's mental health service system.

5576. The State Department of Mental Health shall extend for a third year the demonstration project in Ventura County for identifying and evaluating the county's interagency mechanism whereby local agencies serving emotionally disturbed minors with public funds are effectively collaborating with each other on behalf of these minors.

5577. (a) The State Department of Mental Health shall contract with the County of Ventura, according to the terms set forth in Section 5705.2, for the purpose of extending for a third year the demonstration project for developing and implementing a model children's comprehensive mental health service system. The program, as developed, shall meet the goals stated in Section 5575. The project shall include the various elements described in the proposed planning model for continuum of care for emotionally disturbed children and youth, published by the State Department of Mental Health in October 1983.

(b) The system developed pursuant to subdivision (a) shall include joint evaluation of the child and shall give priority to all of the following:

(1) Enabling the minor to remain at home whenever possible.

(2) Providing placement in the least restrictive and least costly setting consistent with the minor's needs.

(3) Enabling the minor to receive out-of-home services in as close proximity as possible to the minor's usual residence.

(c) The contract pursuant to subdivision (a) shall include research into the county's mental health service system for children and youth in order that the system may be evaluated for effectiveness of treatment and cost benefit on an ongoing basis, and identification of a model for a comprehensive coordinated children's mental health service system that can be replicated in other counties.

(d) The Director of Mental Health shall maintain an advisory group comprised of, but not limited to, the following: representatives from the appropriate state departments, children services coordinators designated by the Conference of Local Mental Health Directors, the California Council on Mental Health and the local mental health advisory boards. The function of the advisory group shall be to advise and assist Ventura County in the development of replicable model programs and other duties as determined by the Director of Mental Health.

(e) This extension of the demonstration project shall be deemed operative July 1, 1987, as though it were enacted and became operative on July 1, 1987, and shall continue through June 30, 1988. During this period, the County of Ventura shall file a progress report

on February 15, 1988, and a final report on August 15, 1988. The final report shall be submitted to the State Department of Mental Health and to the Chairpersons of the Assembly Committee on Health, the Senate Committee on Health and Human Services, the Assembly Committee on Ways and Means, and the Senate Committee on Finance.

5578. (a) The extension of the demonstration project under Section 5577 shall be funded during the 1987–88 fiscal year in accordance with the provisions of this section.

(b) Funding shall be obtained first from any unexpended funds and savings identified by the department in the 1986–87 fiscal year Budget Act appropriation for the demonstration project under this chapter. Ventura County shall cooperate with the department in identifying the unexpended funds and savings.

(c) Any additional funds which are required shall be obtained from unexpended funds and savings identified by the department in the 1985–86 fiscal year Budget Act appropriation for local assistance under the Short-Doyle Act, excluding any funds appropriated for a particular purpose.

(d) The unexpended funds and savings identified by the department pursuant to this section are hereby reappropriated for the support of the demonstration project during the 1987–88 fiscal year.

5579. This chapter shall remain in effect only until August 16, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before August 16, 1988, deletes or extends that date.

SEC. 2. All acts and proceedings taken on and after June 30, 1987, to and including the effective date of this act purporting to carry out the provisions of Chapter 7 (commencing with Section 5575) of Part 1 of Division 5 of the Welfare and Institutions Code, as added by Section 1 of the act, are hereby authorized, confirmed, validated, and declared legally effective to the extent the same can be effectuated under the federal and state constitutions.

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.

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 the demonstration project, which is extended for a year under this act, may be maintained without interruption, it is necessary that this act take effect immediately.

CHAPTER 161

An act to amend Sections 221, 14971, 52893, and 52941 of, to add Section 52866 to, to repeal and add Section 52945 of, and to repeal Sections 6007, 14973, and 14974 of, the Food and Agricultural Code, relating to agriculture, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1987 Filed with Secretary of State July 15, 1987.]

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

SECTION 1. Section 221 of the Food and Agricultural Code is amended to read:

221. The "Department of Food and Agriculture Fund," which is a special fund, is continued in existence. Any money which is directed by law to be paid into the fund shall be paid into it and, unless otherwise specifically provided, shall be expended solely for the enforcement of the law under which the money was derived. The expenditure from the fund for the enforcement of any law shall not, unless otherwise specifically provided, exceed the amount of money which is credited to the fund pursuant to the law.

Notwithstanding Section 13340 of the Government Code, all money deposited in the fund under the provisions enumerated below is hereby continuously appropriated to the department without regard to fiscal years for expenditure in carrying out the purposes for which the money was deposited and for making the refunds authorized by Section 302.

All money deposited in the fund under the provisions enumerated below is hereby exempted from Sections 13320 to 13324, inclusive, of the Government Code.

(a) Article 7 (commencing with Section 5821) of Chapter 8 of Part 1 of Division 4, Chapter 1 (commencing with Section 6701) of Part 3 of Division 4, and Chapter 5 (commencing with Section 53301) of Division 18.

(b) Article 5 (commencing with Section 6001) of Chapter 9 of Part 1 of Division 4.

(c) Chapter 4 (commencing with Section 14200), Chapter 5 (commencing with Section 14501), and Chapter 6 (commencing with Section 14901) of Division 7.

(d) Part 1 (commencing with Section 16301) and Part 2 (commencing with Section 17401) of Division 9.

(e) Division 10 (commencing with Section 20001).

(f) Division 11 (commencing with Section 23001).

(g) Part 4 (commencing with Section 27501) of Division 12.

(h) Division 16 (commencing with Section 40501).

(i) Chapter 9 (commencing with Section 44971) of Division 17.

(j) Chapter 1 (commencing with Section 52001) of Division 18.

(k) Chapter 2 (commencing with Section 52251) of Division 18.

(*l*) Chapter 3 (commencing with Section 52651) of Division 18.

(m) Chapter 4 (commencing with Section 52851) of Division 18.

(n) Chapter 6 (commencing with Section 55401), Chapter 7 (commencing with Section 56101), and Chapter 7.5 (commencing with Section 56701) of Division 20.

(o) Section 58582.

(p) Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), and Chapter 3 (commencing with Section 62700) of Part 3 of Division 21.

(q) Chapter 5.5 (commencing with Section 12531) of Division 5 of the Business and Professions Code.

(r) Chapter 7 (commencing with Section 12700), Chapter 7.3 (commencing with Section 12740), and Chapter 7.7 (commencing with Section 12770) of Division 5 of the Business and Professions Code.

(s) Chapter 14 (commencing with Section 13400), Chapter 15 (commencing with Section 13700), Chapter 16 (commencing with Section 13800), and Chapter 17 (commencing with Section 13900) of Division 5 of the Business and Professions Code.

SEC. 2. Section 6007 of the Food and Agricultural Code is repealed.

SEC. 3. Section 14971 of the Food and Agricultural Code is amended to read:

14971. There is in the department a Feed Inspection Advisory Board consisting of eight persons appointed by the director, who are licensed under this chapter and who are subject to payment of the inspection tonnage tax in accordance with this chapter. The director may appoint one additional member to the board, who shall be a public member. The members of the board shall receive no salary, but are entitled to payment of necessary traveling expenses in accordance with State Board of Control rules. These expenses shall be paid out of appropriations made to the department.

Upon the director's request, the board shall submit to the director the names of three or more natural persons, each of whom shall be a citizen and resident of this state and not a producer, shipper, or processor nor financially interested in any producer, shipper, or processor, for appointment by the director as a public member of the board. The director may appoint one of the nominees as the public member on the board. If all nominees are unsatisfactory to the director, the board shall continue to submit lists of nominees until the director has made a selection. Any vacancy in the office of the public member of the board shall be filled by appointment by the director from the nominee or nominees similarly qualified submitted by the board. The public member of the board shall represent the interests of the general public in all matters coming before the board and shall have the same voting and other rights and immunities as other members of the board.

SEC. 4. Section 14973 of the Food and Agricultural Code is

repealed.

SEC. 5. Section 14974 of the Food and Agricultural Code is repealed.

SEC. 6. Section 52866 is added to the Food and Agricultural Code, to read:

52866. "Delinter" means any person who, by any means or method, causes the short fibers to be removed from the seed coat of cottonseed.

SEC. 7. Section 52893 of the Food and Agricultural Code is amended to read:

52893. The board may require that all Acala cottonseed delinted for planting be certified by the California Crop Improvement Association if the board determines that contaminated seed is being used.

SEC. 8. Section 52941 of the Food and Agricultural Code is amended to read:

52941. (a) Any person who has Acala cottonseed delinted for planting purposes under this chapter, shall annually pay to the director an assessment fee in an amount not to exceed two dollars ($2) per hundredweight on the undelinted weight of the cottonseed.

(b) Cottonseed delinters, by June 15th of each year, shall provide the director with the name and address of each person having cottonseed delinted and the undelinted weight of their cottonseed.

SEC. 9. Section 52945 of the Food and Agricultural Code is repealed.

SEC. 10. Section 52945 is added to the Food and Agricultural Code, to read:

52945. All moneys which are received by the director pursuant to this chapter shall be deposited in the Department of Food and Agriculture Fund and shall be expended only for the purposes of this chapter.

SEC. 11. 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. 12. 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 revisions regarding Acala cotton production and the Feed Inspection Advisory Board to be implemented as early as possible during the 1987–88 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 162

An act to amend Section 31871 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor July 15, 1987. Filed with Secretary of State July 15, 1987.]

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

SECTION 1. Section 31871 of the Government Code is amended to read:

31871. Any increases in allowances which are based upon service rendered prior to the applicable date of this article (as fixed pursuant to Section 31874) shall be funded insofar as possible from the moneys in the reserve described in Section 31592 which are in excess of one (1) percent of the assets of the retirement system; except that in counties which have applied Section 31592.2 the board of supervisors may fund all or part of the increases from the county general fund.

CHAPTER 163

An act to add Article 8 (commencing with Section 871) to Chapter 4 of Part 1 of Division 1 of, and to repeal Section 739.2 of, the Public Utilities Code, and to repeal Part 22 (commencing with Section 44000) of Division 2 of the Revenue and Taxation Code, relating to telecommunications, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1987. Filed with Secretary of State July 16, 1987]

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

SECTION 1. Section 739.2 of the Public Utilities Code is repealed.

SEC. 2. Article 8 (commencing with Section 871) is added to Chapter 4 of Part 1 of Division 1 of the Public Utilities Code, to read:

Article 8. Universal Telephone Service

871. This article shall be known and may be cited as the Moore Universal Telephone Service Act.

872. As used in this article, "residential" means residential use and excludes industrial, commercial, and every other category of end use.

873. The commission shall annually designate a class of universal telephone service necessary to meet minimum residential

communications needs, including access to telephone service for emergency communications with public agencies and private medical services and for additionally maintaining necessary social contacts by the elderly, the handicapped, and the infirm. The commission shall take into account differentials in communication needs among subscribers, costs of acquiring service caused by geographical differences in the locales of residences, personal income of subscribers, and other factors appropriate in designating the characteristics of a class of universal telephone service. The commission shall annually issue its decision designating the characteristics of a class of universal telephone service, the rates and charges for that service or those services, and eligibility criteria for that service.

874. The universal telephone service rates shall be as follows:

(a) In a residential subscriber's service area where measured service is not available, the universal telephone service rates shall not be more than 50 percent of the rates for basic flat rate service, exclusive of federally mandated end user access charges, available to the residential subscriber.

(b) In a residential subscriber's service area where measured service is available, the subscriber may elect either of the following:

(1) A universal telephone service measured rate of not more than 50 percent of the basic rate for measured service, exclusive of federally mandated end user access charges, available to the residential subscriber.

(2) A universal flat rate discounted by not less than the rate reduction in dollars received by universal telephone service subscribers choosing the service in paragraph (1) and by not more than 50 percent of the rates for basic flat rate service, exclusive of federally mandated end user access charges, available to the residential subscriber.

875. (a) In addition to Section 874, every universal telephone service subscriber shall be given an allowance, reduced by the amount of any credit or allowance authorized by the Federal Communications Commission, equal to the then current or announced federally mandated residential end user access charges.

(b) The commission may, in a separate proceeding, establish procedures necessary to ensure that the universal telephone service program qualifies for any federal funds available for the support of those programs.

876. The commission shall require every telephone corporation providing telephone service within a service area to file a schedule of rates and charges providing a class of universal telephone service. Every telephone corporation providing service within a service area shall inform all eligible subscribers of the availability of universal telephone service, and how they may qualify for and obtain service, and shall accept applications for universal telephone service according to procedures specified by the commission.

877. Nothing in this article precludes the commission from

changing any rate established pursuant to Section 873, either specifically or pursuant to any general restructuring of all telephone rates, charges, and classifications.

878. A universal telephone service subscriber shall be provided with one single party line at his or her principal place of residence, and no other member of that subscriber's family or household who maintains residence at that place is eligible for universal telephone service.

An applicant for universal telephone service may report only one address in this state as the principal place of residence.

879. (a) The commission shall, at least annually, initiate a proceeding to set rates for universal telephone service. All telephone corporations providing universal telephone service shall annually file, on a date set by the commission, proposed universal telephone service rates and a statement of projected revenue needs to meet the funding requirements to provide universal telephone service to qualified subscribers, together with proposed funding methods to provide the necessary funding. These funding methods shall include identification of those services whose rates shall be adjusted to provide the necessary funding.

(b) The commission shall commence a proceeding within 30 days after the date set for the filings required in subdivision (a), giving interested parties an opportunity to comment on the proposed rates and funding requirements and the proposed funding methods. The commission may change the rates, funding requirements, and funding methods proposed by the telephone corporations in any manner necessary, including reasonably spreading the funding among the services offered by the telephone corporations, to meet the public interest. Within 60 days of the annual filing, the commission shall issue an order setting universal telephone service rates and funding methods for each telephone corporation making a filing as required in subdivision (a). The commission may establish a universal service pool for the purpose of funding universal telephone service.

(c) Any order issued by the commission pursuant to this section shall require telephone corporations providing universal telephone service to apply the funding requirement in the form of a surcharge to service rates which may be separately identified on the bills of customers using those services. The commission shall not allow any surcharge under this section on the rates charged by those telephone corporations for universal telephone service.

(d) The commission shall permit telephone corporations operating between service areas to adjust the rates of any service which may be affected by any surcharge imposed by this section.

879.5. Notwithstanding Section 879, the commission shall issue its initial order adopting required rates and funding requirements not later than October 31, 1987, and prior to the issuance of that order, may fund universal telephone service through the use of an interim surcharge on service rates for telephone service provided by

telephone corporations operating between service areas. The interim surcharge shall not exceed 4 percent of the service rates.

880. The commission may determine any question of fact in its administration of this article.

SEC. 3. Part 22 (commencing with Section 44000) of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 4. (a) All amounts required to be paid to the state under Part 22 (commencing with Section 44000) of Division 2 of the Revenue and Taxation Code, as it read prior to its repeal by this act, shall be paid to the board in the form of remittances payable to the State Board of Equalization of the State of California. The board shall transmit the payments to the Treasurer to be deposited in the State Treasury to the credit of the Universal Telephone Service Fund, which is hereby continued in existence.

(b) Funds in the Universal Telephone Service Fund are hereby continuously appropriated solely for the following purposes, to be paid by the Controller:

(1) To pay refunds as was authorized by that former Part 22.

(2) To pay the board for the cost of the administration of this section.

(3) To pay the commission for its costs of carrying out its duties and responsibilities under this section.

(4) To pay the Controller for the Controller's cost in the administration of this section.

(5) To pay amounts submitted by telephone corporations pursuant to commission rules and to the procedures specified by the Controller pursuant to that former Part 22. The commission shall certify to the Controller those amounts to be paid from the fund to telephone corporations for the provision of universal telephone service pursuant to that former Part 22.

(c) The commission shall pay the bills provided in paragraph (5) of subdivision (b) only under the following conditions:

(1) The Universal Telephone Service Fund contains an amount sufficient to pay the bills.

(2) The amounts to be paid shall not exceed the amount authorized by the commission for the costs of universal telephone service.

(3) Each telephone corporation providing universal telephone service pursuant to that former Part 22 shall file an annual public report with the commission, the board, and the Controller detailing its expenses incurred in providing universal telephone service pursuant to that former Part 22, including an accounting of the amounts requested from the Controller pursuant to paragraph (5) of subdivision (b), and any other items requested by the commission. An independent certified public accountant shall examine this report and shall give notice of examination with the report. The commission and the board may audit the report.

(d) Utilizing funds from the Universal Telephone Service Fund, the Controller shall continue paying pursuant to subdivisions (b) and

(c), on a quarterly basis, any bills which are submitted by telephone corporations providing universal telephone services pursuant to that former Part 22.

(e) Notwithstanding any other provision of this section, if there is not an amount sufficient to pay bills submitted to the Controller by telephone corporations for the provision of universal telephone service, the commission shall immediately notify the Legislature and propose to the Legislature a remedy for the insufficiency.

(f) This section shall become inoperative on July 1, 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. 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. The sum of one hundred sixty thousand dollars ($160,000) is hereby appropriated to the Public Utilities Commission from the Public Utilities Commission Utilities Reimbursement Account in the General Fund for the purposes of administering the provisions of this act during the 1987–88 fiscal year.

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 expedite the provision of universal telephone service according to the traditional methods of shared revenues and expenses by which telephone service has been provided in California, it is necessary that this act take effect immediately.

CHAPTER 164

An act to amend Section 51283.5 of the Government Code, relating to land conservation contracts.

[Approved by Governor July 15, 1987 Filed with Secretary of State July 16, 1987]

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

SECTION 1. Section 51283.5 of the Government Code is amended to read:

51283.5. (a) The Department of Conservation shall submit a report containing all of the following specific information relating to not less than one-third of all cities and counties participating in the Williamson Act program on or before May 15, 1987, and on or before

that date each year thereafter:

(1) The number of contract cancellation requests for which notices of hearings were mailed to the Director of Conservation pursuant to Section 51284 which were approved by boards or councils during the prior fiscal year ending June 30 or for which approval is still pending by boards or councils on that date.

(2) The amount of cancellation fees payable to the county treasurer as deferred taxes and which are required to be transmitted to the Controller pursuant to subdivision (d) of Section 51283 which have not been collected or which remain unpaid.

(3) The total number of acres covered by certificates of cancellation of contracts during the previous fiscal year.

(b) The Legislature may, upon the request of the department, appropriate funds from the deferred taxes deposited in the General Fund pursuant to subdivision (d) of Section 51283 in an amount sufficient to prepare the report required by this section.

CHAPTER 165

An act to amend Section 1 of Chapter 1549 of the Statutes of 1982, relating to prisons, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 17, 1987. Filed with Secretary of State July 20, 1987]

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

SECTION 1. Section 1 of Chapter 1549 of the Statutes of 1982 is amended to read:

Section 1. (a) The Legislature hereby designates and approves the sites described in paragraphs (1) and (2), and authorizes the Department of Corrections to do the following:

(1) Construct and establish one 1,250-bed reception center, with an additional 200-bed service facility, in Los Angeles County.

(2) Construct and establish one 2,000-bed prison, with an additional 200-bed service facility, in Los Angeles County.

(3) If the Department of Corrections proposes to carry out the project, the department shall prepare an environmental impact report for the reception center described in paragraph (1), at the site designated by the boundaries of Santa Fe Avenue, the Los Angeles River, Olympic Boulevard, and Washington Boulevard. If the department determines not to carry out the project at the site described by those boundaries, the department shall, within six months of that determination, report to the Legislature, and shall include in the report the reason for that determination and the designation of an alternative site for legislative consideration. If the alternative site is not approved by a statute enacted within six

months of submittal, the department shall submit an alternative site within six months and shall continue to do so until a site receives legislative approval. The use of the designated site for a prison shall require approval by statute. Any site referred to by this paragraph shall be within the urban area of Los Angeles County as defined by the 1980 United States Census, and located outside that portion of the Santa Monica Mountains Conservancy as defined by Sections 33105 and 33105.5 of the Public Resources Code.

(4) The prison described in paragraph (2) shall be built on a site designated by the boundaries of 40th Street West, I Avenue, 60th Street West and J Avenue, west of the City of Lancaster and described as the Mira Loma site.

If after study and within six months of the effective date of this bill, the department proposes to carry out the project on this site, then the department shall prepare an environmental impact report for the project at that site. If the department determines not to carry out the project at the site described by those boundaries, the department shall, within six months of that determination, report to the Legislature the reasons for that determination and the designation of an alternative site for legislative consideration. If the alternative site is not approved by a statute enacted within six months of submittal, the department shall submit an alternative site within six months and shall continue to do so until a site receives legislative approval. The use of the designated site for a prison shall require approval by statute. Any site referred to by this paragraph shall be within the rural area of Los Angeles County as designated by the 1980 United States Census but within the area bounded by the Kern County line of the north, 70th Street West on the west, the California Aqueduct along the eastern fork of the aqueduct on the south, and 50th Street East on the east.

The department shall have an environmental impact report prepared on any alternative site after it is approved by the Legislature in accordance with the provisions of this act.

(5) The Department of Corrections shall present reports to the Joint Legislative Committee on Prison Construction and Operations explaining the process and criteria used to evaluate the proposed site described in paragraph (3) and any alternate site brought before the Legislature for approval, and for any proposed site brought before the Legislature for approval in accordance with paragraph (4). Each report shall include a list of all criteria used to evaluate prison sites in Los Angeles County from January 1, 1980, to December 31, 1986, inclusive, and shall include an explanation of the consistency of those criteria as applied to the selection of the proposed site. One report shall be prepared for the sites described in paragraph (3) and one report for the sites described in paragraph (4) unless the department determines not to carry out a project at the site described in paragraph (3) or at a site described in paragraph (4), and shall be presented to the committee prior to certification of the required environmental impact report.

(6) To the extent feasible, significant adverse effects on the environment identified in the environmental impact reports for the facilities described in paragraphs (3) and (4) shall be mitigated in accordance with the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) in order to minimize the impacts of those effects.

(7) For any prison or reception center constructed in Los Angeles County, the Department of Corrections shall do all of the following:

(A) Consult with community leaders in order to maximize the aesthetics of the facility and minimize the visual impact upon the community.

(B) Develop a greenbelt adjacent to the facility and an offsite greenbelt suitable for community use.

(C) Mitigate significant effects on the environment relating to traffic conditions in accordance with the requirements of the California Environmental Quality Act and improve the surface streets adjacent to the facility.

(D) Establish an outreach program to maximize the participation of business and professionals from within a 15-mile radius of the facility in the design, construction, and maintenance of the facility.

(E) Not construct any building in excess of 70 feet in height.

(8) For any reception center constructed within the boundaries of Santa Fe Avenue, the Los Angeles River, Olympic Boulevard, and Washington Boulevard in Los Angeles County, the Department of Corrections shall do all of the following:

(A) Establish a target of employing at least 60 percent of the employees at the facility from residents within a 15-mile radius of the facility, of which half of those employees shall be Hispanic.

(B) Prepare a report to the Joint Legislative Committee on Prison Construction and Operations, following a public hearing, on the safety measures that will be used at the site to abate or mitigate public safety hazards.

(9) Notwithstanding any other provision of law, funds for the occupancy of the reception center described in paragraph (1) shall not be allocated until construction has begun on the prison described in paragraph (2). Funds for the occupancy of the prison described in paragraph (2) shall not be allocated until construction has begun on the reception center described in paragraph (1).

(10) The facilities described in paragraphs (1) and (2) shall not be located in the same senatorial or Assembly district.

(11) If the department determines not to carry out either of the projects described in paragraph (3) or (4), the Department of General Services shall consider and report on alternative state uses for any real property that has been acquired for those purposes.

(b) In addition to the prisons authorized in subdivision (a), the Department of Corrections is authorized to construct and establish one medium security prison for women on the grounds of the Northern California Youth Center in San Joaquin County. The prison

for women shall have a capacity not in excess of 400 inmates and shall not be used to house male inmates. Excess land at the site of the Northern California Youth Center shall be sold as surplus property as provided by law. Notwithstanding any other provision of law, funds for the occupancy of the prison for women shall not be allocated until a site has been designated pursuant to paragraph (1) of subdivision (a).

(c) The prison inmate design capacity for the Deuel Vocational Institution shall be limited to 2,500 inmates.

(d) The name of any prison or service facility authorized in this section shall not include the name of the city where the prison or service facility is located. The board of supervisors of the county in which the prison or service facility is located, if it chooses, may select the name of the prison or service facility. If the board of supervisors does not select a name, the Department of Corrections shall select a name.

SEC. 1.5. Notwithstanding any other provision of law, upon the operative date of this act, a site shall be deemed to have been designated pursuant to paragraph (1) of subdivision (a) of Chapter 1549 of the Statutes of 1982, as amended by this act, for the purpose of subdivision (b) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended by this act, and a site shall be deemed to have been designated and approved pursuant to Section 1 of Chapter 1549 of the Statutes of 1982 for the purpose of Section 8 of Chapter 958 of the Statutes of 1983.

SEC. 2. For the purpose of conducting the environmental impact reports required for the facilities authorized in Los Angeles County by paragraphs (1) and (2) of subdivision (a) of Section 1549 of the Statutes of 1982, as amended by this act, the following provisions shall apply:

(a) The Legislature finds and declares that due to the lack of capacity for new inmates in the state prison system, the construction of new prison facilities is of utmost importance to the public safety and well-being. The Legislature also finds and declares that it is necessary for the Department of Corrections to secure the properties for the projects as expeditiously as possible in order to ensure their availability. The Legislature further finds and declares that it is in the public's interest to ensure that prisons are planned, designed, and constructed in a manner which is consistent with the California Environmental Quality Act and which minimizes environmental and other impacts upon the communities in which they are located. It is the intent of the Legislature that expeditious acquisition of lands, planning, construction, and operation of new prisons shall be achieved by so-called "fast-tracking" of the environmental review process and by acceleration of any actions or proceedings brought pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, as provided in this section.

(b) Notwithstanding the guidelines adopted by the Secretary of the Resources Agency pursuant to Section 21083 of, and

notwithstanding Section 21092 of, the Public Resources Code, there shall be no review period for a notice of preparation or response time for responsible agencies with respect to the project to which this section applies. In lieu of those review and response periods, the Department of Corrections shall consult with responsible agencies during the preparation of a draft environmental impact report.

(c) Notwithstanding the guidelines adopted by the Secretary of the Resources Agency pursuant to Section 21083 of, and notwithstanding Section 21092 of, the Public Resources Code, the review period for the draft environmental impact report shall not exceed 30 days unless a shorter review period is authorized by the Office of Planning and Research with respect to the project.

(d) No action may be brought pursuant to Section 21167 of the Public Resources Code unless the alleged grounds for noncompliance with the provisions of Division 13 (commencing with Section 21000) of the Public Resources Code were presented to the public agency orally or in writing by any person.

(e) No person shall maintain an action or proceeding unless that person objected to the project orally or in writing.

(f) Subdivisions (d) and (e) do not apply where there was no public hearing or other opportunity for the members of the public to raise objections prior to the approval of the project or when the public agency failed to give the notice required by law.

(g) In any action or proceeding involving the project alleging inadequacy of the environmental impact report as required by Section 21100 of the Public Resources Code, the petitioner shall request a hearing within 45 days of filing the petition or otherwise be subject to dismissal on the court's own motion or on the motion of any party interested therein.

(h) In any action brought pursuant to Section 21167 of the Public Resources Code involving the project, including the hearing of the action on appeal from the decision of a lower court, all courts where the actions are or may hereafter be pending shall give the actions preference over all other civil actions, in the matter of setting the same for hearing or trial and in hearing the same, to the end that all the actions shall be quickly heard and determined.

(i) If an action brought pursuant to Section 21167 of the Public Resources Code involving the project is appealed, at the completion of the filing of briefs, the appellant shall notify the court of completion of the filing of briefs, whereupon the clerk of the reviewing court shall set the appeal for hearing on the first available calendar date.

(j) Notwithstanding any other provision of law, the filing of an action pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code involving the project shall not stop the acquisition of a site for the facility described in paragraph (1) or (3) of subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended. No temporary restraining order, preliminary injunction, permanent injunction, or any other court order shall bar

the acquisition of a site for the facility.

(k) The filing of an action pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code involving the project shall not stop the planning and construction of the facility, provided that no temporary restraining order, preliminary injunction, permanent injunction, or any other court order mandating cessation of the activity exists.

(*l*) The Legislature finds and declares that the enactment of this section is intended for the express purpose of expediting new prison construction, and that the procedures provided for in this section shall be utilized for this purpose.

(m) The provisions of Division 13 (commencing with Section 21000) of the Public Resources Code which require consideration of alternative sites for the proposed projects shall not apply to the projects authorized in Los Angeles County by this act. The environmental impact report for those projects shall, however, comply with any requirements of Division 13 (commencing with Section 21000) of the Public Resources Code that require consideration of alternative uses for a site.

(n) The Department of Corrections and the Department of General Services shall expedite the selection of one or more environmental consultants to assist in the preparation of documents required by Division 13 (commencing with Section 21000) of the Public Resources Code.

(o) Notwithstanding any other provision of law, the certification of the adequacy of the environmental impact report pursuant to Section 21100 of the Public Resources Code for the project authorized by paragraph (1) of subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended by this act, shall not be by the Department of Corrections. Instead, that certification shall be by a panel consisting of three members. All members shall be persons knowledgeable in environmental impact report certification. One shall be appointed by the Joint Rules Committee of the Legislature. One shall be appointed by the Governor and one shall be selected by the previously mentioned two members of the panel. Certification by the panel shall require the approval of at least two members. The panel shall review and approve the work program for the preparation of the environmental impact report as required by this section. The panel shall meet and the meeting or meetings shall comply 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). The panel shall certify or refuse to certify the report within 30 days after submittal to it by the Department of Corrections.

(p) For purposes of the construction of the prisons authorized in subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended by this act, the Department of Corrections shall prepare a schedule of the dates for the completion of the environmental impact report, the dates for completion of the preliminary plans and

working drawings, the dates for the commencement and completion of the prisons, and the dates for the occupancy of the prisons. This schedule and monthly progress reports regarding compliance with the schedule shall be submitted to the Joint Legislative Budget Committee, Joint Legislative Committee on Prison Construction and Operations, Senate Budget and Fiscal Review Committee, and Assembly Ways and Means Committee.

SEC. 3. (a) Notwithstanding the provisions of Section 21102 of the Public Resources Code or any other provision of law, with the consent of the Department of Corrections, funds appropriated by this act may be used for acquisition of, and the State Public Works Board is authorized to acquire a site for the facility described in paragraph (1) of subdivision (a) of Chapter 1549 of the Statutes of 1982, as amended by this act, within the area described in paragraph (3) of subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended by this act, and do so by means of option to purchase or by exercise of the power of eminent domain, or both, in accordance with the provisions of the Property Acquisition Law. The Legislature finds and declares that the acquisition is and will be for public purposes, to wit, for the location, development, and operation of a correctional facility thereon, and to preserve the availability of the site for that public use. Should the site ultimately prove to be infeasible for location of a correctional facility, the property comprising the site shall be transferred to the Department of General Services which shall then make it available for public use by other state agencies or dispose of it as provided by law, subject to reimbursement to the Department of Corrections of the funds appropriated to the Department of Corrections used to acquire the site.

(b) When real property is acquired pursuant to subdivision (a), it shall be immediately transferred to and remain under the control and jurisdiction of the State Lands Commission until the Department of Corrections has completed an environmental impact report as required by this act and by the California Environmental Quality Act, the time for commencement of an action challenging the report has expired, and any suit challenging the report has been resolved by a judgment which is final, and the Department of Corrections requests transfer by the State Lands Commission to the Department of Corrections of the property. Pending the transfer from the commission and with consent of the Department of Corrections, the State Lands Commission, as trustee on behalf of the Department of Corrections, may lease all or any portion of the property which is not presently needed on terms and conditions as the commission may fix and may maintain, improve, and care for the property in order to secure rent therefrom. The commission may remove or demolish buildings or other structures on the property when in its judgment it is desirable to do so. It may sell or dispose of the improvements or any materials available upon the demolishing of any building or structure on the property. The net

proceeds of that action shall be annually transferred to the Department of Corrections for deposit in and use as a part of the 1986 Prison Construction Fund.

SEC. 4. The sum of one hundred fourteen million six hundred thousand dollars ($114,600,000), which was appropriated to the Department of Corrections by subdivision (f) of Section 10 of Chapter 532 of the Statutes of 1986, is reappropriated to the Department of Corrections from the 1986 Prison Construction Fund for the construction of a reception center in Los Angeles County as authorized by paragraph (1) of subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended by this act.

Funds appropriated by this section shall be available for the purposes, as necessary, of environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items.

SEC. 5. (a) The sum of thirty-one million four hundred thousand dollars ($31,400,000) is hereby appropriated to the Department of Corrections, as follows:

(1) From the 1984 Prison Construction Fund..... $15,000,000
(2) From the 1986 Prison Construction Fund..... $16,400,000

(b) The funds appropriated by this section shall be used to construct a 1,250-bed reception center, with an additional 200-bed service facility, in Los Angeles County as authorized by paragraph (1) of subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended.

(c) Funds appropriated for the purposes set forth in subdivision (b) shall be available for purposes, as necessary, of site acquisition, site studies and suitability reports, environmental impact reports, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead, and equipment items.

SEC. 6. (a) The sum of two million dollars ($2,000,000) is hereby appropriated to the Department of Corrections from the 1986 Prison Construction Fund.

(b) The funds appropriated by this section shall be used to construct a 2,000-bed prison, with an additional 200-bed service facility, in Los Angeles County as authorized by paragraph (2) of subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended.

(c) Funds appropriated for the purposes set forth in subdivision (b) shall be available for purposes, as necessary, of site acquisition, site studies and suitability reports, environmental impact reports, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items.

SEC. 7. (a) The sum of one hundred forty-seven million dollars ($147,000,000) is hereby appropriated from the 1988 Prison

Construction Bond Fund to the Department of Corrections.

(b) The funds appropriated by this section shall be used to construct a 2,000-bed prison, with an additional 200-bed service facility, in Los Angeles County as authorized by paragraph (2) of subdivision (a) of Section 1 of Chapter 1549 of the Statutes of 1982, as amended by this act.

(c) Funds appropriated for the purposes set forth in subdivision (b) shall be available for purposes, as necessary, of site acquisition, site studies and suitability reports, environmental impact reports, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment items.

This section shall become operative upon the adoption by the voters in 1988 of a prison construction bond act.

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

Presently, the state prisons are operating at over 175 percent of capacity and the prison population is still increasing. It is essential to the public safety that construction of new prisons proceeds as expeditiously as possible to relieve prison overcrowding and to maintain public safety and security.

CHAPTER 166

An act to add Article 1.7 (commencing with Section 23145) to Chapter 12 of Division 11 of the Vehicle Code, relating to driving offenses.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Article 1.7 (commencing with Section 23145) is added to Chapter 12 of Division 11 of the Vehicle Code, to read:

Article 1.7. Youthful Drunk Driver Visitation Program

23145. This article shall be known and may be cited as the "Youthful Drunk Driver Visitation Program Act."

23145.2. The Legislature finds and declares all of the following:

(a) Young drivers often do not realize the consequences of drinking alcohol or ingesting any other drugs, whether legal or not, and driving a motor vehicle while their physical capabilities to drive safely are impaired by those substances.

(b) Young drivers who use alcohol or other drugs are likely to become dependent on those substances and prompt intervention is needed to protect other persons, as well as the young driver, from death or serious injury.

(c) The conviction of a young driver for driving under the influence of an alcoholic beverage, a drug, or both, identifies that person as a risk to the health and safety of others, as well as that young driver, because of the young driver's inability to control his or her conduct.

(d) It has been demonstrated that close observation of the effects on others of alcohol and other drugs, both chronic and acute, by a young driver convicted of driving under the influence has a marked effect on recidivism and should therefore be encouraged by the courts, prehospital emergency medical care personnel, and other officials charged with cleaning up the carnage and wreckage caused by drunk drivers.

(e) The program prescribed in this article provides guidelines for the operation of an intensive program to discourage recidivism by convicted young drunk drivers.

23145.3. For the purposes of this article, "program" means the Youthful Drunk Driver Visitation Program prescribed in this article.

23145.5. (a) If a person is convicted of a violation of Section 23152 punishable under Section 23160 and is granted probation, the court may order, with the consent of the defendant, as a term and condition of probation in addition to any other term and condition required or authorized by law, that the defendant participate in the program.

(b) The court shall give preference for participation in the program to defendants who were at least 18 years of age but less than 21 years of age at the time of the offense if the facilities of the program in the jurisdiction are limited to fewer than the number of defendants eligible and consenting to participate.

(c) The court shall require that the defendant not drink any alcoholic beverage at all before reaching the age of 21 years.

23145.6. The court shall investigate and consult with the defendant, defendant's counsel, if any, and any proposed supervisor of a visitation under the program, and the court may consult with any other person whom the court finds may be of value, including, but not limited to, the defendant's parents or other family members, in order to ascertain that the defendant is suitable for the program, that the visitation will be educational and meaningful to the defendant, and that there are no physical, emotional, or mental reasons to believe the program would not be appropriate or would cause any injury to the defendant.

23145.8. (a) To the extent that personnel and facilities are made

available to the court, the court may include a requirement for supervised visitation by the defendant to all, or any, of the following:

(1) A trauma facility, as defined in Section 1798.160 of the Health and Safety Code, a base hospital designated pursuant to Section 1798.100 or 1798.101 of the Health and Safety Code, or a general acute care hospital having a basic emergency medical services special permit issued pursuant to subdivision (c) of Section 1277 of the Health and Safety Code which regularly receives victims of vehicle accidents, between the hours of 10 p.m. and 2 a.m. on a Friday or Saturday night to observe appropriate victims of vehicle accidents involving drinking drivers, under the supervision of any of the following:

(A) A registered nurse trained in providing emergency trauma care or prehospital advanced life support.

(B) An emergency room physician.

(C) An emergency medical technician-paramedic or an emergency medical technician II.

(2) A facility which cares for advanced alcoholics, such as a chemical dependency recovery hospital, as defined in Section 1250.3 of the Health and Safety Code, to observe persons in the terminal stages of alcoholism or drug abuse, under the supervision of appropriately licensed medical personnel.

(3) If approved by the county coroner, the county coroner's office or the county morgue to observe appropriate victims of vehicle accidents involving drinking drivers, under the supervision of the coroner or a deputy coroner.

(b) As used in this section, "appropriate victims" means victims whose condition is determined by the visit supervisor to demonstrate the results of accidents involving drinking drivers without being excessively gruesome or traumatic to the probationer.

(c) If persons trained in counseling or substance abuse are made available to the court, the court may coordinate the visitation program or the visitations at any facility designated in subdivision (a) through those persons.

(d) Any visitation shall include, before any observation of victims or disabled persons by the probationer, a comprehensive counseling session with the visitation supervisor at which the supervisor shall explain and discuss the experiences which may be encountered during the visitation in order to ascertain whether the visitation is appropriate for the probationer.

(e) If at any time, whether before or during a visitation, the supervisor of the probationer determines that the visitation may be or is traumatic or otherwise inappropriate for the probationer, or is uncertain whether the visitation may be traumatic or inappropriate, the visitation shall be terminated without prejudice to the probationer.

23146. (a) The program may include a personal conference after the visitations described in Section 23145.8 between the sentencing judge or the judge responsible for coordinating the program for the

judicial district and the probationer, his or her counsel, and, if available, the probationer's parents to discuss the experiences of the visitation and how those experiences may impact the probationer's future conduct.

(b) If a personal conference described in subdivision (a) is not practicable, because of the probationer's absence from the jurisdiction, conflicting time schedules, or other reasons, the program should provide for a written report or letter by the probationer to the court discussing the experiences and their impact on the probationer.

23147. The county, a court, any facility visited pursuant to the program, the agents, employees, or independent contractors of the court, county, or facility visited pursuant to the program, and any person supervising a probationer during the visitation, is not liable for any civil damages resulting from injury to the probationer, or civil damages caused by the probationer, during, or from any activities relating to, the visitation, except for willful or grossly negligent acts intended to, or reasonably expected to result in, that injury or damage and except for workers' compensation for the probationer as prescribed by law if the probationer performs community service at the facility as an additional term or condition of probation.

CHAPTER 167

An act to amend Section 11167.5 of the Penal Code, relating to child abuse.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 11167.5 of the Penal Code is amended to read:

11167.5. (a) The reports required by Sections 11166 and 11166.2 shall be confidential and may be disclosed only as provided in subdivision (b). Any violation of the confidentiality provided by this article shall be a misdemeanor punishable by up to six months in jail or by a fine of five hundred dollars ($500) or by both.

(b) Reports of suspected child abuse and information contained therein may be disclosed only to the following:

(1) Persons or agencies to whom disclosure of the identity of the reporting party is permitted under Section 11167.

(2) Persons or agencies to whom disclosure of information is permitted under subdivision (b) of Section 11170.

(3) Persons or agencies with whom investigations of child abuse are coordinated under the regulations promulgated under Section 11174.

(4) Multidisciplinary personnel teams as defined in subdivision (d) of Section 18951 of the Welfare and Institutions Code.

(5) Persons or agencies responsible for the licensing of facilities which care for children, as specified in subdivision (h) of Section 11166.

(6) The State Department of Social Services, as specified in paragraph (3) of subdivision (b) of Section 11170, when an individual has applied for a community care license or child day care license, or for employment in an out-of-home care facility, or when a complaint alleges child abuse by an operator or employee of an out-of-home care facility.

(7) Hospital scan teams. As used in this paragraph "hospital scan team" means a team of three or more persons established by a hospital, or two or more hospitals in the same county, consisting of health care professionals and representatives of law enforcement and child protective services, the members of which are engaged in the identification of child abuse. The disclosure authorized by this section includes disclosure among hospital scan teams located in the same county.

(c) Nothing in this section shall be interpreted to require the Department of Justice to disclose information contained in records maintained under Section 11169 or under the regulations promulgated pursuant to Section 11174, except as otherwise provided in this article.

(d) This section shall not be interpreted to allow disclosure of any reports or records relevant to the reports of child abuse if the disclosure would be prohibited by any other provisions of state or federal law applicable to the reports or records relevant to the reports of child abuse.

CHAPTER 168

An act to amend Sections 10163.3 and 10489.10 of the Insurance Code, relating to insurance.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 10163.3 of the Insurance Code is amended to read:

10163.3. In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance which is of such a nature that minimum values cannot be determined by the methods described in Section 10160, 10161, 10162, 10163, 10163.1, or 10163.2 herein, then:

(a) The commissioner must be satisfied that the benefits provided

under the plan are substantially as favorable to policyholders and insureds as the minimum benefits otherwise required by Section 10160, 10161, 10162, 10163, 10163.1, or 10163.2.

(b) The commissioner must be satisfied that the benefits and the pattern of premiums of that plan are not such as to mislead prospective policyholders or insureds.

(c) The cash surrender values and paid-up nonforfeiture benefits provided by such plan must not be less than the minimum values and benefits required for the plan computed by a method consistent with the principles of this Standard Nonforfeiture Law for Life Insurance, as determined by regulations promulgated by the commissioner.

(d) Notwithstanding any other provision in the laws of this state, any policy, contract, or certificate providing life insurance under any such plan must be filed with the commissioner before it can be marketed, issued, delivered, or used in this state.

(e) Nothing contained in this section shall be construed as requiring or providing for the prior approval by the commissioner of individual life insurance policy forms prior to the time such policy forms are marketed, issued, delivered, or used in this state.

SEC. 2. Section 10489.10 of the Insurance Code is amended to read:

10489.10. In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance or annuity which is of such a nature that the minimum reserves cannot be determined by the methods described in Sections 10489.5, 10489.6, and 10489.9, the reserves which are held under any such plan must:

(a) Be appropriate in relation to the benefits and the pattern of premiums for that plan; and

(b) Be computed by a method which is consistent with the principles of this Standard Valuation Law,

as determined by regulations promulgated by the commissioner.

(c) Nothing contained in this section shall be construed as requiring or providing for the prior approval by the commissioner of individual life insurance policy forms prior to the time such policy forms are marketed, issued, delivered, or used in this state.

Notwithstanding any other provision in the laws of this state, any policy, contract, or certificate providing life insurance under any such plan must be filed with the commissioner before it can be marketed, issued, delivered or used in this state.

CHAPTER 169

An act to amend Sections 3700.1, and 3701 of the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 3700.1 of the Labor Code is amended to read:

3700.1. As used in this article:

(a) "Director" means the Director of Industrial Relations.

(b) "Private self-insurer" means a private employer which has secured the payment of compensation pursuant to Section 3701.

(c) "Insolvent self-insurer" means a private self-insurer who has failed to pay compensation and whose security deposit has been called by the director pursuant to Section 3701.5.

(d) "Fund" means the Self-Insurers' Security Fund established pursuant to Section 3742.

(e) "Trustees" means the Board of Trustees of the Self-Insurers' Security Fund.

(f) "Member" means a private self-insurer which participates in the Self-Insurers' Security Fund.

(g) "Incurred liabilities for the payment of compensation" means the sum of an estimate of future compensation, as compensation is defined by Section 3207, plus an estimate of the amount necessary to provide for the administration of claims, including legal costs.

SEC. 2. Section 3701 of the Labor Code is amended to read:

3701. (a) Each year every private self-insuring employer shall secure incurred liabilities for the payment of compensation and the performance of the obligations of employers imposed under this chapter by renewing the prior year's security deposit or by making a new deposit of security. If a new deposit is made, it shall be posted within 60 days of the filing of the self-insured employer's annual report with the director, but in no event later than May 1.

(b) The minimum deposit shall be 125 percent of the private self-insurer's estimated future liability for compensation to secure payment of compensation plus 10 percent of the private self-insurer's estimated future liability for compensation to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. In no event shall the security deposit for the incurred liabilities for compensation be less than two hundred twenty thousand dollars ($220,000).

(c) The director may only accept as security, and the employer shall deposit as security, cash, securities, surety bonds, or irrevocable letters of credit in any combination the director, in his or her discretion, deems adequate security. The current deposit shall include within its coverage all amounts covered by terminated surety bonds or excess insurance policies.

(d) Surety bonds, irrevocable letters of credit, and documents showing issuance of any irrevocable letter of credit shall be deposited with, and be in a form approved by, the director, shall be exonerated only according to its terms and, in no event, by the posting of additional security.

(e) Securities shall be deposited on behalf of the director by the self-insured employer with the Treasurer. Securities shall be

accepted by the Treasurer for deposit and shall be withdrawn only upon written order of the director.

(f) Cash shall be deposited in a financial institution approved by the director, and in the account assigned to the director. Cash shall be withdrawn only upon written order of the director.

(g) Upon the sending by the director of a request to renew, request to post, or request to increase or decrease a security deposit, a perfected security interest is created in the private self-insured's assets in favor of the director to the extent of any then unsecured portion of the self-insured's incurred liabilities. That perfected security interest is transferred to any cash or securities thereafter posted by the private self-insured with the director and is released only upon either of the following:

(1) The acceptance by the director of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation.

(2) The return of cash or securities by the director.

The private self-insured employer loses all right, title, and interest in, and any right to control, all assets or obligations posted or left on deposit as security. The director may liquidate the deposit as provided in Section 3701.5 and apply it to the self-insured employer's incurred liabilities either directly or through the Self-Insurers' Security 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 to assure that surety companies can be clearly apprised of the extent of their bond liabilities and to assist self-insurers in obtaining needed bonds as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 170

An act to amend Sections 4585 and 4587 of, and to add Sections 4585 and 4587 to, the Public Resources Code, relating to forestry.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 4585 of the Public Resources Code is amended to read:

4585. (a) Within one month after completion of the work described in the timber harvesting plan, excluding work for stocking, a report shall be filed by the timber owner or the owner's agent with the department that all work except stocking has been completed.

(b) If all of the work described in the plan has not been completed, a report may be filed annually with respect to a portion

of the area covered by the plan which has been completed. The portion completed shall be adequately identified on a map submitted with the report.

(c) 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 4585 is added to the Public Resources Code, to read:

4585. Within one month after completion of the work described in the timber harvesting plan, excluding work for stocking, a report shall be filed by the timber owner or the owner's agent with the department that all work except stocking has been completed.

This section shall become operative on January 1, 1990.

SEC. 3. Section 4587 of the Public Resources Code is amended to read:

4587. (a) Within five years after completion of timber operations on an area identified in a report submitted pursuant to Section 4585, a report of stocking with respect to that area shall be filed by the timber owner or the owner's agent with the department. A separate report of stocking may be filed with the work completion report for those areas which meet stocking requirements upon completion of timber operations. The board, by regulation, shall establish one or more statistically valid standardized sampling procedures designed to measure the number of trees and their dispersion.

(b) Notwithstanding subdivision (a), the board shall adopt regulations which specify the conditions and manner in which the necessity of employing sampling procedures may be waived. The regulations shall provide that, in addition to any other possible conditions which may be required by the board, the standard sampling procedures may be waived only if the director or the director's representative and the timber owner or a registered professional forester acting as the owner's agent agree that the area is adequately stocked to meet the standards of this chapter and other applicable rules or regulations of the board. The regulations shall require that, if the director or the director's representative does not agree that the area is so stocked, a standardized sample shall be required.

(c) 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. 4. Section 4587 is added to the Public Resources Code, to read:

4587. (a) Within five years after completion of timber operations on an area covered by a timber harvesting plan, a report of stocking shall be filed by the timber owner or the owner's agent with the department. A separate report of stocking may be filed with the work completion report for those areas which meet stocking requirements upon completion of timber operations. The board, by regulation, shall establish one or more statistically valid standardized sampling procedures which shall be designed to measure the

number of trees and their dispersion.

(b) Notwithstanding subdivision (a), the board shall adopt regulations which specify the conditions and manner in which the necessity of employing sampling procedures may be waived. The regulations shall provide that, in addition to any other possible conditions which may be required by the board, the standard sampling procedures may be waived only if the director or the director's representative and the timber owner or a registered professional forester acting as the owner's agent agree that the area is adequately stocked to meet the standards of this chapter and other applicable rules or regulations of the board. The regulations shall require that, if the director or the director's representative does not agree that the area is so stocked, a standardized sample shall be required.

(c) This section shall become operative on January 1, 1990.

CHAPTER 171

An act to amend Section 21151.1 of the Public Resources Code, relating to environmental quality.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 21151.1 of the Public Resources Code is amended to read:

21151.1. (a) Notwithstanding paragraph (6) of subdivision (b) of Section 21080, or Section 21080.5 or 21084, or any other provision of law, a lead agency shall prepare or cause to be prepared by contract, and certify the completion of, an environmental impact report for the construction of any project which burns municipal waste or refuse-derived fuel, including, but not limited to, tires.

(b) Subdivision (a) does not apply to any project which does any of the following:

(1) Exclusively burns digester gas produced from manure or any other solid or semisolid animal waste.

(2) Exclusively burns methane gas produced from a disposal site as defined in Section 66714.1 of the Government Code, which is used only for the disposal of solid waste as defined in Section 66719 of the Government Code.

(3) Exclusively burns forest, agricultural, wood, or other biomass wastes.

Nothing in this subdivision is intended to exempt those projects from the other requirements of this division.

(c) Subdivision (a) does not apply to any project for which the State Energy Resources Conservation and Development Commission has assumed jurisdiction under Chapter 6 (commencing with Section 25500) of Division 15.

CHAPTER 172

An act to amend Sections 40529, 40530, 40531, 40532, and 40536 of the Health and Safety Code, relating to air pollution.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 40529 of the Health and Safety Code is amended to read:

40529. The south coast district board may, by resolution, cause to be drawn all warrants on the treasurer or checks on a bank against all funds, except funds for debt service, of the south coast district in the treasury or bank for the payment of salaries and expenses of the south coast district.

SEC. 2. Section 40530 of the Health and Safety Code is amended to read:

40530. The south coast district board may authorize, in writing, the controller to draw separate payroll warrants or checks in the names of the individual south coast district employees for the respective amounts due each employee so each employee may be furnished with a statement of the amount earned and an itemization of the amounts withheld.

SEC. 3. Section 40531 of the Health and Safety Code is amended to read:

40531. (a) Each payroll warrant or check shall show the closing date of the pay period for which it is issued, the date of issue, and a statement that it is drawn by order of the south coast district board. The payroll warrants or checks shall bear the signature of the controller.

(b) The payroll procedure authorized by the south coast district board shall specify the ending date of the pay period and the date of issue for payroll warrants or checks, except that the issue date shall be on or before the 10th calendar day following the end of the pay period. The payroll procedure may provide for salary payments, including salary advances, more frequently than once a month. The payroll procedure may provide for payroll orders authorizing salary payments to individual employees on a continuing basis until the time a notification of changes or adjustments is made.

SEC. 4. Section 40532 of the Health and Safety Code is amended to read:

40532. The south coast district board may authorize, in writing, the controller to issue warrants or checks in favor of the persons entitled to payment of all claims chargeable against the south coast district which have been legally examined, allowed, and ordered paid by the south coast district board. The controller shall issue warrants or checks for all those claims against the south coast district.

SEC. 5. Section 40536 of the Health and Safety Code is amended to read:

40536. All warrants, checks, vouchers, and supporting documents shall be kept by the south coast district if the procedure authorized under this article is implemented.

CHAPTER 173

An act to amend Sections 1306 and 1308 of the Penal Code, relating to bail.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 1306 of the Penal Code is amended to read:

1306. (a) When any bond is forfeited and the period of time specified in Section 1305 has elapsed without the forfeiture having been set aside, the court which has declared the forfeiture, regardless of the amount of the bail, shall enter a summary judgment against each bondsman named in the bond in the amount for which the bondsman is bound. In no event shall the judgment exceed the amount of the bond, with costs, and notwithstanding any other provision of law, no penalty assessments shall be levied or added to the judgment.

(b) If, because of the failure of any court to promptly perform the duties enjoined upon it pursuant to this section, summary judgment is not entered within 90 days after the date upon which it may first be entered, the right to do so expires and the bail is exonerated.

(c) A dismissal of the complaint, indictment or information after the default of the defendant shall not release or affect the obligation of the bail bond or undertaking.

(d) The district attorney or civil legal adviser of the board of supervisors shall:

(1) Demand immediate payment of the judgment within five days after the summary judgment becomes final.

(2) If the judgment remains unpaid for a period of 20 days after demand has been made, shall forthwith enforce the judgment in the manner provided for enforcement of money judgments generally. If the judgment is appealed by the surety or bondsman, the undertaking required to be given in such cases shall be provided by a surety other than the one filing the appeal. The undertaking shall comply with the enforcement requirements of Section 917.1 of the Code of Civil Procedure.

(e) The right to enforce a summary judgment entered against a bondsman pursuant to this section shall expire two years after the entry of the judgment unless an appeal of the judgment has been

taken and remains undecided, in which case the two-year period shall extend 30 days after the decision on appeal becomes final.

Section 1308 of the Penal Code is amended to read:

1308. No court or magistrate shall accept any person or corporation as surety on bail if any summary judgment against any that person or corporation entered pursuant to Section 1306 remains unpaid after the expiration of 20 days after service of notice of the entry of the summary judgment provided, that, if during the 20 days on an action or proceeding available at law is initiated to determine the validity of the order of forfeiture or summary judgment rendered thereon, this section shall be rendered inoperative until that action or proceeding has finally been determined, provided that an appeal bond is posted in compliance with Section 917.1 of the Code of Civil Procedure. The clerk of the court in which the judgment is rendered shall serve notice of the entry of judgment upon the judgment debtor within five days after the date of the entry of the summary judgment.

CHAPTER 174

An act to amend Section 11112.4 of the Penal Code, relating to crimes.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 11112.4 of the Penal Code is amended to read:

11112.4. (a) Within each county or group of counties eligible to receive funding under the department's master plan for equipment, which elects to participate in the remote access network, a local RAN board shall be established. Where a single county is eligible to receive funding, that county's RAN board shall be the local RAN board. Where a group of counties is eligible for funding, the local RAN board shall consist of a regional board. The RAN board shall determine the placement of RAN equipment within the county or counties, and coordinate acceptance, delivery, and installation of RAN equipment. The board shall also develop any procedures necessary to regulate the ongoing use and maintenance of that equipment, adhering to the policy guidelines and procedures adopted by the department. The local board shall consider placement of equipment on the basis of the following criteria:

(1) The crime rate of the jurisdiction or jurisdictions served by the agency.

(2) The number of criminal offenses reported by the agency or agencies to the department.

(3) The potential number of fingerprint cards and latent

fingerprints processed.

(4) The number of sworn personnel of the agency or agencies.

(b) Except as provided in subdivision (c), each RAN board shall be composed of seven members, as follows: a member of the board of supervisors, the sheriff, the district attorney, the chief of police of the department having the largest number of sworn personnel within the county, a second chief selected by all other police chiefs within the county, a mayor elected by the city selection committee established pursuant to Section 50270 of the Government Code, and a member-at-large chosen by the other members. In any county lacking two chiefs of police, a substitute member shall be selected by the other members on the board. Groups of counties forming a region shall establish a seven-member board with each county having equal representation on the board and at least one member-at-large. If the number of participating counties precludes equal representation on a seven-member board, the size of the board shall be expanded so that each county has at least two representatives and there is a single member-at-large.

(c) In any county with a population of 5,000,000 or more, each local board shall be composed of seven members, as follows: a member of the board of supervisors, the sheriff, the district attorney, the chief of police of the department having the largest number of sworn personnel within the county, a second chief selected by all other police chiefs within the county, the mayor of the city with the greatest population within the county, and a member-at-large chosen by the other members. In any county lacking two chiefs of police, a substitute member shall be selected by the other members of the board.

(d) A county which is a part of a regional board may form a local RAN advisory board. The purpose of the local RAN advisory board shall be to provide advice and recommendations to the county's representatives on the regional RAN board. The local RAN advisory board may appoint alternate members to the regional RAN board from the local RAN advisory board to serve and work in the place of a regional RAN board member who is absent or who disqualifies himself or herself from participation in a meeting of the regional RAN board.

If a vacancy occurs in the office of a regional RAN board in a county which has established a local RAN advisory board, an alternate member selected by the local RAN advisory board may serve and vote in place of the former regional RAN board member until the appointment of a regional RAN board member is made to fill the vacancy.

CHAPTER 175

An act to amend Section 6103.2 of the Government Code, relating to fees.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 6103.2 of the Government Code is amended to read:

6103.2. (a) Section 6103 does not apply to any fee or charge or expense for official services rendered by a sheriff, marshal, or constable in connection with the levy of writs of attachment, execution, possession, or sale. The fee, charge, or expense may be advanced to the sheriff, marshal, or constable, as otherwise required by law.

(b) (1) Notwithstanding Section 6103, the sheriff, marshal, or constable, in connection with the service of process or notices, may require that all fees which a public agency, or any person or entity, is required to pay under provisions of law other that this section, be prepaid by a public agency named in Section 6103, or by any person or entity, prior to the performance of any official act. This authority to require prepayment shall include fees governed by Section 6103.5.

(2) This subdivision shall not apply to the service of process or notices in any action by the district attorney's office for the establishment or enforcement of a child support obligation.

(3) This subdivision shall not apply to a particular jurisdiction unless the sheriff, marshal, or constable, as the case may be, imposes the requirement of prepayment upon public agencies and upon all persons or entities within the private sector.

CHAPTER 176

An act to add Section 23790.5 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 23790.5 is added to the Business and Professions Code, to read:

23790.5. (a) It is the intent of the Legislature in enacting this section to ensure that local government shall not be preempted in the valid exercise of its land use authority pursuant to Section 23790,

including, but not limited to, enacting an ordinance requiring a conditional use permit. It is also the intent of the Legislature to prevent the legislated prohibition of the concurrent retailing of beer and wine for off-premises consumption and motor vehicle fuel where the retailing of each is otherwise allowable.

(b) (1) No city, county, or city and county shall, by ordinance or resolution adopted on or after January 1, 1988, legislatively prohibit the concurrent retailing of motor vehicle fuel and beer and wine for off-sale consumption in zoning districts where the zoning ordinance allows motor vehicle fuel and off-sale beer and wine to be retailed on separate sites.

(2) On and after January 1, 1989, no city, county, or city and county ordinance or resolution adopted prior to May 5, 1987, shall have legal effect if it legislatively prohibits the concurrent retailing of motor vehicle fuel with beer and wine for off-sale consumption in zoning districts where the zoning ordinance allows beer and wine and motor vehicle fuel to be retailed on separate sites.

(3) On and after July 1, 1988, no city, county, or city and county ordinance or resolution adopted on or after May 5, 1987, shall have legal effect if it legislatively prohibits the concurrent retailing of motor vehicle fuel with beer and wine for off-sale consumption in zoning districts where the zoning ordinance allows beer and wine and motor vehicle fuel to be retailed on separate sites.

(4) This section shall not apply to a prohibition by a city, county, or city and county of the sale of beer and wine in conjunction with the sale of motor vehicle fuel if that prohibition occurs as a result of the prohibition of the combining of the sale of motor vehicle fuel with a broader class of products or uses which includes alcoholic beverages or beer and wine as a named or unnamed part of that larger class, if that prohibition was enacted before August 1, 1985.

(c) Subject to the restrictions and limitations of subdivision (b), this section shall not prevent a city, county, or city and county from denying permission, or granting conditional permission, to an individual applicant to engage in the concurrent retailing of motor vehicle fuel with beer and wine for off-premises consumption pursuant to a valid conditional use permit ordinance based on appropriate health, safety, or general welfare standards contained in the ordinance if that conditional use permit ordinance contains all of the following:

(1) A requirement for written findings.

(2) A provision for an administrative appeal if the governing body has delegated its power to issue or deny a conditional use permit.

(3) Procedures for notice of a hearing, conduct of a hearing, and an opportunity for all parties to present testimony.

(4) A requirement that the findings be based on substantial evidence in view of the whole record to justify the ultimate decision.

(d) Notwithstanding any other provision of law, establishments engaged in the concurrent sale of motor vehicle fuel with beer and wine for off-premises consumption shall, until January 1, 1990, abide

by the following conditions:

(1) No beer or wine shall be displayed within five feet of the cash register or the front door unless it is in a permanently affixed cooler as of January 1, 1988.

(2) No advertisement of alcoholic beverages shall be displayed at motor fuel islands.

(3) No sale of alcoholic beverages shall be made from a drive-in window.

(4) No display or sale of beer or wine shall be made from an ice tub.

(5) No beer or wine advertising shall be located on motor fuel islands and no self-illuminated advertising for beer or wine shall be located on buildings or windows.

(6) Employees on duty between the hours of 10 p.m. and 2 a.m. shall be at least 21 years of age to sell beer and wine.

The standards contained in this subdivision are minimum state standards which do not limit local regulation otherwise permitted under this section.

(e) Until January 1, 1990, if there is a finding that a licensee or his or her employee has sold any alcoholic beverages to a minor at an establishment engaged in the concurrent sale of motor vehicle fuel with beer and wine for off-premises consumption, the alcoholic beverage license at the establishment shall be suspended for a minimum period of 72 hours. For purposes of Section 23790, the effect of such a license suspension shall not constitute a break in the continuous operation of the establishment nor a substantial change in the mode or character of operation.

(f) The provisions of this section apply to charter cities.

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 177

An act to amend Section 782 of the Evidence Code, relating to evidence.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 782 of the Evidence Code is amended to read:

782. (a) In any prosecution under Section 261, 264.1, 286, 288,

288a, or 289 of the Penal Code, or for assault with intent to commit, attempt to commit, or conspiracy to commit any crime defined in any such section, except where the crime is alleged to have occurred in a local detention facility, as defined in Section 6031.4, or in a state prison, as defined in Section 4504, if evidence of sexual conduct of the complaining witness is offered to attack the credibility of the complaining witness under Section 780, the following procedure shall be followed:

(1) A written motion shall be made by the defendant to the court and prosecutor stating that the defense has an offer of proof of the relevancy of evidence of the sexual conduct of the complaining witness proposed to be presented and its relevancy in attacking the credibility of the complaining witness.

(2) The written motion shall be accompanied by an affidavit in which the offer of proof shall be stated.

(3) If the court finds that the offer of proof is sufficient, the court shall order a hearing out of the presence of the jury, if any, and at such hearing allow the questioning of the complaining witness regarding the offer of proof made by the defendant.

(4) At the conclusion of the hearing, if the court finds that evidence proposed to be offered by the defendant regarding the sexual conduct of the complaining witness is relevant pursuant to Section 780, and is not inadmissible pursuant to Section 352 of this code, the court may make an order stating what evidence may be introduced by the defendant, and the nature of the questions to be permitted. The defendant may then offer evidence pursuant to the order of the court.

(b) As used in this section, "complaining witness" means the alleged victim of the crime charged, the prosecution of which is subject to this section.

CHAPTER 178

An act to amend Section 113 of the Health and Safety Code, relating to water.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. 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, 4083, 11887, 25198.7, 25694, 25696, 25697, 25816, 25817, 26506.2, 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.

CHAPTER 179

An act to amend Section 10087 of the Insurance Code, relating to insurance.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 10087 of the Insurance Code is amended to read:

10087. (a) As used in this chapter "policy of residential property insurance" shall mean a policy insuring individually owned residential structures of not more than four dwelling units, individually owned condominium units, or individually owned mobilehomes, and their contents, located in this state and used exclusively for residential purposes or a tenant's policy insuring personal contents of a residential unit located in this state. "Policy of residential property insurance," as defined, shall not include insurance for real property or its contents used for any commercial, industrial or business purpose, except a structure of not more than four dwelling units rented for individual residential purposes.

(b) Proof of mailing of the offer by first-class mail addressed to a named insured or applicant at the mailing address shown on the policy or application shall create a conclusive presumption that the offer was made.

CHAPTER 180

An act to amend Section 726 of the Code of Civil Procedure, relating to mortgages.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 726 of the Code of Civil Procedure is amended to read:

726. (a) There can be but one form of action for the recovery of any debt or the enforcement of any right secured by mortgage upon real property, which action must be in accordance with the provisions of this chapter. In the action the court may, by its judgment, direct the sale of the encumbered property (or so much of the property as may be necessary), and the application of the proceeds of the sale to the payment of the costs of court, the expenses of levy and sale, and the amount due plaintiff, including, where the mortgage provides for the payment of attorney's fees, such sum for attorney's fees as the court shall find reasonable, not exceeding the amount named in the mortgage.

(b) The decree for the foreclosure of a mortgage or deed of trust secured by real property or any interest therein shall declare the amount of the indebtedness or right so secured and, unless judgment for any deficiency there may be between the sale price and the amount due with costs is waived by the judgment creditor or a deficiency judgment is prohibited by Section 580b, shall determine the personal liability of any defendant for the payment of the debt secured by the mortgage or deed of trust and shall name the defendants against whom a deficiency judgment may be ordered following the proceedings prescribed in this section. In the event of waiver, or if the prohibition of Section 580b is applicable, the decree shall so declare and there shall be no judgment for a deficiency. In the event that a deficiency is not waived or prohibited and it is decreed that any defendant is personally liable for the debt, then upon application of the plaintiff filed at any time within three months of the date of the foreclosure sale and after a hearing thereon at which the court shall take evidence and at which hearing either party may present evidence as to the fair value of the property or the interest therein sold as of the date of sale, the court shall render a money judgment against the defendant or defendants for the amount by which the amount of the indebtedness with interest and costs of levy and sale and of action exceeds the fair value of the property or interest therein sold as of the date of sale. In no event shall the amount of the judgment, exclusive of interest from the date of sale and of costs exceed the difference between the amount for which the property was sold and the entire amount of the

indebtedness secured by the mortgage or deed of trust. Notice of the hearing shall be served upon all defendants who have appeared in the action and against whom a deficiency judgment is sought, or upon their attorneys of record, at least 15 days before the date set for the hearing. Upon application of any party made at least 10 days before the date set for the hearing the court shall, and upon its own motion the court at any time may, appoint one of the probate referees provided for by law to appraise the property or the interest therein sold as of the time of sale. The probate referee shall file the appraisal with the clerk and the appraisal is admissible in evidence. The probate referee shall take and subscribe an oath to be attached to the appraisal that the referee has truly, honestly and impartially appraised the property to the best of the referee's knowledge and ability. Any probate referee so appointed may be called and examined as a witness by any party or by the court itself. The court must fix the compensation, in an amount as determined by the court to be reasonable, but the fees shall not exceed similar fees for similar services in the community where the services are rendered, which may be taxed and allowed in like manner as other costs.

(c) No person holding a conveyance from or under the mortgagor of the property mortgaged, or having a lien thereon, which conveyance or lien does not appear of record in the proper office at the time of the commencement of the action need be made a party to the action, and the judgment therein rendered, and the proceedings therein had, are as conclusive against the person holding the unrecorded conveyance or lien as if the person had been a party to the action. Notwithstanding Section 701.630, the sale of the encumbered property does not affect the interest of a person who holds a conveyance from or under the mortgagor of the property mortgaged, or has a lien thereon, if the conveyance or lien appears of record in the proper office at the time of the commencement of the action and the person holding the recorded conveyance or lien is not made a party to the action.

(d) If the land mortgaged consists of a single parcel, or two or more contiguous parcels, situated in two or more counties, the court may, in its judgment, direct the whole thereof to be sold in one of the counties, and upon such proceedings, and with like effect, as if the whole of the property were situated in that county.

(e) If a deficiency judgment is waived or prohibited, the property shall be sold as provided in Section 716.020. If a deficiency judgment is not waived or prohibited, the property shall be sold subject to the right of redemption as provided in Sections 729.010 to 729.090, inclusive.

(f) Notwithstanding this section or any other provision of law to the contrary, any person authorized by this state to make or arrange loans secured by real property 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.

(g) The provisions of subdivision (f) 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.

(h) Any action maintained pursuant to subdivision (f) 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 181

An act to amend Section 11153.5 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 11153.5 of the Health and Safety Code is amended 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, whether the use of controlled substances was for purposes of increasing athletic ability or performance, 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.

CHAPTER 182

An act to amend Section 30261 of the Public Resources Code, and to repeal Chapter 10 (commencing with Section 5550) of Division 2 of, the Public Utilities Code, relating to liquefied natural gas.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 30261 of the Public Resources Code is amended to read:

30261. Multicompany use of existing and new tanker facilities shall be encouraged to the maximum extent feasible and legally permissible, except where to do so would result in increased tanker operations and associated onshore development incompatible with the land use and environmental goals for the area. New tanker terminals outside of existing terminal areas shall be situated as to avoid risk to environmentally sensitive areas and shall use a monobuoy system, unless an alternative type of system can be shown to be environmentally preferable for a specific site. Tanker facilities shall be designed to (1) minimize the total volume of oil spilled, (2) minimize the risk of collision from movement of other vessels, (3) have ready access to the most effective feasible containment and recovery equipment for oilspills, and (4) have onshore deballasting facilities to receive any fouled ballast water from tankers where operationally or legally required.

SEC. 2. Chapter 10 (commencing with Section 5550) of Division 2 of the Public Utilities Code is repealed.

CHAPTER 183

An act to add Section 42310.5 to the Health and Safety Code, relating to air pollution.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 42310.5 is added to the Health and Safety Code, to read:

42310.5. (a) Notwithstanding any provision of any district permit system, including the south coast district permit system, any

permit issued for the operation of equipment at an asphalt plant shall be valid for operation of the equipment by another operator if all of the following conditions are met:

(1) The permitted operator has given the new operator a copy of the operating permit.

(2) The permitted operator has filed, with the district, a copy of the operating permit attached to a signed statement from the new operator agreeing to comply with the terms of the permit.

(3) The permitted operator has paid a reasonable administrative fee as determined by the district.

(b) If the operation of the equipment by the new operator results in a violation of any state law or rule or regulation of the state board or district adopted pursuant to this division, the liability for the violation shall be determined based upon whether the conduct of the permitted operator or the new operator, or both, caused the violation.

CHAPTER 184

An act to amend Sections 74021, 74023, and 74030 of the Government Code, relating to courts.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 74021 of the Government Code is amended to read:

74021. There shall be three judges and one traffic referee. The court shall provide circuit judge services to all branch courts established by the board of supervisors. The frequency and extent of such services shall be dependent upon the needs of the community and shall lie within the sound discretion of the court.

SEC. 2. Section 74023 of the Government Code is amended to read:

74023. The municipal court administrator shall appoint, in accordance with Placer County civil service rules, all of the following:

(a) Two supervising municipal court clerks for the court, who shall perform such duties as may be required by the court or the judges.

(b) Six deputy clerks, who shall be senior municipal court clerks.

(c) Sixteen full-time and two half-time deputy clerks, who shall be municipal court clerks I or II.

(d) One deputy clerk, who shall be a master calendar clerk.

SEC. 3. Section 74030 of the Government Code is amended to read:

74030. (a) The positions enumerated in Sections 74022 to 74026, inclusive, shall receive a biweekly salary at step A of the range set forth below, as provided in Chapter 14 of the Placer County Code.

Step increases may be awarded at 5 percent at the end of the first six months and thereafter 5 percent annually for the next 48 months to a maximum of 20 percent over the amount specified as step A:

Position	Salary Range
Municipal court administrator	47.0
Supervising municipal court clerk	35.0
Deputy clerk, municipal court clerk I	30.0
Deputy clerk, municipal court clerk II	32.0
Deputy clerk, master calendar clerk	35.0
Senior municipal court clerk	34.0

(b) 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 conversion of the new schedule shall be made for such employees in the same manner on the same date as for such other county employees. Also, employees and officers of the municipal court shall be entitled to all employee benefits as they are now provided and made applicable to positions within county service. 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 provisions of state law shall be governed by the personnel provisions of the Placer County Code. Any changes in compensation made pursuant to this subdivision 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. 4. 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 185

An act to amend Section 15276 of the Government Code, relating to telecommunications.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 15276 of the Government Code is amended to read:

15276. (a) The department shall coordinate experimental studies on the use of telecommunications and information systems for telecommuting and teleworking.

(b) The department, in conducting these studies shall consider, among other issues, all of the following issues of concern:

(1) The impact of telecommuting and teleworking on the effective delivery of existing state services.

(2) New state services which telecommuting and teleworking may make possible.

(3) The consequences of telecommuting and teleworking for managers and employees of state agencies, including the quality of worklife within state agencies.

(4) The opportunities created by telecommuting and teleworking for the employment of, and the enhancement of working life for, persons with disabilities.

(5) The enhancements to telecommunications and information systems now or soon to be available which may facilitate the conduct of telecommuting and teleworking.

(c) At the conclusion of the study, the department shall, within 90 days, submit to the Legislature and the Governor department findings regarding this section and any further findings and recommendations the department shall make.

CHAPTER 186

An act to amend Section 480 of, and to add Section 69.5 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 69.5 is added to the Revenue and Taxation Code, to read:

69.5. (a) Notwithstanding any other provision of law, pursuant to subdivision (a) of Section 2 of Article XIII A of the California Constitution, any person over the age of 55 years who resides in property which is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218 may transfer, subject to the conditions and limitations provided in this section, the base year value of that property to any replacement dwelling of equal or lesser value which is located within the same county and is purchased or newly constructed by that person as his or her principal residence within two years of the sale by that person of the original property, provided that the base year value of the original property shall not be transferred to the replacement dwelling until the original property is sold.

(b) In addition to meeting the requirements of subdivision (a), any person claiming the property tax relief provided by this section shall be eligible for that relief only if the following conditions are met:

(1) At the time of the sale of the original property, the claimant is an owner and a resident of that property.

(2) At the time of the sale of the original property, the property is eligible for the homeowner's exemption as the result of the claimant's ownership and occupation of the property as his or her principal residence.

(3) At the time of the sale of the original property, the claimant or the claimant's spouse who resides with the claimant is at least 55 years of age.

(4) At the time of claiming the property tax relief provided by subdivision (a), the claimant is an owner of a replacement dwelling and occupies it as his or her principal place of residence and, as a result thereof, the property is currently eligible for the homeowner's exemption or would be eligible for the exemption except that the property is already receiving the exemption because of an exemption claim filed by the previous owner.

(5) The original property of the claimant is sold by him or her within two years of the purchase or new construction of the replacement dwelling. For purposes of this paragraph, the purchase or new construction of the replacement dwelling includes the purchase of that portion of land on which the replacement building, structure, or other shelter constituting a place of abode of the claimant will be situated and which, pursuant to paragraph (3) of subdivision (g), constitutes a part of the replacement dwelling.

(6) The replacement dwelling, including that portion of land on which it is situated which is specified in paragraph (5), is located entirely within the same county as the claimant's original property.

(7) The claimant has not previously been granted the property tax relief provided by this section. In order to prevent duplication of claims under this section within this state, county assessors shall supply that information from claims filed in accordance with

subdivision (f) and from county records as is specified by the written request of the board necessary to identify fully all claims under this section allowed by assessors. The board may specify that the information include all or a part of the names and social security numbers of claimants and their spouses and the identity and location of the replacement dwelling to which the claim applies. The information may be required in the form of data processing media or other media and in a format which is compatible with the recordkeeping processes of the counties and the auditing procedures of the state.

(c) The property tax relief provided by this section shall be available if the original property or the replacement dwelling, or both, of the claimant, includes, but is not limited to, either of the following:

(1) A unit or lot within a cooperative housing corporation, a community apartment project, a condominium project, or a planned unit development. If the unit or lot constitutes the original property of the claimant, the assessor shall transfer to the claimant's replacement dwelling only the base year value of the claimant's unit or lot and his or her share in any common area reserved as an appurtenance of that unit or lot. If the unit or lot constitutes the replacement dwelling of the claimant, the assessor shall transfer the base year value of the claimant's original property only to the unit or lot of the claimant and any share of the claimant in any common area reserved as an appurtenance of that unit or lot.

(2) A mobilehome or a mobilehome and any land owned by the claimant on which the mobilehome is situated. If the mobilehome or the mobilehome and the land on which it is situated constitutes the claimant's original property, the assessor shall transfer to the claimant's replacement dwelling either the base year value of the mobilehome or the base year value of the mobilehome and the land on which it is situated, as appropriate. No transfer of base year value shall be made by the assessor of that portion of land which does not constitute a part of the original property, as provided in paragraph (4) of subdivision (g). If the mobilehome or the mobilehome and the land on which it is situated constitutes the claimant's replacement dwelling, the assessor shall transfer the base year value of the claimant's original property either to the mobilehome or the mobilehome and the land on which it is situated, as appropriate. No transfer of base year value shall be made by the assessor to that portion of land which does not constitute a part of the replacement dwelling, as provided in paragraph (3) of subdivision (g).

This subdivision shall be subject to the limitations specified in subdivision (d).

(d) The property tax relief provided by this section shall be available to a claimant who is the coowner of original property, as a joint tenant, a tenant in common, or a community property owner, subject to the following limitations:

(1) If a single replacement dwelling is purchased or newly

constructed by all of the coowners and each coowner retains the same proportional interest in the replacement property as he or she held in the original property, the claimant shall be eligible under this section whether or not any or all of the remaining coowners would otherwise be eligible claimants.

(2) If two or more replacement dwellings are separately purchased or newly constructed by two or more coowners and more than one coowner would otherwise be an eligible claimant, only one coowner shall be eligible under this section. These coowners shall determine by mutual agreement which one of them shall be deemed eligible.

(3) If two or more replacement dwellings are separately purchased or newly constructed by two coowners who held the original property as community property, only the coowner who has attained the age of 55 years shall be eligible under this section. If both spouses are over 55 years of age, they shall determine by mutual agreement which one of them shall be deemed eligible.

(e) Upon the sale of original property, the assessor shall determine a new base year value for that property in accordance with subdivision (a) of Section 2 of Article XIII A of the California Constitution and Section 110.1, whether or not a replacement dwelling is subsequently purchased or newly constructed by the former owner or owners of the original property.

This section shall not apply in any case in which the transfer of the original property is not a change in ownership which subjects that property to reappraisal at its current fair market value in accordance with Section 110.1 or 5803.

(f) A claimant shall not be eligible for the property tax relief provided by this section unless the claimant provides to the assessor, on a form which the assessor shall make available upon request, the following information:

(1) The name and social security number of the claimant and of any spouse of the claimant who was a record owner of the original property at the time of its sale or is a record owner of the replacement dwelling.

(2) Proof that the claimant or the claimant's spouse who resided on the original property with the claimant was, at the time of its sale, at least 55 years of age. In the absence of available proof, the claimant shall certify under penalty of perjury that the age requirement is met.

(3) The address and, if known, the assessor's parcel number of the original property.

(4) The date of the claimant's sale of the original property and the date of the claimant's purchase or new construction of a replacement dwelling.

(5) A statement by the claimant that he or she will occupy the replacement dwelling as his or her principal place of residence within one year of the date of the filing of his or her claim.

The State Board of Equalization shall design the form for claiming

eligibility.

Any claim under this section shall be filed within three years of the date the replacement dwelling was purchased or the new construction of the replacement dwelling was completed.

(g) For purposes of this section:

(1) "Person over the age of 55 years" means any person or the spouse of any person who has attained the age of 55 years or older at the time of the sale of original property.

(2) "Base year value of the original property" means its base year value, as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property is sold by the claimant.

(3) "Replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, which is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of a replacement dwelling includes only that area of reasonable size which is used as a site for a residence.

(4) "Original property" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, which is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of original property includes only that area of reasonable size which is used as a site for a residence.

(5) "Equal or lesser value" means that the amount of the full cash value of a replacement dwelling does not exceed one of the following:

(A) One hundred percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed prior to the date of the date of the sale of the original property.

(B) One hundred and five percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the first year following the date of the sale of the original property.

(C) One hundred and ten percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the second year following the date of the sale of the original property.

(6) "Full cash value of the replacement dwelling" means its full cash value, determined in accordance with Section 110.1, as of the date on which it was purchased or new construction was completed, and after the purchase or the completion of new construction.

(7) "Full cash value of the original property" means its new base year value, determined in accordance with subdivision (e), without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A and subdivision (f) of Section 110.1 for the period from the date of its sale by the claimant to the date on which the replacement property was purchased or new construction was completed.

(8) "Sale" means any change in ownership of the original property for consideration.

(9) "Claimant" means any person claiming the property tax relief provided by this section. If a spouse of that person is a record owner of the original property or the replacement dwelling, whether or not that spouse joined in the claim, the spouse shall also be deemed a claimant for purposes of determining whether in any future claim filed by the spouse under this section the condition of eligibility specified in paragraph (7) of subdivision (b) has or has not been met by the spouse.

(10) "Property which is eligible for the homeowner's exemption" includes property which is the principal place of residence of its owner and is entitled to exemption pursuant to Section 205.5.

(h) Upon the timely filing of a claim, the assessor shall adjust the new base year value of the replacement dwelling in conformity with this section. This adjustment shall be made as of the latest of the following dates:

(1) The date the original property is sold.

(2) The date the replacement dwelling is purchased.

(3) The date the new construction of the replacement dwelling is completed.

Any taxes which were levied on the replacement dwelling prior to the filing of the claim on the basis of the replacement dwelling's new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount which would be due when determined on the basis of the adjusted new base year value.

(i) This section shall apply to any replacement dwelling which is purchased or newly constructed on or after November 6, 1986.

SEC. 2. Section 480 of the Revenue and Taxation Code is amended to read:

480. (a) Whenever any change in ownership of real property or of a mobilehome subject to local property taxation, and which is assessed by the county assessor, occurs, the transferee shall file a signed change in ownership statement in the county where the real property or mobilehome is located, as provided for in subdivision (c). In the case of a change in ownership where the transferee is not locally assessed, no change in ownership statement is required.

(b) The administrator or executor shall file a change in ownership statement with the county recorder or assessor in each county where the decedent owned real property at the time of death. The

statement shall be filed at the time the inventory and appraisement is filed with the court.

(c) Except as provided in subdivision (d), the change in ownership statement as required pursuant to subdivision (a) shall be declared to be true under penalty of perjury and shall give such information relative to the real property or mobilehome acquisition transaction as the board shall prescribe after consultation with the California Assessors' Association. The information shall include, but not be limited to, a description of the property, the parties to the transaction, the date of acquisition, the amount, if any, of the consideration paid for the property, whether paid in money or otherwise, and the terms of the transaction. The change in ownership statement shall not include any question which is not germane to the assessment function. The statement shall contain a notice informing the transferee of the property tax relief available under Section 69.5. The statement shall contain a notice that is printed, with the title in at least 12-point boldface type and the body in at least 8-point boldface type, in the following form:

"Important Notice"

"The law requires any transferee acquiring an interest in real property or mobilehome subject to local property taxation, and which is assessed by the county assessor, to file a change in ownership statement with the county recorder or assessor. The change in ownership statement must be filed at the time of recording or, if the transfer is not recorded, within 45 days of the date of the change in ownership. The failure to file a change in ownership statement within 45 days from the date of a written request by the assessor results in a penalty of either: (1) one hundred dollars ($100), or (2) 10 percent of the taxes applicable to the new base year value reflecting the change in ownership of the real property or mobilehome, whichever is greater, but not to exceed two thousand five hundred dollars ($2,500) if such failure to file was not willful. This penalty will be added to the assessment roll and shall be collected like any other delinquent property taxes, and be subject to the same penalties for nonpayment."

(d) The change in ownership statement may be attached to or accompany the deed or other document evidencing a change in ownership filed for recording, in which case such notice, declaration under penalty of perjury, and any information contained in the deed or other transfer document otherwise required by subdivision (c) may be omitted.

(e) If the document evidencing a change in ownership is recorded in the county recorder's office, then the statement shall be filed with the recorder at the time of recordation. However, the recordation of the deed or other document evidencing a change in ownership shall not be denied or delayed because of the failure to file a change of ownership statement, or filing of an incomplete

statement, in accordance with this subdivision. If the document evidencing a change in ownership is not recorded or is recorded without the concurrent filing of a change in ownership statement, then the statement shall be filed with the assessor no later than 45 days from the date the change in ownership occurs.

(f) Whenever a change in ownership statement is filed with the county recorder's office, the recorder shall transmit, as soon as possible, the original statement or a true copy thereof to the assessor along with a copy of every recorded document as required by Section 255.7.

(g) The change in ownership statement may be filed with the assessor through the United States mail, properly addressed with the postage prepaid.

(h) In the case of a corporation, the change in ownership statement shall be signed either by an officer of the corporation or an employee or agent who has been designated in writing by the board of directors to sign such statements on behalf of the corporation. In the case of a partnership or other legal entity, the statement shall be signed by an officer, partner, or an employee or agent who has been designated in writing by the partnership or legal entity.

(i) No person or entity acting for or on behalf of the parties to a transfer of real property shall incur liability for the consequences of assistance rendered to the transferee in preparation of any change in ownership statement, and no action may be brought or maintained against any such person or entity as a result of such assistance.

Nothing in this section shall create a duty, either directly or by implication, that such assistance be rendered by any person or entity acting for or on behalf of parties to a transfer of real property.

SEC. 3. The Legislature finds and declares that valuations of replacement dwellings by assessors for purposes of Section 69.5 of the Revenue and Taxation Code necessarily involve the exercise of judgment, and that to the extent that intangible factors may be involved in those judgments, differences may occur in the valuation of comparable replacement dwellings which result in the qualification of some replacement dwellings and the disqualification of other replacement dwellings within a particular county or between counties. The Legislature further finds and declares that a replacement dwelling which may be of equal or lesser value than the original property at the time of the sale of the original property may no longer meet that eligibility criterion when the replacement dwelling is purchased or newly constructed one or two years after the sale of the original property. In order to provide the maximum property tax relief contemplated by Section 69.5 of the Revenue and Taxation Code, consistent with the terms of subdivision (a) of Section 2 of Article XIII A of the California Constitution, the Legislature concludes that the 5 percent annual adjustment in the valuation of a replacement dwelling provided for in paragraph (5) of subdivision (g) of Section 69.5 properly ameliorates the potential

hardships to property owners referred to in this section and is a valid implementation of the authority conferred upon the Legislature by subdivision (a) of Section 2 of Article XIII A of the California Constitution.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the duties, obligations, or responsibilities imposed on local government by this act are necessary to implement a ballot measure approved by the voters in a statewide election.

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 property tax relief authorized by Proposition 60, which was approved by the voters at the November 4, 1986, general election, may be implemented as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 187

An act to add Section 2932.6 to the Civil Code, relating to real property.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 2932.6 is added to the Civil Code, to read:

2932.6. (a) Notwithstanding any other provision of law, a financial institution may undertake to repair any residential real property acquired through foreclosure under a mortgage or deed of trust solely for the purpose of compliance with state or local building codes, and health and fire ordinances and regulations.

(b) As used in this section, the term "financial institution" includes, but is not limited to, banks, savings associations, credit unions, and industrial loan companies.

CHAPTER 188

An act to add Section 31522.2 to the Government Code, relating to counties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 31522.2 is added to the Government Code, to read:

31522.2. In a county in which the board of retirement or both the board of retirement and the board of investment have appointed personnel pursuant to Section 31522.1, the respective board or boards may elect to appoint an administrator as provided for in this section. The position of the administrator shall not be subject to county civil service or merit system rules. The person so appointed shall be a county employee and the position of administrator shall be included in the salary ordinance or salary resolution adopted by the board of supervisors for the compensation of county officers and employees. The administrator so appointed shall be directed by, shall serve at the pleasure of, and may be dismissed at the will of, the appointing board or boards. Specific charges, a statement of reasons, or good cause shall not be required as a basis for dismissal of the administrator by the appointing board or boards.

This section shall not be operative in any county unless the board of supervisors, by resolution adopted by majority vote, makes this section applicable in 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:

This act enables a board of retirement and both a board of retirement and a board of investment which already has appointed personnel pursuant to Section 31522.1 of the Government Code to provide as soon as possible for the effective supervision of those personnel by an administrator appointed pursuant to this act. In appointing administrators as provided by this act, a board of retirement or both a board of retirement and a board of investment affected by this act shall be able to employ administrators in accordance with personnel practices that are recognized as vital for the effective administration of retirement systems.

CHAPTER 189

An act to add Section 5153.5 to, and to repeal and add Section 5153 of, the Elections Code, relating to elections.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 5153 of the Elections Code is repealed.

SEC. 2. Section 5153 is added to the Elections Code, to read:

5153. Except as provided in Section 5153.5, within 30 days from the date of filing of the petition, the clerk of the district shall examine the petition, and from the records of registration ascertain whether or not the petition is signed by the requisite number of voters. A certificate showing the results of this examination shall be attached to the petition.

In determining the number of valid signatures, the clerk of the district may use the duplicate file of affidavits maintained, or may check the signatures against facsimiles of voters' signatures, provided that the method of preparing and displaying the facsimiles complies with law.

The clerk of the district shall notify the proponents of the petition as to the sufficiency or insufficiency of the petition.

If the petition is found insufficient, no further action shall be taken. However, the failure to secure sufficient signatures, shall not preclude the filing of a new petition on the same subject, at a later date.

If the petition is found sufficient, the clerk of the district shall certify the results of the examination to the governing board of the district at the next regular meeting of the board.

The clerk of the district shall preserve the petition in accordance with Section 3756.

SEC. 3. Section 5153.5 is added to the Elections Code, to read:

5153.5. (a) Within 30 days from the date of filing of the petition, if, from the examination of petitions pursuant to Section 5153, more than 1,000 signatures have been signed on the petition, the clerk of the district may use a random sampling technique for verification of signatures. The random sample of signatures to be verified shall be drawn in such a manner that every signature filed with the clerk of the district shall be given an equal opportunity to be included in the sample. Such a random sampling shall include an examination of at least 1,000 or 5 percent of the signatures, whichever is greater.

(b) If the statistical sampling shows that the number of valid signatures is within 90 to 110 percent of the number of signatures of qualified voters needed to declare the petition sufficient, the clerk of the district shall examine and verify each signature filed.

(c) In determining from the records of registration, what number

of valid signatures are signed on the petition, the clerk of the district may use the duplicate file of affidavits maintained, or may check the signatures against facsimiles of voters' signatures, provided that the method of preparing and displaying the facsimiles complies with law.

(d) The clerk of the district shall attach to the petition, a certificate showing the result of this examination, and shall notify the proponents of either the sufficiency or insufficiency of the petition.

(e) If the petition is found insufficient, no action shall be taken on the petition. However, the failure to secure sufficient signatures shall not preclude the filing later of an entirely new petition to the same effect.

(f) If the petition is found to be sufficient, the clerk of the district shall certify the results of the examination to the governing board of the district at the next regular meeting of the board.

(g) The clerk of the district shall preserve the petition in accordance with Section 3756.

CHAPTER 190

An act to amend Section 1013a of the Code of Civil Procedure, relating to service by mail.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 1013a of the Code of Civil Procedure is amended to read:

1013a. Proof of service by mail may be made by one of the following methods:

(1) An affidavit setting forth the exact title of the document served and filed in the cause, showing the name and residence or business address of the person making the service, showing that he or she is a resident of or employed in the county where the mailing occurs, that he or she is over the age of 18 years and not a party to the cause, and showing the date and place of deposit in the mail, the name and address of the person served as shown on the envelope, and also showing that the envelope was sealed and deposited in the mail with the postage thereon fully prepaid.

(2) A certificate setting forth the exact title of the document served and filed in the cause, showing the name and business address of the person making the service, showing that he or she is an active member of the State Bar of California and is not a party to the cause, and showing the date and place of deposit in the mail, the name and address of the person served as shown on the envelope, and also showing that the envelope was sealed and deposited in the mail with the postage thereon fully prepaid.

(3) An affidavit setting forth the exact title of the document served and filed in the cause, showing (A) the name and residence or business address of the person making the service, (B) that he or she is a resident of, or employed in, the county where the mailing occurs, (C) that he or she is over the age of 18 years and not a party to the cause, (D) that he or she is readily familiar with the business' practice for collection and processing of correspondence for mailing with the United States Postal Service, (E) that the correspondence would be deposited with the United States Postal Service that same day in the ordinary course of business, (F) the name and address of the person served as shown on the envelope, and the date and place of of business where the correspondence was placed for deposit in the United States Postal Service, and (G) that the envelope was sealed and placed for collection and mailing on that date following ordinary business practices. Service made pursuant to this paragraph, upon motion of a party served, shall be presumed invalid if the postal cancellation date or postage meter date on the envelope is more than one day after the date of deposit for mailing contained in the affidavit.

(4) In case of service by the clerk of a court of record, a certificate by that clerk setting forth the exact title of the document served and filed in the cause, showing the name of the clerk and the name of the court of which he or she is the clerk, and that he or she is not a party to the cause, and showing the date and place of deposit in the mail, the name and address of the person served as shown on the envelope, and also showing that the envelope was sealed and deposited in the mail with the postage thereon fully prepaid.

CHAPTER 191

An act to amend Section 40600 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 40600 of the Vehicle Code is amended to read:

40600. (a) Notwithstanding any other provision of law, a peace officer who has successfully completed a course or courses of instruction, approved by the Commission on Peace Officer Standards and Training, in the investigation of traffic accidents may prepare in triplicate, on a form approved by the Judicial Council, a written notice of violation when the peace officer has reasonable cause to believe that any person involved in a traffic accident has violated a provision of this code not declared to be a felony or a violation of a

local ordinance and the violation was a factor in the occurrence of the traffic accident.

(b) A notice of violation shall contain the name and address of the person, the license number of the person's vehicle, if any, the name and address, when available, of the registered owner or lessee of the vehicle, the offense charged, and the time and place when and where the person may appear in court or before a person authorized to receive a deposit of bail. The time specified shall be at least 10 days after the notice of violation is delivered.

(c) The preparation and delivery of a notice of violation is not an arrest.

(d) For purposes of this article, a peace officer will be deemed to have reasonable cause to issue a written notice of violation if, as a result of the officer's investigation, the officer has evidence, either testimonial or real, or a combination of testimonial and real, that would be sufficient to issue a written notice to appear if the officer had personally witnessed the events investigated.

(e) As used in this section, "peace officer" means any person specified under Section 830.1 or 830.2 of the Penal Code, with the exception of members of the California National Guard.

(f) This article has no application to the procedures specified in Article 2 (commencing with Section 40500).

(g) This section applies to the procedures specified in Chapter 2.5 (commencing with Section 40650), except that the notice of violation shall be as set forth and approved by the Traffic Adjudication Board.

CHAPTER 192

An act to amend Section 7004 of the Civil Code, relating to family law.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 7004 of the Civil Code is amended to read:

7004. (a) A man is presumed to be the natural father of a child if he meets the conditions as set forth in Section 621 of the Evidence Code or in any of the following paragraphs:

(1) He and the child's natural mother are or have been married to each other and the child is born during the marriage, or within 300 days after the marriage is terminated by death, annulment, declaration of invalidity, or divorce, or after a decree of separation is entered by a court.

(2) Before the child's birth, he and the child's natural mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is

or could be declared invalid, and,

(i) If the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 300 days after its termination by death, annulment, declaration of invalidity, or divorce; or

(ii) If the attempted marriage is invalid without a court order, the child is born within 300 days after the termination of cohabitation.

(3) After the child's birth, he and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared invalid, and

(i) With his consent, he is named as the child's father on the child's birth certificate, or

(ii) He is obligated to support the child under a written voluntary promise or by court order.

(4) He receives the child into his home and openly holds out the child as his natural child.

(5) If the child was born and resides in a nation with which the United States engages in an Orderly Departure Program or successor program, he acknowledges that he is the child's father in a declaration under penalty of perjury, as specified in Section 2015.5 of the Code of Civil Procedure.

This paragraph shall remain in effect only until January 1, 1997, and on that date shall become inoperative.

(b) Except as provided in Section 621 of the Evidence Code, a presumption under this section is a rebuttable presumption affecting the burden of proof and may be rebutted in an appropriate action only by clear and convincing evidence. If two or more presumptions arise under this section which conflict with each other, the presumption which on the facts is founded on the weightier considerations of policy and logic controls. The presumption is rebutted by a court decree establishing paternity of the child by another man.

CHAPTER 193

An act to amend Section 65961 of the Government Code, relating to subdivisions.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 65961 of the Government Code is amended to read:

65961. Notwithstanding any other provision of law, upon approval or conditional approval of a tentative map for a subdivision

of single- or multiple-family residential units, or upon recordation of a parcel map for such a subdivision for which no tentative map was required, during the five year period following recordation of the final map or parcel map for the subdivision, a city, county, or city and county shall not require as a condition to the issuance of any building permit or equivalent permit for such single- or multiple-family residential units, conformance with or the performance of any conditions that the city or county could have lawfully imposed as a condition to the previously approved tentative or parcel map. Nor shall a city, county, or city and county withhold or refuse to issue a building permit or equivalent permit for failure to conform with or perform any conditions that the city, county, or city and county could have lawfully imposed as a condition to the previously approved tentative or parcel map. However, the provisions of this section shall not prohibit a city, county, or city and county from doing any of the following:

(a) Imposing conditions or requirements upon the issuance of a building permit or equivalent permit which could have been lawfully imposed as a condition to the approval of a tentative or parcel map if the local agency finds it necessary to impose the condition or requirement for any of the following reasons:

(1) A failure to do so would place the residents of the subdivision or of the immediate community, or both, in a condition perilous to their health or safety, or both.

(2) The condition is required in order to comply with state or federal law.

(b) Withholding or refusing to issue a building permit or equivalent permit if the local agency finds it is required to do so in order to comply with state or federal law.

(c) Assuring compliance with the applicable zoning ordinance.

(d) This section shall also apply to a city or city and county which incorporates on or after January 1, 1985, and which includes within its boundaries any areas included in the tentative or parcel map described in this section.

When the incorporation includes areas included in the tentative or parcel map described in this section, "a condition that the city could have lawfully imposed as a condition to the previously approved tentative or parcel map," as used in this section, refers to conditions the county could have imposed had there been no incorporation.

CHAPTER 194

An act to amend Sections 4114, 4133, 4141, and 4144 of the Public Resources Code, relating to the Department of Forestry and Fire Protection, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 4114 of the Public Resources Code is amended to read:

4114. (a) The department, in accordance with a plan approved by the board, shall do all of the following:

(1) Provide fire prevention and firefighting implements and apparatus.

(2) Organize fire crews and patrols.

(3) Establish observation stations and other necessary structures.

(4) Employ people to effect the plan.

(5) Construct and maintain telephone lines and provide other means of communication as necessary to prevent and extinguish forest fires.

(b) The department may provide, when available and to the extent that it does not require additional funds, rescue, first aid, and other emergency services to the public in state responsibility areas. Any emergency medical services shall be in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code and any rules and regulations adopted pursuant to that division.

SEC. 2. Section 4133 of the Public Resources Code is amended to read:

4133. The department shall, with the approval of the Department of General Services, for periods not to exceed three years, enter into a contract with any county which enacts an ordinance as provided in Section 4129. The budgeted sums in Section 4132 are subject to annual review in the budget process.

SEC. 3. Section 4141 of the Public Resources Code is amended to read:

4141. The department may, for the prevention and suppression of forest fires, enter into cooperative agreements with any person, firm, association, or corporation that owns or controls any forest, brush, grass, or grain lands, under such terms as the department deems advisable, and may renew, revise, or terminate these agreements.

The department also may, for the purpose of maintaining a fire patrol system for the prevention and suppression of forest fires in any timber, brush, grass, or other flammable vegetation or material,

enter into cooperative agreements with the federal government, under such terms as it deems advisable, and may renew, revise, or terminate these agreements.

The expenses incurred under these agreements shall be paid from appropriations or funds available for forest fire protection.

SEC. 4. Section 4144 of the Public Resources Code is amended to read:

4144. (a) Notwithstanding Section 4142, the director may, with the approval of the Department of General Services, enter into a cooperative agreement with a county or a special district for the purpose of preventing and suppressing forest fires or other fires within any county or special district that so requests under those terms and conditions which the director deems wise.

(b) The director shall not enter into or renew a cooperative agreement pursuant to this section under any of the following circumstances:

(1) With any county which has assumed responsibility pursuant to Section 4129.

(2) With any county or special district which does not have lands classified by the board pursuant to Section 4125 as a state responsibility area.

(3) If the director determines that one effect of the agreement would be the replacement or curtailment of locally provided fire prevention and suppression services.

(4) If the director determines, pursuant to the policy and standards adopted by the board under Section 4143, that the agreement would replicate services provided under an agreement made pursuant to Section 4142.

(5) When the director determines that the number and value of building permits, population density, available financial resources, or any other factor within the service area of a particular station under the agreement make it feasible for the communities to permanently or continuously support their own fire prevention and suppression services.

(c) The director shall not enter into or renew a cooperative agreement pursuant to this section where equipment, personnel, or buildings are requested for protection of a community in addition to the equipment, personnel, and buildings used during the fire season to protect state responsibility areas.

(d) The cooperative agreement shall provide both of the following:

(1) In a reasonable manner, for the efficient utilization of necessary fire prevention and suppression related equipment, personnel, and buildings under the jurisdiction of the director and located in or immediately adjacent to the state responsibility area during that period of the year commonly designated as the "nonfire season." The equipment and buildings utilized shall be limited to those owned or leased by the state, or their replacements, and to the equipment, personnel, and buildings used during the fire season to

protect state responsibility areas. Whenever the cooperative agreement provides for the employment of personnel during the "nonfire season" who would be in addition to the personnel required for the necessary operation and maintenance, during the "nonfire season," of equipment and buildings under the jurisdiction of the director, the full salaries and all benefits of the additional personnel shall be apportioned as costs to the county or special district.

(2) A cost apportionment between the county or special district and the state that reasonably reflects cost apportionments made pursuant to Section 4142, except that the county or special district shall be apportioned the additional cost for extended staff availability for 24-hour emergency response, not to exceed 15 percent of the base salary cost, for state personnel assigned to staff fire engines at a rate determined annually by the director, plus staff benefit costs attributable to the apportionment, and total overtime pay.

(e) This section is necessary because sparsely populated rural communities lack the tax base sufficient to provide the necessary financial resources for year-round fire prevention and suppression, and it is the intent of the Legislature that, pursuant to this section, fire prevention and suppression may be provided during the "nonfire season" to those communities until those communities have adequate revenues to permanently or continuously support their own fire prevention and suppression.

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 Department of Forestry and Fire Protection may continue to provide needed rescue, first aid, and other emergency medical services to protect citizens in the areas of the state affected by this act, it is necessary that the act take effect immediately.

CHAPTER 195

An act to amend Section 72.7 of the Harbors and Navigation Code, relating to harbors and watercraft.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 72.7 of the Harbors and Navigation Code is amended to read:

72.7. (a) The department may grant funds to any public agency for the construction or procurement of floating restrooms and ancillary items.

(b) The department may prepare plans and arrange for the

procurement of floating restrooms and ancillary items for later transfer to other public agencies. All procurements shall be conducted under the supervision of the Department of General Services, in accordance with the requirements for state procurement of materials, supplies, and equipment established in Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(c) The department shall establish general policies for determining appropriate bodies of water and locations thereon for placing floating restrooms. The department may adopt such rules and regulations as may be necessary to carry out the provisions of this section.

(d) It is the intent of the Legislature that the purpose of this section is to furnish restroom facilities on bodies of water where conventional restrooms cannot meet the needs of boaters and where the presence of floating restrooms may lessen environmental degradation of those bodies of water.

CHAPTER 196

An act to amend Section 823 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 823 of the Unemployment Insurance Code is amended to read:

823. (a) For the purpose of payment by each school employer of all or part of the charges for unemployment compensation benefits, fees, assessments, interest, penalties, billings, notices, and other expenses of unemployment insurance for school employees pursuant to this part, moneys budgeted pursuant to subdivisions (b) and (c) of this section shall be remitted by the school employer or on the school employer's behalf by the county auditor to the Treasurer pursuant to this article, and shall be deposited in the School Employees Fund.

(b) (1) For each fiscal year, except as provided in subdivisions (c) and (d), each school employer shall budget and remit on or before the last day of the calendar month following the close of each calendar quarter to the Treasurer for deposit in the School Employees Fund in the State Treasury an amount determined by multiplying the contribution rate for the fiscal year by the total wages, including taxable wages as well as wages which would be taxable except for the limitation on taxable wages provided under Section 930, but excluding, to the extent permitted by federal law,

wages paid to any individual to the extent that federal law provides for reimbursement to the State of California for all benefits paid from the Unemployment Fund to the individual based on the wages.

The administrator shall, not later than March 31 each year, notify all school employers participating in the School Employees Fund of the contribution rate for the succeeding fiscal year.

(2) The contribution rate for the fiscal year beginning July 1, 1988, and for each subsequent fiscal year shall be two times the amount disbursed for claims management fees, unemployment insurance benefit charges, and School Employees Fund administrative expenditures from the School Employees Fund during the 12-month period ending December 31 and immediately preceding the fiscal year for which the rate is to be effective, less the amount in the School Employees Fund on that December 31, with the resulting figure divided by total wages as described in paragraph (1) for the 12-month period ending June 30 and immediately preceding that December 31, and then rounded to the nearest one-hundredth of 1 percent. In no event shall the contribution rate be less than five one-hundredths of 1 percent.

(c) If the administrator finds that the ability of the School Employees Fund to meet its estimated obligations promptly when due will become endangered, he or she shall increase the contribution rate otherwise provided by this section to a level estimated to be needed to protect the solvency of the fund, except that the rate shall not be increased to more than three-tenths of 1 percent. If the administrator finds that the School Employees Fund balance is in excess of an adequate reserve to meet its estimated obligations promptly when due, he or she shall, after consultation with the fund's School Advisory Committee, decrease the contribution rate otherwise provided by this section, except that the rate shall not be decreased to less than one-tenth of 1 percent. The administrator shall notify all school employers participating in the fund of any increased or decreased contribution rate under this authority.

CHAPTER 197

An act to amend Section 9331 of the Elections Code, relating to Republican county central committees.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 9331 of the Elections Code is amended to read:

9331. Any member, other than an ex officio member, of a

committee who misses four regularly called meetings within one 12-month period shall be removed from the committee concerned, unless his or her absence is caused by illness or temporary absence from the county on the date of the meeting.

CHAPTER 198

An act to amend Sections 41015, 41017, and 41018 of the Education Code, relating to surplus funds.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 41015 of the Education Code is amended to read:

41015. The governing board of any school district or any county office of education which has funds in a special reserve fund of the district or county office of education or any surplus moneys not required for the immediate necessities of the district or county office of education, is hereby authorized to invest all or any part of the funds in any of the investments specified in Section 16430 or 53601 of the Government Code.

SEC. 2. Section 41017 of the Education Code is amended to read:

41017. The governing board of any school district or any county office of education may authorize any school district governed by it, or any school under its jurisdiction to deposit in one or more bank accounts as clearing accounts any miscellaneous receipts, including receipts from the sale of property or materials pursuant to Section 39526 or 39527, received or collected by the school district or county office of education, and may provide for the withdrawals from those accounts. All moneys in those bank accounts shall be paid into the county treasury within the time periods specified pursuant to Section 41001. Cashiers' checks, certified checks, and money placed in the custody of the school district or county office of education as security that a bidder will execute or faithfully perform a contract, if awarded to him or her, may be deposited in those bank accounts but shall not be paid into the county treasury to the credit of the school district or county office of education unless forfeited or unless unclaimed by the bidder for a period of 12 months.

Such bank accounts shall not be subject to the deposit of funds provisions of Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, except to the extent provided by Section 53679 of the Government Code.

SEC. 3. Section 41018 of the Education Code is amended to read:

41018. The governing board of any school district or any county office of education having an average daily attendance of 100,000 or

more may deposit in one or more bank accounts moneys received from the temporary rental of property acquired by a school district or county office of education pending construction of school facilities on the property. The moneys may be held in the accounts for a period of not to exceed three years and may be used to pay any proper costs incurred as a result of the temporary rental, provided that when the moneys are not being used to pay the costs they may be invested, along with all other moneys deposited in clearing accounts, pursuant to Section 41015 as determined by the governing board of the school district or the county office of education. The moneys invested pursuant to this section shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims.

CHAPTER 199

An act to amend Section 3 of the Monterey Peninsula Airport District Act (Chapter 52 of the Statutes of 1941), relating to the Monterey Peninsula Airport District.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 3 of the Monterey Peninsula Airport District Act (Chapter 52 of the Statutes of 1941) is amended to read:

Sec. 3. Corporate Powers. Said Monterey Peninsula Airport District is hereby declared to be, and established as, a body corporate and politic, and, in addition to other powers herein granted, shall have and is hereby granted the following powers, namely:

1. To have perpetual succession.

2. To sue and be sued in the name of said district in all actions and proceedings in all courts and tribunals of competent jurisdiction.

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

4. To take by grant, purchase, gift, devise or lease, hold, use, enjoy, and to lease or dispose of, real or personal property of every kind within or without the district necessary to the full exercise of its power.

5. To acquire or contract to acquire lands, rights-of-way, easements, privileges and property of every kind, and construct, maintain and operate any and all works or improvements within or without the district necessary or proper to carry out any of the objects or purposes of this act, and to complete, extend, add to, repair, or otherwise improve, any works or improvements acquired by it as herein authorized.

6. To exercise the right of eminent domain to take any property necessary to carry out any of the objects or purposes of this act.

7. (a) To incur indebtedness and to issue bonds pursuant to the bond provisions of the Community Services District Law, Chapter 4 (commencing with Section 61650) of Part 1 of Division 3 of Title 6 of the Government Code or the Revenue Bond Law of 1941, Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code, or both, except that the total amount of outstanding bonds issued under this paragraph shall not exceed fifteen million dollars ($15,000,000) at any one time.

(b) To incur indebtedness and to issue negotiable promissory notes pursuant to a resolution adopted by vote of a majority of the members of the district's board of directors. The amount of indebtedness under this paragraph shall not exceed one million dollars ($1,000,000) and shall be repaid within 10 years from the date on which it is incurred.

(c) To borrow money from the United States of America or any federal agency or department for the acquisition or improvement of land for district purposes. The district may borrow this money pursuant to a resolution adopted by vote of a majority of the members of the district's board of directors. The resolution shall specify the particular project being undertaken and the amount, term, and method of repayment of the loan. When received, the money shall be deposited in a special fund and spent only for the purposes for which the loan was approved. If a surplus remains after the completion of the project, the surplus shall be applied to repaying the loan.

(d) Notwithstanding any other provision of law, the maximum rate of interest on indebtedness issued pursuant to this subdivision shall not exceed the rate prescribed by Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code. The interest may be fixed or variable and may be simple or compound. The interest shall be payable at the time or times determined by the district.

8. Taxes. To cause taxes to be levied and collected for the purpose of paying any obligation of the district in the manner herein provided.

9. Exercise of Powers—Contracts. To make contracts, and to employ persons and labor, and to do all acts necessary for the full exercise of all powers vested in said district, or in any of the officers thereof, by this act.

10. Disposal of Property. To lease, sell or dispose of any property (or any interest therein) acquired in fee, or otherwise, whenever in the judgment of said board of directors said property, or any interest therein or part thereof, is no longer required for the purposes of said district, or may be leased for any purpose without interfering with the use of the same for the purposes of said district, and to pay any compensation received therefor into the general fund of said district and use the same for the purposes of this act.

11. Operation and Concession Agreements. To make contracts for the operation, or operation maintenance, of any airport of said district, or for any concession thereupon necessary or convenient thereto.

12. Police Powers of District. To equip and maintain a police department; to adopt ordinances and resolutions and make regulations for the protection of the public peace, health, or safety, in or upon any airport of the district, or in or upon any approach thereto, owned or controlled by the district and to prescribe penalties for the violation thereof; provided, that the police powers of said district, hereby granted, shall be limited strictly to the provisions of this subsection.

Violation of any such ordinance, resolution or regulation shall constitute a misdemeanor.

13. General Powers. To possess and exercise all powers necessary or appropriate to a public airport district which are not prohibited by the Constitution, including all powers granted by, or which may be hereafter granted by, any general law of the state to any public airport district therein, and all powers incidental to, and necessary or convenient in connection with, the exercise of the powers generally or specifically granted to the district by the provisions of this act.

CHAPTER 200

An act to amend Sections 2541 and 7920 of, and to add Section 46 to, the Fish and Game Code, relating to hunting and fishing guides, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 46 is added to the Fish and Game Code, to read:

46. "Guide boat" means a boat or vessel under 25 feet in length, which is used by a guide, who is licensed under Chapter 5 (commencing with Section 2535) of Division 3, in inland waters for any of the following purposes:

(1) For the business of packing or guiding.

(2) For compensation, to assist another person in taking or attempting to take any fish or amphibian.

(3) For compensation, to assist another person in locating any bird or mammal.

SEC. 2. Section 2541 of the Fish and Game Code is amended to read:

2541. Each applicant for a guide license shall submit proof of

having obtained a surety bond in the amount of not less than one thousand dollars ($1,000) which shall insure faithful performance of the guide and his or her agents or employees in fulfilling their responsibilities to their clients. No guide license shall be issued to any applicant who does not submit proof of having a bond which is valid for the term of the license.

SEC. 3. Section 7920 of the Fish and Game Code is amended to read:

7920. The owner of any boat or vessel who, for profit, permits any person to fish therefrom, shall procure a commercial passenger fishing boat license.

This article applies only to a boat or vessel whose owner or his employee or other representative is with it when it is used for fishing.

A person operating a guide boat, as defined in Section 46, is not required to obtain a commercial passenger fishing boat license.

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 make the changes in this bill operative in this year's fishing and hunting season, it is necessary that this act take effect immediately.

CHAPTER 201

An act to add Section 11580.09 to the Insurance Code, relating to motor vehicle insurance.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 11580.09 is added to the Insurance Code, to read:

11580.09. (a) Any automobile liability insurer that is responsible for coverage for ordinary, reasonable, and necessary medical transportation services provided to an insured, or on behalf of an insured, to a valid claimant is liable for those charges to the person performing those services. The insurer may discharge this obligation by making payment to the person performing the medical transportation services or to the insured or on behalf of the insured to the claimant.

(b) Any insured or claimant who has received payment, which includes charges for medical transportation services, from an insurer for a loss relating to a vehicle is liable for those charges to the person performing those services.

CHAPTER 202

An act to amend Sections 3715, 3717, and 5106 of the Labor Code, relating to workers' compensation, and making an appropriation therefor.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 3715 of the Labor Code is amended to read:

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

(b) Notwithstanding this section or any other provision of this chapter except Section 3708, any person described in subdivision (d) of Section 3351 who is (1) engaged in household domestic service who is employed by one employer for over 52 hours per week, (2) engaged as a part-time gardener in connection with a private dwelling, if the number of hours devoted to the gardening work for any individual regularly exceeds 44 hours per month, or (3) engaged in casual employment where the work contemplated is to be completed in not less than 10 working days, without regard to the number of persons employed, and where the total labor cost of the work is not less than one hundred dollars ($100) (which amount shall not include charges other than for personal services), shall be entitled, in addition to proceeding against his or her employer by civil action in the courts as provided in Section 3706, to file his or her application with the appeals board for compensation. The appeals board shall hear and determine the application for compensation in like manner as in other claims, and shall make the award to the claimant as he or she would be entitled to receive if the person's employer had secured the payment of compensation as required, and the employer shall pay the award in the manner and amount fixed thereby, or shall furnish to the appeals board a bond, in such an amount and with such sureties as the appeals board requires, to

pay the employee the award in the manner and amount fixed thereby.

It is the intent of the Legislature that the amendments to this section by Chapter 17 of the Statutes of 1977, make no change in the law as it applied to those types of employees covered by this subdivision prior to the effective date of Chapter 1263 of the 1975 Regular Session.

(c) In any claim in which it is alleged that the employer has failed to secure the payment of compensation, the director, only for purposes of this section and Section 3720, shall determine, on the basis of the evidence available to him or her, whether the employer was prima facie illegally uninsured. A finding that the employer was prima facie illegally uninsured shall be made when the director determines that there is sufficient evidence to constitute a prima facie case that the employer employed an employee on the date of the alleged injury and had failed to secure the payment of compensation, and that the employee was injured arising out of, and occurring in the course of, the employment.

Failure of the employer to furnish within 10 days the written statement in response to a written demand for a written statement prescribed in Section 3711, addressed to the employer at its address as shown on the official address record of the appeals board, shall constitute in itself sufficient evidence for a prima facie case that the employer failed to secure the payment of compensation.

A written denial by the insurer named in the statement furnished by the employer as prescribed in Section 3711, that the employer was so insured as claimed, or the nonexistence of a valid certificate of consent to self-insure for the time of the claimed injury, if the statement furnished by the employer claims the employer was self-insured, shall constitute in itself sufficient evidence for a prima facie case that the employer had failed to secure the payment of compensation.

The nonexistence of a record of the employer's insurance with the Workers' Compensation Insurance Rating Bureau shall constitute in itself sufficient evidence for a prima facie case that the employer failed to secure the payment of compensation.

The unrebutted written declaration under penalty of perjury by the injured employee, or applicant other than the employee, that the employee was employed by the employer at the time of the injury, and that he or she was injured in the course of his or her employment, shall constitute, in itself, sufficient evidence for a prima facie case that the employer employed the employee at the time of the injury, and that the employee was injured arising out of, and occurring in the course of, the employment.

(d) When the director determines that an employer was prima facie illegally uninsured, the director shall mail a written notice of the determination to the employer at his or her address as shown on the official address record of the appeals board, and to any other more recent address the director may possess. The notice shall advise

the employer of its right to appeal the finding, and that a lien may be placed against the employer's and any parent corporation's property, or the property of substantial shareholders of a corporate employer as defined by Section 3717.

Any employer aggrieved by a finding of the director that it was prima facie illegally uninsured may appeal the finding by filing a petition before the appeals board. The petition shall be filed within 20 days after the finding is issued. The appeals board shall hold a hearing on the petition within 20 days after the petition is filed with the appeals board. The appeals board shall have exclusive jurisdiction to determine appeals of the findings by the director, and no court of this state has jurisdiction to review, annul, or suspend the findings or the liens created thereunder, except as provided by Article 2 (commencing with Section 5950) of Chapter 7 of Part 4 of Division 4.

(e) Any claim brought against an employer under this section may be resolved by the director by compromise and release or stipulated findings and award as long as the appeals board has acquired jurisdiction over the employer and the employer has been given notice and an opportunity to object. Notice may be given by service on the employer of an appeals board notice of intention to approve the compromise and release or stipulated findings and award. The employer shall have 20 days after service of the notice of intention to file an objection with the appeals board. If the employer objects, the director may proceed with the compromise and release or stipulated findings and award if doing so best serves the interest of the Uninsured Employers Fund, but shall have no cause of action against the employer under Section 3717 unless the appeals board case is tried to its conclusion and the employer is found liable.

The director may adopt regulations to implement and interpret the procedures provided for in this section.

SEC. 2. Section 3717 of the Labor Code is amended to read:

3717. (a) A findings and award which is the subject of a demand on the Uninsured Employers Fund or an approved compromise and release or stipulated findings and award entered into by the director pursuant to subdivision (e) of Section 3715, shall constitute a liquidated claim for damages against an employer in the amount so ascertained and fixed by the appeals board, and the appeals board shall certify the same to the director who may institute a civil action against the employer in the name of the director, as administrator of the Uninsured Employers Fund, for the collection of such award, or may obtain a judgment against the employer pursuant to Section 5806. In the event that the appeals board finds that a corporation is the employer of an injured employee, and that the corporation has not secured the payment of compensation as required by this chapter, the following persons shall be jointly and severally liable with the corporation to the director in the action:

(1) All persons who are a parent, as defined in Section 175 of the

Corporations Code, of the corporation.

(2) All persons who are substantial shareholders, as defined in subdivision (b), of the corporation or its parent. In the action it shall be sufficient for plaintiff to set forth a copy of the findings and award of the appeals board relative to the claims as certified by the appeals board to the director and to state that there is due to plaintiff on account of the finding and award of the appeals board a specified sum which plaintiff claims with interest. The director shall be further entitled to costs and reasonable attorney fees, and to his or her investigation and litigation expenses for the appeals board proceedings, and a reasonable attorney fee for litigating the appeals board proceedings. A certified copy of the findings and award in the claim shall be attached to the complaint. The contents of the findings and award shall be deemed proved. The answer or demurrer to the complaint shall be filed within 10 days, the reply or demurrer to the answer within 20 days, and the demurrer to the reply within 30 days after the return day of the summons or service by publication. All motions and demurrer shall be submitted to the court within 10 days after the same are filed. As soon as the issues are made up in any such case, it shall be placed at the head of the trial docket and shall be first in order for trial.

Nothing in this chapter shall be construed to preclude informal adjustment by the director of a claim for compensation benefits before the issuance of findings and award wherever it appears to the director that the employer is uninsured and that informal adjustment will facilitate the expeditious delivery of compensation benefits to the injured employee.

(b) As used in this section, "substantial shareholder" means a shareholder who owns at least 15 percent of the total value of all classes of stock, or, if no stock has been issued, who owns at least 15 percent of the beneficial interests in the corporation.

(c) For purposes of this section, in determining the ownership of stock or beneficial interest in the corporation, in the determination of whether a person is a substantial shareholder of the corporation, the rules of attribution of ownership of Section 17384 of the Revenue and Taxation Code shall be applied.

(d) For purposes of this section, "corporation" shall not include:

(1) Any corporation which is the issuer of any security which is exempted by Section 25101 of the Corporations Code from Section 25130 of the Corporations Code.

(2) Any corporation which is the issuer of any security exempted by subdivision (c), (d), or (i) of Section 25100 of the Corporations Code from Sections 25110, 25120, and 25130 of the Corporations Code.

(3) Any corporation which is the issuer of any security which has qualified either by coordination, as provided by Section 25111 of the Corporations Code, or by notification, as provided by Section 25112 of the Corporations Code.

SEC. 3. Section 5106 of the Labor Code is amended to read:

5106. The appeals board shall, upon the request of the Director of Industrial Relations, where the employer is uninsured and the installments of compensation awarded are to be paid in the future, determine the present worth of the future payments, discounted at the rate of 3 percent per annum, and order the present worth paid into the Uninsured Employers Fund, which fund shall thereafter pay to the beneficiaries of the award the future payments as they become due.

CHAPTER 203

An act to amend Section 1280 of the Health and Safety Code, relating to health.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 1280 of the Health and Safety Code is amended to read:

1280. The state department may provide consulting services upon request to any health facility to assist in the identification or correction of deficiencies or the upgrading of the quality of care provided by the health facility.

The state department shall notify the health facility of all deficiencies in its compliance with this chapter and the rules and regulations adopted hereunder, and the health facility shall agree with the state department upon a plan of corrections which shall give the health facility a reasonable time to correct these deficiencies. If at the end of the allotted time, as revealed by inspection, the health facility has failed to correct the deficiencies, the director may take action to revoke or suspend the license.

Reports on the results of each inspection of a health facility shall be prepared by the inspector or inspector team and shall be kept on file in the state department along with the plan of correction and health facility comments. The inspection report may include a recommendation for reinspection. Inspection reports of an intermediate care facility/developmentally disabled habilitative or an intermediate care facility/developmentally disabled—nursing shall be provided by the state department to the appropriate regional center pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.

All inspection reports and lists of deficiencies shall be open to public inspection when the state department has received verification that the health facility has received the report from the state department. All plans of correction shall be open to public inspection upon receipt by the state department.

In no event shall the act of providing a plan of correction, the content of the plan of correction, or the execution of a plan of correction, be used in any legal action or administrative proceeding as an admission within the meaning of Sections 1220 to 1227, inclusive, of the Evidence Code against the health facility, its licensee, or its personnel.

CHAPTER 204

An act to amend Section 7317 of the Labor Code, relating to building safety.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 7317 of the Labor Code is amended to read:

7317. (a) Except as provided in subdivision (b), the following elevators are exempt from this chapter:

(1) Elevators under the jurisdiction of the United States government.

(2) Elevators located in a single-unit private home and not accessible to the public.

(3) Elevators located in a multiunit residential building serving no more than two dwelling units and not accessible to the public.

(b) Elevators otherwise exempted pursuant to paragraph (3) of subdivision (a) shall be inspected by the division upon completion of installation prior to being placed in service or after major alterations. The inspection shall be for safety and compliance with orders or regulations applicable to the type of elevator installed. Except where specific orders have not been adopted, ANSI/ASME A17.1-1984 parts V and XXI shall be the referenced code.

CHAPTER 205

An act to add Section 42314.2 to the Health and Safety Code, relating to air pollution.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 42314.2 is added to the Health and Safety Code, to read:

42314.2. (a) The time limits established under Sections 65950,

65950.1, and 65952 of the Government Code for approval or disapproval of development projects may be extended for district review of an application for a permit for a resource recovery project upon the mutual consent of the district and the permit applicant. Notwithstanding Section 65957 of the Government Code, an extension made pursuant to this section shall not exceed nine months beyond the time limits established under Sections 65950, 65950.1, and 65952 of the Government Code.

(b) The district shall provide public notification at least 30 days prior to the effective date of any extension consented to under subdivision (a), which shall specify the reasons for, and the duration of, the extension period. The district shall provide this public notification by publishing a notice once a week for two consecutive weeks in a newspaper of general circulation in the district.

CHAPTER 206

An act to amend Section 7220 of the Corporations Code, relating to corporations.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 7220 of the Corporations Code is amended to read:

7220. (a) Except as provided in subdivision (d), directors shall be elected for such terms, not longer than four years, as are fixed in the articles or bylaws. However, the terms of directors of a corporation without members may be up to six years. In the absence of any provision in the articles or bylaws, the term shall be one year. No amendment of the articles or bylaws may extend the term of a director beyond that for which the director was elected, nor may any bylaw provision increasing the terms of directors be adopted without approval of the members (Section 5034).

(b) Unless the articles or bylaws otherwise provide, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

(c) The articles or bylaws may provide for the election of one or more directors by the members of any class voting as a class.

(d) Subdivisions (a) through (c) notwithstanding, all or any portion of the directors authorized in the articles or bylaws of a corporation without members, and up to one-third of the directors authorized in the articles or bylaws of a corporation with members, may hold office by virtue of designation or selection as provided by the articles or bylaws rather than by election by a member or

members. Such directors shall continue in office for the term prescribed by the governing article or bylaw provision, or, if there is no term prescribed, until the governing article or bylaw provision is duly amended or repealed, except as provided in subdivision (e) of Section 7222. A bylaw provision authorized by this subdivision may be adopted, amended, or repealed only by approval of the members (Section 5034).

(e) In computing the one-third limit set forth in subdivision (d) the following directors shall not be counted either as designated or selected directors or as authorized directors:

(1) Directors designated or selected by a government office, board, commission, department, agency or political subdivision.

(2) Directors designated or selected by a person who is elected by the members as an officer of the corporation.

(3) Directors appointed to fill vacancies on the board created by the death, resignation or removal of directors.

CHAPTER 207

An act to amend Section 632 of the Code of Civil Procedure, relating to trials.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 632 of the Code of Civil Procedure is amended to read:

632. In superior, municipal, and justice courts, upon the trial of a question of fact by the court, written findings of fact and conclusions of law shall not be required. The court shall issue a statement of decision explaining the factual and legal basis for its decision as to each of the principal controverted issues at trial upon the request of any party appearing at the trial. The request must be made within 10 days after the court announces a tentative decision unless the trial is concluded within one calendar day or in less than eight hours over more than one day in which event the request must be made prior to the submission of the matter for decision. The request for a statement of decision shall specify those controverted issues as to which the party is requesting a statement of decision. After a party has requested such a statement, any party may make proposals as to the content of the statement of decision.

The statement of decision shall be in writing, unless the parties appearing at trial agree otherwise; however, when the trial is concluded within one calendar day or in less than 8 hours over more than one day, the statement of decision may be made orally on the record in the presence of the parties.

CHAPTER 208

An act to add Section 17958.1 to the Health and Safety Code, relating to building standards.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 17958.1 is added to the Health and Safety Code, to read:

17958.1. Notwithstanding Sections 17922, 17958, and 17958.5, a city or county may, by ordinance, permit efficiency units for occupancy by no more than two persons which have a minimum floor area of 150 square feet and which may also have partial kitchen or bathroom facilities, as specified by the ordinance. In all other respects, these efficiency units shall conform to minimum standards for those occupancies otherwise made applicable pursuant to this part.

"Efficiency unit," as used in this section, has the same meaning specified in Section 1208 of the Uniform Building Code of the International Conference of Building Officials, as incorporated by reference in Chapter 2-12 of Part 2 of Title 24 of the California Administrative Code.

CHAPTER 209

An act to add Section 8681.7 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 July 22, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 8681.7 is added to the Fish and Game Code, to read:

8681.7. (a) Notwithstanding Section 8681.5, any person who possessed a valid permit issued pursuant to Section 8681 and who was denied renewal of that permit, may appeal to the commission where evidence can be presented that illness or the loss of a vessel resulted in the person not meeting the qualifications for renewal or reissuance of that permit.

(b) The appeal shall be filed with the commission within 60 days of the effective date of the act adding this section in the 1987 portion of the 1987–88 Regular Session of the Legislature or within 60 days

of a denial of the renewal of a permit, whichever is later.

(c) If the commission determines that a permit is to be issued to a prior permittee under this section, a permit shall be made available to that person upon payment of required fees.

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 provide for appeals from denials of gill net permits caused by illness and loss of vessels to be effective for this year's fishing season, it is necessary that this act take effect immediately.

CHAPTER 210

An act to amend Sections 6480, 6480.1, 6480.6, and 6901 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 6480 of the Revenue and Taxation Code is amended to read:

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), except as provided in subdivision (b).

(b) For purposes of this article, "motor vehicle fuel" does not include aviation gasoline for use in propelling aircraft. For purposes of this subdivision, "aviation gasoline" means gasoline, natural gasoline, and any inflammable liquid intended for use in propelling aircraft operated by the explosion-type engine.

(c) This article does not apply to motor vehicle fuel exempt from license taxes pursuant to paragraph (3) of subdivision (a) of Section 7401.

SEC. 2. Section 6480.1 of the Revenue and Taxation Code is amended to read:

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. In the event the price of fuel decreases or increases, and the established rate results in prepayments which consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

SEC. 3. Section 6480.6 of the Revenue and Taxation Code is amended to read:

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.

(4) Any person who is unable to collect the prepayment from the purchaser insofar as the sales of the fuel are represented by accounts which have been found to be worthless and charged off for income tax purposes. If partial payments have been made, the payments shall be prorated between amounts due for fuel and amounts due for the related prepayment. If any of those accounts are thereafter in whole or in part collected by the seller, the gallons of fuel represented by the amounts collected shall be included in the first return filed after that collection and the amount of the prepayment thereon paid with the return. As a condition for eligibility for refund, the board may require the seller to submit periodical reports listing accounts delinquent for a 90-day period or over.

(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.

SEC. 4. Section 6901 of the Revenue and Taxation Code is amended to read:

6901. If the board determines that any amount, penalty, or interest has been paid more than once or has been erroneously or illegally collected or computed, the board shall set forth that fact in the records of the board and shall certify to the State Board of

Control the amount collected in excess of the amount legally due and the person from whom it was collected or by whom paid. If approved by the State Board of Control the excess amount collected or paid shall be credited by the board on any amounts then due and payable from the person from whom the excess amount was collected or by whom it was paid under this part, and the balance shall be refunded to the person, or his or her successors, administrators, or executors.

The board, however, without obtaining approval of the State Board of Control may credit the amount on any amounts then due and payable under this part from the person by whom the amount was paid and may refund the balance to the person or his or her successors, administrators, or executors, if a determination by the board is made in either of the following cases:

(a) An amount of tax, interest, or penalty not exceeding fifteen thousand dollars ($15,000) was not required to be paid.

(b) Any amount of prepayment of sales tax, interest, or penalty paid pursuant to Article 1.5 (commencing with Section 6480) of Chapter 5 was not required to be paid.

Any overpayment of the use tax by a purchaser to a retailer who is required to collect the tax and who gives the purchaser a receipt therefor pursuant to Article 1 (commencing with Section 6201) of Chapter 3 shall be credited or refunded by the state to the purchaser.

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 ensure the timely remittance of sales tax revenues from the sale of motor vehicle fuel and in order to make necessary technical changes to newly enacted laws governing the prepayment of those taxes at the earliest possible time, it is necessary that this act take immediate effect.

CHAPTER 211

An act to amend Section 39011 of the Health and Safety Code, relating to agricultural burning.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 39011 of the Health and Safety Code is amended to read:

39011. (a) "Agricultural burning" means open outdoor fires used in agricultural operations in the growing of crops or raising of fowl or animals, or open outdoor fires used in forest management, range improvement, or the improvement of land for wildlife and game

habitat, or disease or pest prevention.

(b) "Agricultural burning" also means open outdoor fires used in the operation or maintenance of a system for the delivery of water for the purposes specified in subdivision (a).

(c) "Agricultural burning" also means open outdoor fires used in wildland vegetation management burning. Wildland vegetation management burning is the use of prescribed burning conducted by a public agency, or through a cooperative agreement or contract involving a public agency, to burn land predominantly covered with chaparral, trees, grass, or standing brush. Prescribed burning is the planned application of fire to vegetation to achieve any specific objective on lands selected in advance of that application. The planned application of fire may also include natural or accidental ignition.

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 212

An act to amend Section 6553 of the Government Code, and to amend Section 33645 of the Health and Safety Code, relating to local agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 6553 of the Government Code is amended to read:

6553. The indenture authorizing the issuance of the bonds shall recite the objects and purposes for which the bonds are to be issued, which may include any or all of the purposes stated in this article and which shall comprise the project, the principal amount of the bonds, the maximum rate of interest to be payable thereon which shall not exceed the maximum rate permitted by Section 53531, payable at the intervals which the governing body determines, and which may be fixed or variable and simple or compound, the date or dates of issue of the bonds, the maturity date or dates thereof, and the fund or funds from which the bonds and the interest thereon and premiums upon the redemption of any thereof are to be payable, and any other provisions authorized by this article as the governing body of the entity deems necessary or desirable. However, in the case of a project for the generation or transmission of electric energy, the maximum

rate of interest shall not be applicable to bonds issued to continue or complete financing of a project for which bonds shall have theretofore been issued. The bonds shall be issued in negotiable form and shall be negotiable. The recitals or regularity of proceedings in any revenue bond issued and sold under this article shall be conclusive evidence of compliance with this article and of the validity of the bond. The bonds may be issued and sold to the United States of America, or the State of California, or to any appropriate department or agency thereof, to provide a source for the payment of principal and interest on any loan made by the United States of America, or the State of California, or agency thereof, to any agency created by an agreement entered into pursuant to this chapter.

SEC. 2. Section 33645 of the Health and Safety Code is amended to read:

33645. The agency may authorize bonds by resolution. The resolution, trust indenture, or mortgage may provide for:

(a) The issuance of the bonds in one or more series.

(b) The date the bonds shall bear.

(c) The maturity dates of the bonds.

(d) The rate or maximum rate of interest on the indebtedness, which shall not exceed the maximum rate permitted by Section 53531 of the Government Code, and need not be recited if the rate does not exceed 4½ percent. The interest may be fixed or variable and may be simple or compound. The interest shall be payable at the time or times determined by the agency.

(e) The denomination of the bonds.

(f) Their form, either coupon or registered.

(g) The conversion or registration privileges carried by the bonds.

(h) The rank or priority of the bonds.

(i) The manner of their execution.

(j) The medium of payment.

(k) The place of payment.

(*l*) The terms of redemption with or without premium to which the bonds are subject.

(m) The maximum amount of bonded indebtedness in compliance with, and not to exceed, the limit specified in the redevelopment plan as required in Section 33334.1.

The resolution, trust indenture, or mortgage shall provide that tax-increment funds allocated to an agency pursuant to Section 33670 shall not be payable to a trustee on account of any issued bonds when sufficient funds have been placed with the trustee to redeem all outstanding bonds of the issue.

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 California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Under current law, community redevelopment agencies and joint powers entities, cannot issue bonds with interest adjustable and payable on a more frequent basis than semiannually. Under current

market conditions, it is less expensive to these agencies and the communities they serve to issue variable rate bonds. In order for joint powers entities and community redevelopment agencies to reduce without delay the public costs of long-term indebtedness by issuing variable rate bonds, it is necessary that this act go into immediate effect.

CHAPTER 213

An act to amend Section 6103.5 of the Business and Professions Code, relating to attorneys.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 6103.5 of the Business and Professions Code is amended to read:

6103.5. (a) A member of the State Bar shall promptly communicate to the member's client all amounts, terms, and conditions of any written offer of settlement made by or on behalf of an opposing party. As used in this section, "client" includes any person employing the member of the State Bar who posseses the authority to accept an offer of settlement, or in a class action, who is a representative of the class.

(b) Any written offer of settlement or any required communication of a settlement offer, as described in subdivision (a), shall be discoverable by either party in any action in which the existence or communication of the offer of settlement is an issue before the trier of fact.

CHAPTER 214

An act to repeal Section 11837.3 of the Health and Safety Code, and to amend Sections 13352.5, 23166, and 23186 of the Vehicle Code, relating to driving offenses.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 11837.3 of the Health and Safety Code is repealed.

SEC. 2. Section 13352.5 of the Vehicle Code is amended to read:

13352.5. (a) Unless ordered to do so by the court upon a finding

that the terms and conditions of probation were violated, the department shall not suspend, pursuant to paragraph (3) of subdivision (a) of Section 13352, but shall restrict the privilege of any person to operate a motor vehicle upon a conviction or finding that the person violated Section 23152, but only if the court has certified to the department that the court has granted probation to the person on conditions which include the conditions specified in subdivision (b) of Section 23166 and the court has restricted the privilege to operate a motor vehicle as provided in that subdivision.

(b) Unless ordered to do so by the court upon a finding that the terms and conditions of probation were violated, the department shall not revoke, pursuant to paragraph (4) of subdivision (a) of Section 13352, but shall suspend for one year and, thereafter, restrict for two additional years, the privilege of any person to operate a motor vehicle upon a conviction or finding that the person violated Section 23153, but only if the court has certified to the department that the court has granted probation to the person on conditions which include the conditions specified in subdivision (b) of Section 23186, and the court has ordered the department to suspend the privilege to operate a motor vehicle as provided in that subdivision.

(c) Subdivisions (a) and (b) do not apply to a person who has been referred or rereferred into a program approved pursuant to Chapter 9 (commencing with Section 11837) of Part 2 of Division 10.5 of the Health and Safety Code within four years after the person ceases his or her prior participation in such a program. The four-year period shall commence either on the date the person successfully completes the program or on the date on which the person's driving privilege was suspended or revoked by the department for failure to comply with the program's rules and regulations, whichever is later. With respect to any person convicted of a violation of Section 23152 or 23153 subsequent to the commencement of a four-year period, that person's eligibility to participate in the program again for purposes of this section shall be determined on the basis of the date on which the person is alleged to have committed that offense.

(d) The restriction of the driving privilege under subdivision (a) shall become effective 30 days from the date on which the person consented to participate in the program specified in subdivision (a), excluding any time of imprisonment ordered by the court, but only if the person presents evidence satisfactory to the department that he or she is participating in the program specified in subdivision (b) of Section 23166, gives proof of ability to respond in damages as defined in Section 16430, and pays fees to the department of fifteen dollars ($15) upon application for the restricted license and twenty dollars ($20) upon completion of the treatment program or upon application for an unrestricted license, whichever is sooner. If the person fails to apply for a restricted license, fails to give proof of ability to respond in damages as defined in Section 16430, or if the person fails to show evidence of participation within 30 days, excluding the time of imprisonment ordered by the court, the

department shall suspend the driving privilege of the person for the time prescribed in paragraph (3) of subdivision (a) of Section 13352.

(e) The restriction of the driving privilege under subdivision (b) shall become effective 30 days from the end of the period of suspension, but only if the person presents evidence satisfactory to the department that he or she is participating in the program specified in subdivision (b) of Section 23186, gives proof of ability to respond in damages as defined in Section 16430, and pays fees to the department of fifteen dollars ($15) upon application for the restricted license and twenty dollars ($20) upon completion of the treatment program or upon application for an unrestricted license, whichever is sooner. If the person fails to apply for a restricted license, fails to give proof of ability to responds in damages as defined in Section 16430, or if the person fails to show evidence of participation within 30 days from the end of the period of suspension, excluding any time of imprisonment ordered by the court to be served after the end of the period of suspension, the department shall revoke the driving privilege of the person for the time prescribed in paragraph (4) of subdivision (a) of Section 13352.

(f) The driving privilege restricted under subdivision (a) or (b) shall be limited to the hours for driving to and from the place of employment and during the course of employment and driving to and from activities required in an alcohol treatment program specified in subdivision (b) of Section 23166 or subdivision (b) of Section 23186. The department may set forth the times and days of restricted operation established by the court either on a special restricted license or upon the usual license form. Whenever the driving privilege is restricted under subdivision (a) or (b), proof of ability to respond in damages as defined in Section 16430 shall be maintained for three years. If the person maintains proof of ability to respond in damages as defined in Section 16430, the restriction shall continue in full force and effect until the person presents evidence satisfactory to the department that the person has completed the alcohol treatment program. Except as provided in Section 23168, in no event shall the length of the restriction for a person subject to subdivision (a) be less than the total time of restriction specified in subdivision (b) of Section 23166. In no event shall the total time of suspension and restriction for a person subject to subdivision (b) be less than the applicable period of revocation under paragraph (4) of subdivision (a) of Section 13352.

(g) Except as provided in this subdivision, the department shall suspend or revoke the driving privilege for the time prescribed in paragraph (3) or (4) of subdivision (a) of Section 13352, 60 days from the date that the department notifies the person and the court of the intended action pursuant to subdivision (a) of Section 11837.1 of the Health and Safety Code, or the date ending the additional time ordered by the court under this subdivision, whichever is later. If the person presents evidence satisfactory to the department that the court of jurisdiction has consented to the person's reinstatement in

the program and gives proof of ability to respond in damages as defined in Section 16430, the department shall continue in effect the restriction granted under subdivision (c), unless the person has previously been reinstated in the program on two or more occasions, in which case the department shall suspend or revoke the driving privilege for the time prescribed in paragraph (3) or (4) of subdivision (a) of Section 13352. The evidence shall be presented within 45 days of the notice from the department of the intended action or such additional time, not to exceed an additional 45 days, for the determination as is required, ordered, and transmitted to the department by the court, which additional time is not caused by any action or failure to act by the person.

(h) All abstracts of record showing a conviction that are forwarded to the department pursuant to Section 1803 shall state whether the court has granted probation to the person on conditions which include the conditions specified in subdivision (b) of Section 23166 or subdivision (b) of Section 23186 and state the date on which the person consented to participate in the program.

(i) The department, in cooperation with the State Department of Alcohol and Drug Programs, shall adopt such regulations as it deems necessary to implement this section.

(j) This section does not apply to persons whose offense occurred in a vehicle requiring a driver with a class 1 or class 2 driver's license or with a certificate specified in Section 12804.1.

SEC. 3. Section 23166 of the Vehicle Code is amended to read:

23166. If the court grants probation to any person punished under Section 23165, in addition to the provisions of Section 23206 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be subject to all of the provisions of either subdivision (a) or (b), as follows:

(a) Be confined in the county jail for at least 10 days but not more than one year and pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (3) of subdivision (a) of Section 13352.

(b) All of the following:

(1) Be confined in the county jail for at least 48 hours but not more than one year.

(2) Pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000).

(3) If the person gives proof of ability to respond in damages as defined in Section 16430 to the Department of Motor Vehicles, have the privilege to operate a motor vehicle be restricted by the Department of Motor Vehicles pursuant to Section 13352.5 for one year to necessary travel to and from that person's place of employment and to and from the treatment program described in paragraph (4) and, if driving a motor vehicle is necessary to perform the duties of the person's employment, restricted to driving in that

person's scope of employment. The Department of Motor Vehicles shall not suspend the person's privilege to operate a motor vehicle under Section 13352, as provided in Section 13352.5, unless the offense occurred in a vehicle requiring a driver with a class 1 or class 2 driver's license or with a certificate specified in Section 12804.1.

(4) Participate, for at least one year and in a manner satisfactory to the court, in a program approved pursuant to Chapter 9 (commencing with Section 11837) of Part 2 of Division 10.5 of the Health and Safety Code, as designated by the court. The program shall provide for persons who cannot afford the program fee pursuant to paragraph (2) of subdivision (a) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate.

SEC. 4. Section 23186 of the Vehicle Code is amended to read:

23186. If the court grants probation to any person punished under Section 23185, in addition to the provisions of Section 23206 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be subject to all of the provisions of either subdivision (a) or (b), as follows:

(a) Be confined in the county jail for at least 120 days and pay a fine of at least three hundred ninety dollars ($390) but not more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (4) of subdivision (a) of Section 13352.

(b) All of the following:

(1) Be confined in the county jail for at least 30 days but not more than one year.

(2) Pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000).

(3) Pursuant to Section 13352.5, have the privilege to operate a motor vehicle be suspended for one year by the Department of Motor Vehicles and, after that one-year period, if the person gives proof of ability to respond in damages as defined in Section 16430 to the Department of Motor Vehicles have the privilege restricted by the Department of Motor Vehicles for two additional years to necessary travel to and from that person's place of employment, and to and from the treatment program described in paragraph (4) and, if driving a motor vehicle is necessary to perform the duties of the person's employment, restricted to driving in that person's scope of employment. The Department of Motor Vehicles shall not revoke the person's privilege to operate a motor vehicle under Section 13352, as provided in Section 13352.5, unless the offense occurred in a vehicle requiring a driver with a class 1 or class 2 driver's license or with a certificate specified in Section 12804.1.

(4) Participate, for at least one year and in a manner satisfactory to the court, in a program approved pursuant to Chapter 9 (commencing with Section 11837) of Part 2 of Division 10.5 of the Health and Safety Code, as designated by the court.

CHAPTER 215

An act to amend Section 32951 of the Streets and Highways Code, relating to parking authorities.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 32951 of the Streets and Highways Code is amended to read:

32951. Except when approved by the legislative body, by ordinance or resolution, property being used as a facility for the parking or storing of motor vehicles shall not be acquired by an authority, unless the project to be furnished or constructed which necessitates the acquisition of the existing facility when completed will provide a parking capacity at least three times the parking capacity provided by the existing facility.

If this section is held invalid, no existing parking facility may be acquired by an authority.

CHAPTER 216

An act to add Section 654.5 to the Harbors and Navigation Code, relating to vessels.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 654.5 is added to the Harbors and Navigation Code, to read:

654.5. Any person who maliciously throws, hurls, or projects any object by manual, mechanical, or other means at a vessel or any occupant thereof on any of the waters within or bordering on this state, which act does not constitute a violation of either Section 242 or 594 of the Penal Code, is guilty of a misdemeanor, and upon first conviction the punishment shall be a fine not to exceed one hundred dollars ($100) or imprisonment in the county jail not to exceed 30, days or both that fine and imprisonment. Upon a second or subsequent conviction, the punishment shall be a fine of not to exceed two hundred fifty dollars ($250) or imprisonment in the county jail not to exceed 60 days, or both that fine and imprisonment.

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 217

An act to amend Section 45253 of the Education Code, relating to education.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 45253 of the Education Code is amended to read:

45253. The commission shall prepare an annual budget for its own office which, upon the approval of the county superintendent of schools, shall be included by the governing board in the regular budget of the school district. The annual budget of the commission may include amounts for the purposes of Section 45255.

The budget shall be prepared for a public hearing by the commission to be held not later than May 30 of each year, or at a date agreed upon between the governing board and the personnel commission to coincide with the process of adoption of the school district budget. The commission shall forward a copy of its proposed budget to the governing board indicating the time, date and place for the public hearing of the budget and shall invite board and district administration representatives to attend and present their views. The commission shall fully consider the views of the governing board prior to adoption of its proposed budget. The commission shall then forward its proposed budget to the county superintendent of schools for action.

If the county superintendent of schools proposes to reject the budget as submitted by the commission, he or she shall, within 30 days after the commission's submission of the budget, hold a public hearing on the proposed rejection within the affected district. He or she shall have informed both the commission and the governing board of the date, time and place of the hearing. He or she may after the public hearing either reject, or, with the concurrence of the commission, amend the proposed budget. In the absence of agreement between the personnel commission and the county superintendent the budget of the preceding year shall determine the amount of the new budget, and the items of expenditure shall be determined by the commission.

CHAPTER 218

An act to amend Section 65009 of the Government Code, relating to local government.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 65009 of the Government Code is amended to read:

65009. (a) (1) The Legislature finds and declares that there currently is a housing crisis in California and it is essential to reduce delays and restraints upon expeditiously completing housing projects.

(2) The Legislature further finds and declares that a legal action challenging a decision of a city, county, or city and county has a chilling effect on the confidence with which property owners and local governments can proceed with projects. Legal actions filed to attack, review, set aside, void, or annul a decision of a city, county, or city and county pursuant to this division can prevent the completion of needed developments even though the projects have received required governmental approvals.

(3) The purpose of this section is to provide certainty for property owners and local governments regarding decisions made pursuant to this division.

(b) (1) In an action or proceeding to attack, review, set aside, void, or annul a finding, determination, or decision of a public agency made pursuant to this title at a properly noticed public hearing, the issues raised shall be limited to those raised in the public hearing or in written correspondence delivered to the public agency prior to, or at, the public hearing, except where the court finds either of the following:

(A) The issue could not have been raised at the public hearing by persons exercising reasonable diligence.

(B) The body conducting the public hearing prevented the issue from being raised at the public hearing.

(2) If a public agency desires the provisions of this subdivision to apply to a matter, it shall include in any public notice issued pursuant to this title a notice substantially stating all of the following: "If you challenge the (nature of the proposed action) in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the (public entity conducting the hearing) at, or prior to, the public hearing."

(3) The application of this subdivision to causes of action brought pursuant to subdivision (d) applies only to the final action taken in response to the notice to the city or county clerk. If no final action

is taken, then the issue raised in the cause of action brought pursuant to subdivision (d) shall be limited to those matters presented at a properly noticed public hearing or to those matters specified in the notice given to the city or county clerk pursuant to subdivision (d), or both.

(c) Except as provided in subdivision (d), no action or proceeding shall be maintained in any of the following cases by any person unless the action or proceeding is commenced and service is made on the legislative body within 120 days after the legislative body's decision:

(1) To attack, review, set aside, void, or annul the decision of a legislative body to adopt or amend a general or specific plan. This paragraph does not apply where an action is brought based upon the complete absence of a general plan or a mandatory element thereof, but does apply to an action attacking a general plan or mandatory element thereof on the basis that it is inadequate.

(2) To attack, review, set aside, void, or annul the decision of a legislative body to adopt or amend a zoning ordinance.

(3) To determine the reasonableness, legality, or validity of any decision to adopt or amend any regulation attached to a specific plan.

(4) Concerning any of the proceedings, acts, or determinations taken, done, or made prior to any of the decisions listed in paragraphs (1), (2), and (3).

(d) An action or proceeding shall be commenced and the legislative body served within two years after the accrual of the cause of action as provided in this subdivision, if the action or proceeding meets both of the following requirements:

(1) It is brought in support of the development of housing projects which meet the requirements for housing for persons and families with low or moderate incomes set forth in Section 65915.

(2) It is brought with respect to actions taken pursuant to Article 10.6 (commencing with Section 65580) of Chapter 3 of this division, pursuant to Section 65589.5, 65863.6, 65915, or 66474.2 or pursuant to Chapter 4.2 (commencing with Section 65913).

A cause of action brought pursuant to this subdivision shall not be maintained until 60 days have expired following notice to the city or county clerk by the party bringing the cause of action, or his or her representative, specifying the deficiencies of the general plan, specific plan, or zoning ordinance. A cause of action brought pursuant to this subdivision shall accrue 60 days after notice is filed or the legislative body takes a final action in response to the notice, whichever occurs first. A notice or cause of action brought by one party pursuant to this subdivision shall not bar filing of a notice and initiation of a cause of action by any other party.

(e) Upon the expiration of the time limits provided for in this section, all persons are barred from any further action or proceeding.

(f) Notwithstanding Section 65700, this section shall apply to charter cities.

(g) Except as provided in subdivision (d), this section shall not affect any law prescribing or authorizing a shorter period of

limitation than that specified herein.

(h) This section shall be applicable to those decisions of the legislative body of a city, county, or city and county made pursuant to this division on or after January 1, 1984.

CHAPTER 219

An act to amend Section 69 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 69 of the Revenue and Taxation Code is amended to read:

69. (a) Notwithstanding any other provision of law, pursuant to Section 2 of Article XIII A of the Constitution, the base-year value of property which is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county which is acquired or newly constructed within two years after the disaster as a replacement for the substantially damaged or destroyed property. At the time the base-year value of the substantially damaged or destroyed property is transferred to the replacement property, the substantially damaged or destroyed property shall be reassessed at its full cash value; however, the substantially damaged or destroyed property shall retain its base-year value notwithstanding the transfer authorized by this section. If the owner or owners of substantially damaged or destroyed property receive property tax relief under this section, that property shall not be eligible for property tax relief under subdivision (c) of Section 70 in the event of its reconstruction.

(b) The replacement base-year value of the replacement property acquired shall be determined in accordance with this section.

The following procedure shall be used by the assessor in determining the appropriate replacement base-year value of comparable replacement property:

(1) If the full cash value of the comparable replacement property does not exceed 120 percent of the full cash value of the property substantially damaged or destroyed, then the adjusted base-year value of the property substantially damaged or destroyed shall be transferred to the comparable replacement property as its replacement base-year value.

(2) If the full cash value of the replacement property exceeds 120 percent of the full cash value of the property substantially damaged

or destroyed, then the amount of the full cash value over 120 percent of the full cash value of the property substantially damaged or destroyed shall be added to the adjusted base-year value of the property substantially damaged or destroyed. The sum of these amounts shall become the replacement property's replacement base-year value.

(3) If the full cash value of the comparable replacement property is less than the adjusted base-year value of the property substantially damaged or destroyed, then that lower value shall become the replacement property's base-year value.

(4) The full cash value of the property substantially damaged or destroyed shall be the amount of its full cash value immediately prior to its substantial damage or destruction, as determined by the county assessor of the county in which the property is located.

(c) For purposes of this section:

(1) Property is substantially damaged or destroyed if it sustains physical damage amounting to more than 50 percent of its full cash value immediately prior to the disaster. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the disaster and is permanent in nature.

(2) Replacement property is comparable to the property substantially damaged or destroyed if it is similar in size, utility, and function to the property which it replaces.

(A) Property is similar in function if the replacement property is subject to similar governmental restrictions, such as zoning.

(B) Both the size and utility of property are interrelated and associated with value. Property is similar in size and utility only to the extent that the replacement property is, or is intended to be, used in the same manner as the property substantially damaged or destroyed and its full cash value does not exceed 120 percent of the full cash value of the property substantially damaged or destroyed.

(i) A replacement property or any portion thereof used or intended to be used for a purpose substantially different than the use made of the property substantially damaged or destroyed shall to the extent of the dissimilar use be considered not similar in utility.

(ii) A replacement property or portion thereof which satisfies the use requirement but has a full cash value which exceeds 120 percent of the full cash value of the property substantially damaged or destroyed shall be considered, to the extent of the excess, not similar in utility and size.

(C) To the extent that replacement property, or any portion thereof, is not similar in function, size, and utility, the property, or portion thereof, shall be considered to have undergone a change in ownership when the replacement property is acquired or newly constructed.

(3) "Disaster" means a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of disaster as a result of the misfortune or calamity.

(d) This section shall apply to any comparable replacement property acquired or newly constructed on or after July 1, 1985.

(e) Only the owner or owners of the property substantially damaged or destroyed, whether one or more individuals, partnerships, corporations, other legal entities, or a combination thereof, shall receive property tax relief under this section. Relief under this section shall be granted to an owner or owners of substantially damaged or destroyed property obtaining title to replacement property. The acquisition of an ownership interest in a legal entity which, directly or indirectly, owns real property is not an acquisition of comparable property.

SEC. 2. The amendment to Section 69 of the Revenue and Taxation Code made by this act shall apply to substantially damaged or destroyed property for which comparable replacement property was acquired or newly constructed on or after July 1, 1985.

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:

Section 69 of the Revenue and Taxation Code permitted the transfer of the base-year value of substantially damaged or destroyed property to comparable replacement property acquired or newly constructed on or after July 1, 1985, and provided for the reassessment of the substantially damaged or destroyed property at the time of the transfer. However, that section inadvertently made no provision for the disposition of the base-year value of the substantially damaged or destroyed property as the result of the authorized transfer. In order that this omission may be corrected at the earliest possible time so as to provide assessors with appropriate guidance in administering Section 69, it is necessary that this act go into immediate effect.

CHAPTER 220

An act to amend Sections 8880.34, 8902, 11552, 11554, and 11556 of the Government Code, and to amend Section 50.2 of the Harbors and Navigations Code, relating to state officers and employees.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 8880.34 of the Government Code is amended to read:

8880.34. Salary

The Director shall receive the salary provided for by Chapter 6 (commencing with Section 11550 of Part 1 of Division 3 of Title 2.

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. 2. Section 8902 of the Government Code is amended to read:

8902. During such times as a Member of the Legislature is required to be in Sacramento to attend a session of the Legislature and during such times as a member is traveling to and from, or is in attendance at, any meeting of a committee of which he or she is a member or is attending to any other legislative function or responsibility as authorized or directed by the rules of the house of which he or she is a member or by the joint rules, he or she shall be entitled to reimbursement of his or her living expenses at a rate established by the State Board of Control which is not less than the rate provided to federal employees traveling to Sacramento.

SEC. 3. Section 11552 of the Government Code is amended to read:

11552. Effective July 1, 1984, an annual salary of sixty-eight thousand dollars ($68,000) shall be paid to each of the following:

(a) Superintendent of Banks.
(b) Commissioner of Corporations.
(c) Insurance Commissioner.
(d) Director of Transportation.
(e) Real Estate Commissioner.
(f) Savings and Loan Commissioner.
(g) Director of Social Services.
(h) Director of Water Resources.
(i) Director of Corrections.
(j) Director of General Services.
(k) Director of Motor Vehicles.
(*l*) Director of the Youth Authority.
(m) Executive Officer of the Franchise Tax Board.
(n) Director of Employment Development.
(o) Director of Alcoholic Beverage Control.
(p) Director of Housing and Community Development.
(q) Director of Alcohol and Drug Abuse.
(r) Director of the Office of Statewide Health Planning and Development.
(s) Director of the Department of Personnel Administration.
(t) Chairperson and Member of the Board of Equalization.
(u) Director of Commerce.
(v) State Director of Health Services.
(w) Director of Mental Health.
(x) Director of Developmental Services.
(y) State Public Defender.
(z) Director of the California State Lottery.
(aa) Director of Fish and Game.
(ab) Director of Parks and Recreation.
(ac) Director of Rehabilitation.

(ad) Director of Veterans Affairs.
(ae) Director of Consumer Affairs.
(af) Director of Forestry and Fire Protection.

On July 1, the annual compensation provided by this section shall be increased in any fiscal year in which a cost-of-living increase is provided for state employees. The amount of the increase provided by this section shall be determined by multiplying the then current compensation by the percentage of the general cost-of-living salary increases provided for state employees during that fiscal year.

SEC. 4. Section 11554 of the Government Code is amended to read:

11554. Effective July 1, 1984, an annual salary of sixty thousand dollars ($60,000) shall be paid to each of the following:

(a) Director of Conservation.
(b) Director of the Department of Economic Opportunity.
(c) State Architect.
(d) Director of Fair Employment and Housing.
(e) Director of the Office of Emergency Services.
(f) Director of the Department of Aging.
(g) State Fire Marshal.

On July 1, the annual compensation provided by this section shall be increased in any fiscal year in which a cost-of-living increase is provided for state employees. The amount of the increase provided by this section shall be determined by multiplying the then current compensation by the percentage of the general cost-of-living salary increases provided for state employees during that fiscal year.

SEC. 5. Section 11556 of the Government Code is amended to read:

11556. Effective July 1, 1984, an annual salary of fifty-five thousand dollars ($55,000) shall be paid to each of the following:

(a) Member of the Board of Prison Terms.
(b) Member of the State Water Resources Control Board.
(c) Member of the Youthful Offender Parole Board.
(d) Member of the Occupational Safety and Health Appeals Board.
(e) Director of Boating and Waterways.

On July 1, the annual compensation provided by this section shall be increased in any fiscal year in which a cost-of-living increase is provided for state employees. The amount of the increase provided by this section shall be determined by multiplying the then current compensation by the percentage of the general cost-of-living salary increases provided for state employees during that fiscal year.

SEC. 6. Section 50.2 of the Harbors and Navigation Code is amended to read:

50.2. The department shall be administered by an executive officer known as the Director of Boating and Waterways. The director shall be appointed by and hold office at the pleasure of the Governor and shall receive the salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2

of the Government Code. The appointment of any director appointed by the Governor shall be subject to confirmation by the Senate.

SEC. 7. The Legislature finds and declares that Section 1 and Section 3, in part, of this act further the purpose of the California State Lottery Act of 1984.

CHAPTER 221

An act to amend Section 19549.1 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 19549.1 of the Business and Professions Code is amended to read:

19549.1. Notwithstanding Sections 19533 and 19549 or any other provision of this chapter, the board may allocate horseracing days for mixed breed meetings at the California Exposition and State Fair and at district agricultural association racing facilities in the northern zone pursuant to Section 4058 of the Food and Agricultural Code, except (1) that days may not be allocated for any meeting between July 1 and October 31, except that the California Exposition and State Fair may conduct a night mixed breed meeting from Labor Day until the date that the 21st District Agricultural Association commences its mixed breed meeting, and (2) that days may not be allocated for a mixed breed meeting during the month of June at the California Exposition and State Fair if a standardbred meeting is being conducted at that facility during the month of June. The mixed breed meetings shall be conducted by a person other than the California Exposition and State Fair or the district agricultural association and shall be subject to Section 19550. The mixed breed meetings shall encourage the racing of emerging breeds of horses.

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 California Exposition and State Fair may conduct mixed breed racing and encourage harness horse racing during the 1987 year, it is necessary that this act take effect immediately.

CHAPTER 222

An act to add Section 132053 to the Public Utilities Code, relating to transportation.

[Approved by Governor July 22, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 132053 is added to the Public Utilities Code, to read:

132053. On and after a transactions and use tax is imposed pursuant to Article 5 (commencing with Section 132300), the commission may authorize payment from the proceeds of the tax to members of the commission and alternates for serving on the commission. If so authorized, each member of the commission, including alternate members when serving in the absence of a regular member, shall be paid one hundred dollars ($100) for each day the member attends meetings of the commission and committees of the commission, but not to exceed five meetings in any one quarter, and his or her necessary and reasonable expenses in performing his or her duties as a commission member.

CHAPTER 223

An act to amend Sections 999e, 1203.055, and 13853 of the Penal Code, relating to crimes.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 999e of the Penal Code is amended to read:

999e. (a) An individual shall be the subject of career criminal prosecution efforts who is under arrest for the commission or attempted commission of one or more of the following felonies: robbery, burglary, arson, any unlawful act relating to controlled substances in violation of Section 11351, 11351.5, or 11352 of the Health and Safety Code, receiving stolen property, grand theft and grand theft auto, and lewd or lascivious conduct upon a child; and who is either being prosecuted for three or more separate offenses not arising out of the same transaction involving one or more of such felonies, or has suffered at least one conviction during the preceding 10 years for any felony listed in paragraph (1) of this subdivision, or at least two convictions during the preceding 10 years for any felony listed in paragraph (2) of this subdivision:

(1) Robbery of the first degree, burglary of the first degree, arson as defined in Section 451, unlawfully causing a fire as defined in Section 452, forcible rape, sodomy or oral copulation committed with force, lewd or lascivious conduct committed upon a child, kidnapping as defined in Section 209, or murder.

(2) Grand theft, grand theft auto, receiving stolen property, robbery of the second degree, burglary of the second degree, kidnapping as defined in Section 207, assault with a deadly weapon or instrument, or any unlawful act relating to controlled substances in violation of Section 11351 or 11352 of the Health and Safety Code.

For purposes of this chapter, the 10-year periods specified in this section shall be exclusive of any time which the arrested person has served in state prison.

(b) In applying the career criminal selection criteria set forth above, a district attorney may elect to limit career criminal prosecution efforts to persons arrested for any one or more of the felonies listed in subdivision (a) of this section if crime statistics demonstrate that the incidence of such one or more felonies presents a particularly serious problem in the county.

(c) In exercising the prosecutorial discretion granted by Section 999g, the district attorney shall consider the following: (1) the character, background, and prior criminal background of the defendant; and (2) the number and the seriousness of the offenses currently charged against the defendant.

SEC. 2. Section 1203.055 of the Penal Code is amended to read:

1203.055. (a) Notwithstanding any other provision of law, in sentencing a person convicted of committing or of attempting to commit one or more of the offenses listed in subdivision (b) against a person who is a passenger, operator, driver, or other occupant of any public transit vehicle whether the offense or attempt is committed within the vehicle or directed at the vehicle, the court shall require that the person serve some period of confinement. If probation is granted, it shall be a condition of probation that the person shall be confined in the county jail for some period of time. If the time spent in jail prior to arraignment is less than 24 hours, it shall not be considered to satisfy the requirement that some period of confinement be imposed.

(b) Subdivision (a) applies to the following crimes:

(1) Murder.

(2) Assault, in violation of Section 241, 241.3, 241.4, 244, 245, 245.2, or 246.

(3) Robbery, in violation of Section 211.

(4) Kidnapping, in violation of Section 207.

(5) Kidnapping for ransom, extortion, or robbery, in violation of Section 209.

(6) Battery, in violation of Section 243, 243.3, or 243.1.

(7) Rape, in violation of Section 261, 262, 264, or 264.1.

(8) Assault with intent to commit rape, sodomy, or robbery, in violation of Section 220.

(9) Any other offense in which the defendant inflicts great bodily injury on any person other than an accomplice.

(10) Grand theft, in violation of subdivision (1) of Section 487.

(11) Throwing of a hard substance or shooting a missile at the transit vehicle, in violation of Section 219.2.

(12) Unlawfully causing a fire, in violation of Section 452.

(13) Drawing, exhibiting, or using a firearm or deadly weapon, in violation of Section 417.

(14) A violation of Section 214.

(c) Probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for any person convicted of a felony offense falling within the provisions of this section if such person has been previously convicted and sentenced pursuant to this section.

(d) (1) The existence of any fact which would make a person ineligible for probation under subdivisions (a) and (c) shall be alleged in the accusatory pleading, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by a plea of guilty or nolo contendere or by a trial by the court sitting without a jury.

A finding bringing the defendant within the provisions of this section shall not be stricken pursuant to Section 1385 or any provision of law.

(2) This subdivision 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.

(3) As used in paragraph (9) of subdivision (b), "great bodily injury" means "great bodily injury" as defined in Section 12022.7.

(4) 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.

(e) The court shall require, as a condition of probation for any person convicted of committing a crime which took place on a public transit vehicle, except in any case in which the court makes a finding and states on the record its reasons that such condition would be inappropriate, that such person make restitution to the victim. If restitution is found to be inappropriate, the court shall require as a condition of probation, except in any case in which the court makes a finding and states on the record its reasons that such condition would be inappropriate, that the defendant perform specified community service. Nothing in this subdivision shall be construed to limit the authority of a court to provide additional conditions of probation.

(f) In any case in which a person is convicted of committing a crime which took place on a public transit vehicle, the probation officer shall immediately investigate and report to the court at a

specified time whether, as a result of the crime, property damage or loss or personal injury was caused by the defendant, the amount of such damage, loss, or injury, and the feasibility of requiring restitution to be made by the defendant. When a probation report is required pursuant to Section 1203 the information required by this subdivision shall be added to that probation report.

SEC. 3. Section 13853 of the Penal Code is amended to read:

13853. An individual may be the subject of career criminal apprehension efforts who is under investigation for the commission or attempted commission of one or more of the following felonies: homicide, rape or sexual assault, child molestation, robbery, burglary, arson, any unlawful act relating to controlled substances in violation of Section 11351 or 11352 of the Health and Safety Code, receiving stolen property, grand theft and grand theft auto; and who is determined to have committed three or more separate felony offenses not arising out of the same transaction, or has suffered at least one conviction during the preceding 10 years for the commission or attempted commission of any felony listed in subdivision (a), or at least two convictions during the preceding 10 years for the commission or attempted commission of any felony listed in subdivision (b):

(a) Robbery of the first degree, burglary of the first degree, arson as defined in Section 451 or 452, forcible rape, sodomy or oral copulation committed with force, lewd or lascivious conduct committed upon a child, kidnapping as defined in Section 209, or murder.

(b) Grand theft, grand theft auto, receiving stolen property, robbery of the second degree, burglary of the second degree, kidnapping as defined in Section 207, assault with a deadly weapon or instrument, or any unlawful act relating to controlled substances in violation of Section 11351 or 11352 of the Health and Safety Code.

For purposes of this chapter, the 10-year periods specified in this section shall be exclusive of any time which the arrested person has served in state prison.

CHAPTER 224

An act to add Sections 23117 and 42001.4 to the Vehicle Code, relating to vehicles.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 23117 is added to the Vehicle Code, to read:

23117. (a) No person driving a motor vehicle shall transport any animal in the back of the vehicle in a space intended for any load on

the vehicle on a highway unless the space is enclosed or has side and tail racks to a height of at least 46 inches extending vertically from the floor, the vehicle has installed means of preventing the animal from being discharged, or the animal is cross tethered to the vehicle, or is protected by a secured container or cage, in a manner which will prevent the animal from being thrown, falling, or jumping from the vehicle.

(b) This section does not apply to any of the following:

(1) The transportation of livestock.

(2) The transportation of a dog whose owner either owns or is employed by a ranching or farming operation who is traveling on a road in a rural area or who is traveling to and from a livestock auction.

(3) The transportation of a dog for purposes associated with ranching or farming.

SEC. 2. Section 42001.4 is added to Vehicle Code, to read:

42001.4. Every person convicted of an infraction for violation of Section 23117 shall be punished as follows:

(a) By a fine of not less than fifty dollars ($50) nor more than one hundred dollars ($100).

(b) For a second infraction occurring within one year of a prior infraction which resulted in a conviction, a fine of not less than seventy-five dollars ($75) nor more than two hundred dollars ($200).

(c) For a third or any subsequent infraction occurring within one year of two or more prior infractions which resulted in convictions, a fine of not less than one hundred dollars ($100) nor more than two hundred fifty dollars ($250).

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 225

An act to amend Section 10004 of, and to add Section 10004.5 to, the Health and Safety Code, relating to records.

[Approved by Governor July 23, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 10004 of the Health and Safety Code is amended to read:

10004. All certificates of live birth, fetal death, or death shall be written legibly, in durable black ink, and a certificate is not complete

and correct that does not supply all of the items of information called for, or satisfactorily account for their omission.

SEC. 2. Section 10004.5 is added to the Health and Safety Code, to read:

10004.5. All certificates of registry of marriage shall be written legibly and shall be photographically and micrographically reproducible. A certificate of registry of marriage is not complete and correct that does not supply all of the items of information called for, or satisfactorily account for their ommission.

SEC. 3. Any registry of marriage accepted by a local registrar of marriages prior to the effective date of this act that is not otherwise invalid is hereby validated as of the date it was registered.

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 226

An act to amend Sections 2627.5 and 2712.5 of, and to add Section 2739.5 to, the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 2627.5 of the Unemployment Insurance Code is amended to read:

2627.5. (a) If an individual, pursuant to orders of his or her physician, is confined in a hospital for at least one day, any unexpired full days of the waiting period required by subdivision (b) of Section 2627 shall be waived. This subdivision shall apply to an individual's confinement in a nursing home as defined by subparagraph (B) of paragraph (4) of subdivision (c), but only if immediately prior to that confinement he or she was confined in a hospital (other than a nursing home) for not less than 15 consecutive days pursuant to the orders of his or her physician or confined to the nursing home by order of a physician, where the nursing home is used where an individual's disability requires immediate hospitalization and a bed is unavailable in a hospital (other than a nursing home).

(b) In addition to the certificate required by Section 2706.1, the

waiver provided by this section shall be supported by a certificate stating the day when an individual's confinement in a hospital commenced, and stating that the confinement was 24 hours or more in duration or that a full day's rate was charged and signed by the registrar or other appropriate official of the hospital. However, if it is not practical to obtain the certificate described in this subdivision, the department may use any other means it deems reasonable to obtain verification of the information required by this subdivision.

(c) As used in this section:

(1) "Confined" means a registered bed patient.

(2) "Day" means any 24-hour period of time during which the claimant is in a hospital, or any 24-hour period or any part thereof for which a hospital charges a patient a full day's rate.

(3) "Full day's rate" means the regular and customary daily charge for board and room by the hospital.

(4) "Hospital" means:

(A) Within the State of California, any institution which is any of the following:

(i) Licensed by the State Department of Health Services as a general acute care hospital, chemical dependency recovery hospital or specialized hospital.

(ii) Operated as a hospital but exempt from licensing by the State Department of Health Services under subdivision (a) of Section 1270 of the Health and Safety Code.

(iii) Operated as a mental hospital licensed by the State Department of Health Services which is primarily intended for, staffed and equipped to provide for the reception, care, diagnosis and treatment of acute mental and nervous diseases.

(B) Within the states of the United States, any institution operated as a "nursing home" which is any of the following:

(i) An extended care facility as defined in subsection (j) of Section 1395x of Title 42 of the United States Code.

(ii) Conducted by and for the adherents of any well-recognized church or religious denomination for the purpose of providing facilities for the care or treatment of the sick who depend upon prayer or spiritual means for healing in the practice of the religion of the church or denomination.

(C) Outside the State of California, any institution in other states or foreign countries, or in the territories or possessions of any country which is any of the following:

(i) Licensed as a hospital pursuant to the statutes or laws of that state or foreign country, or a territory or possession of a country.

(ii) Operated pursuant to law with organized facilities for diagnosis and surgery, and 24-hour nursing service for the care and treatment of sick and injured persons, if the state or foreign country, or the territory or possession of the country does not have statutes or laws concerning the requirements for licensing hospitals.

(D) Any institution which is operated as a hospital by the United States government or a duly authorized agency thereof.

(5) "Orders of his or her physician" means court order or physician's or health officer's certificate or order of a physician as defined in Section 3209.3 of the Labor Code or order of a practitioner duly authorized by any bona fide church, sect, denomination or organization whose principles or teachings call for dependence for healing entirely upon prayer or spiritual means or order of a duly authorized medical officer of any facility of the United States government or order of any member of any one of the professions enumerated in Section 3209.3 of the Labor Code duly licensed by and practicing within the scope of the license in any state outside this state or in any foreign country, or in a territory or possession of any country.

SEC. 2. Section 2712.5 of the Unemployment Insurance Code is amended to read:

2712.5. (a) If, in a disputed coverage proceeding under Section 2712 a final decision of an administrative law judge or of the appeals board finds that an employer or insurer shall reimburse the Disability Fund and the employer or insurer fails to pay all or any part of the reimbursement within 15 days after the decision of an administrative law judge or of the appeals board becomes final, the director shall assess the unpaid amount against the employer or the insurer. The provisions of Article 8 (commencing with Section 1126) of Chapter 4 of Part 1 with respect to the assessment of contributions shall apply to the recovery of the unpaid amount. The provisions of Chapter 7 (commencing with Section 1701) of Part 1 with respect to the collection of contributions shall apply to the recovery of unpaid amounts under this section. Amounts so collected shall be deposited in the Disability Fund.

(b) The provisions of Article 9 (commencing with Section 1176) of Chapter 4 of Part 1 shall apply to amounts collected under this section and to amounts reimbursed to the Disability Fund after a final decision by an administrative law judge or the appeals board in a disputed coverage proceeding under Section 2712.

SEC. 3. Section 2739.5 is added to the Unemployment Insurance Code, to read:

2739.5. Notwithstanding any other provision of law to the contrary, the Franchise Tax Board shall aid the director in the recovery of overpayments of disability benefits through the exchange of information.

CHAPTER 227

An act to amend Section 5600.2 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 5600.2 of the Welfare and Institutions Code is amended to read:

5600.2. (a) Except as provided in subdivision (b), persons employed or under contract to provide mental health services pursuant to this part shall be subject to all applicable requirements of law respecting professional licensure, and no person shall be employed in local mental health programs pursuant to this part to provide services for which such a license is required, unless such person possesses a currently valid license.

(b) 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 program or facility, including those persons on authorized leave, but not including intermittent personnel, shall be exempt from the requirements of subdivision (a). Additionally, the requirements of subdivision (a) may be waived by the state department solely for persons in the professions of psychology, clinical social work, or marriage, family and child counseling who are gaining qualifying experience for licensure in such 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 or marriage, family and child counselors, 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 such limitations shall apply following completion of such training. Additionally, this durational limitation upon waivers shall not apply to active candidates for a doctoral degree in marriage, family and child counseling or marital and family therapy who are enrolled at a school, college, or university, specified in subdivision (a) of Section 4980.40 of the Business and Professions Code, but the limitations shall apply following completion of the 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.

CHAPTER 228

An act to amend Sections 240, 241, 242, and 243 of, to amend the heading of Article 3 (commencing with Section 240) of Chapter 2 of Part 1 of Division 2 of, and to add Section 229.5 to, the Welfare and Institutions Code, relating to youth.

[Approved by Governor July 23, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 229.5 is added to the Welfare and Institutions Code, to read:

229.5. Notwithstanding any other provision of law, a juvenile justice commission may inquire into the nonconfidential aspects of the administration of group homes receiving placements by order of the juvenile court or courts in the county or region in which the commission serves whose use is authorized by this chapter, and may report thereon to the State Department of Social Services, the presiding judge of the juvenile court or courts, and the chief probation officer of the county or counties.

SEC. 2. The heading of Article 3 (commencing with Section 240) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code is amended to read:

Article 3. Probation Commission

SEC. 3. Section 240 of the Welfare and Institutions Code is amended to read:

240. In counties having a population in excess of 6,000,000 in lieu of a county juvenile justice commission, there shall be a probation commission consisting of not less than seven members who shall be appointed by the same authority as that authorized to appoint the probation officer in that county.

SEC. 4. Section 241 of the Welfare and Institutions Code is amended to read:

241. The members of a probation commission appointed and holding office under prior provisions of law on January 1, 1977, shall continue in office and shall be members of the probation commission

created hereby for the same term as that for which they were appointed.

SEC. 5. Section 242 of the Welfare and Institutions Code is amended to read:

242. The members of the probation commission shall hold office for four years and until their successors are appointed and qualify. Of those first appointed, however, one shall hold office for one year, two for two years, two for three years, and two for four years; and the respective terms of the members first appointed shall be determined by lot as soon as possible after their appointment. When a vacancy occurs in a probation commission by expiration of the term of office of any member thereof, his or her successor shall be appointed to hold office for the term of four years. When a vacancy occurs for any other reason the appointee shall hold office for the unexpired term of his or her predecessor.

SEC. 6. Section 243 of the Welfare and Institutions Code is amended to read:

243. The probation commission shall function in an advisory capacity to the probation officer.

CHAPTER 229

An act to amend Sections 1516 and 1542 of the Probate Code, relating to guardianship.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 1516 of the Probate Code is amended to read:

1516. In each case involving a petition for guardianship of the person, the petitioner shall mail a notice of the hearing and a copy of the petition, at least 15 days prior to the hearing, to the local agency designated by the board of supervisors to investigate guardianships for the court. The local social services agency providing child protection services shall screen the name of the guardian for prior referrals of neglect or abuse of minors. The results of this screening shall be provided to the court having jurisdiction over the case.

This section does not apply to guardianships resulting from a permanency plan for a dependent child pursuant to Section 366.25 of the Welfare and Institutions Code.

SEC. 2. Section 1542 of the Probate Code is amended to read:

1542. In each case involving a petition for guardianship of the person, the petitioner shall mail a notice of the hearing and a copy of the petition, at least 15 days prior to the hearing, to the Director

of Social Services at the director's office in Sacramento and to the local agency designated by the board of supervisors to investigate guardianships for the court.

CHAPTER 230

An act to repeal Chapter 2 (commencing with Section 11800) of Division 9 of the Elections Code, and to amend Sections 89001, 90000, and 90004 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Chapter 2 (commencing with Section 11800) of Division 9 of the Elections Code is repealed.

SEC. 2. Section 89001 of the Government Code is amended to read:

89001. No newsletter or other mass mailing shall be sent at public expense by or on behalf of any elected officer to any person residing within the jurisdiction from which the elected officer was elected, or to which he or she seeks election, after the elected officer has filed either of the following:

(a) The nomination documents, as defined in Section 6489 of the Elections Code, for any local, state, or federal office to be voted upon at an election governed by Chapter 5 (commencing with Section 6400) of Division 6 of the Elections Code.

(b) The last document necessary to be listed on the ballot as a candidate for any local, state, or federal office to be voted upon at an election not governed by Chapter 5 (commencing with Section 6400) of Division 6 of the Elections Code.

SEC. 3. Section 90000 of the Government Code is amended to read:

90000. Except as provided in Section 90006, the Franchise Tax Board shall make audits and field investigations with respect to the following:

(a) Reports and statements filed with the Secretary of State under Chapters 4 and 6 of this title.

(b) Local candidates and their controlled committees selected for audit pursuant to subdivision (i) of Section 90001.

SEC. 4. Section 90004 of the Government Code is amended to read:

90004. The Franchise Tax Board shall periodically prepare reports which, except as otherwise provided in this section, shall be sent to the commission, the Secretary of State and the Attorney General. If the reports relate to candidates for or committees

supporting or opposing candidates for the office of Attorney General, the reports shall be sent to the commission, the Secretary of State and the District Attorneys of Los Angeles, Sacramento and San Francisco Counties. If the reports relate to local candidates and their controlled committees, the reports shall be sent to the commission, the local filing officer with whom the candidate or committee is required to file the originals of campaign reports pursuant to Section 84215 and the district attorney for the candidate's county of domicile. The reports of the Franchise Tax Board shall be public documents and shall contain in detail the Franchise Tax Board's findings with respect to the accuracy and completeness of each report and statement reviewed and its findings with respect to any report or statement that should have been but was not filed. The Secretary of State and the local filing officer shall place the audit reports in the appropriate campaign statement or lobbying files.

SEC. 5. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 231

An act to add and repeal Section 5705.4 of the Welfare and Institutions Code, relating to mental health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 5705.4 is added to the Welfare and Institutions Code, to read:

5705.4. (a) For the 1987–88, 1988–89, 1989–90, and 1990–91 fiscal years, in counties with a population of 100,000 to 110,000, as recorded in the 1980 federal census, the cost requirement for local financial participation pursuant to Section 5705 shall be waived for all programs except local hospital inpatient and state hospital services. The cost of state hospital services shall be financed on the basis of 90 percent state funds and 10 percent county funds for these counties during the 1987–88, 1988–89, 1989–90, and 1990–91 fiscal years.

(b) This section shall remain in effect only until July 1, 1991, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1991, 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 take effect for the 1987–88 fiscal year and thus alleviate immediate fiscal constraints for county mental health programs, it is necessary that this act take effect immediately as an urgency statute.

CHAPTER 232

An act to amend Section 51230.1 of the Government Code, relating to agricultural land.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 51230.1 of the Government Code is amended to read:

51230.1. (a) Nothing contained in this chapter shall prevent the transfer of ownership from one immediate family member to another of a portion of land which is currently designated as an agricultural preserve in accordance with the provisions of this chapter, if all of the following conditions are satisfied:

(1) The parcel to be transferred is at least 10 acres in size in the case of prime agricultural land or at least 40 acres in size in the case of land which is not prime agricultural land, and otherwise meets the requirements of Section 51222.

(2) The parcel to be transferred conforms to the applicable local zoning and land division ordinances and any applicable local coastal program certified pursuant to Chapter 6 (commencing with Section 30500) of Division 20 of the Public Resources Code.

(3) The parcel to be transferred complies with all applicable requirements relating to agricultural income and permanent agricultural improvements which are imposed by the county or city as a condition of a contract executed pursuant to Article 3 (commencing with Section 51240) covering the land of which the parcel to be transferred is a portion. For purposes of this paragraph, if the contracted land already complies with these requirements, the portion of that land to be transferred shall be deemed to comply with these requirements.

(4) There exists a written agreement between the immediate family members who are parties to the proposed transfer that the land which is subject to a contract executed pursuant to Article 3 (commencing with Section 51240) and the portion of that land which is to be transferred will be operated under the joint management of the parties subject to the terms and conditions and for the duration of the contract executed pursuant to Article 3 (commencing with Section 51240).

(b) A transfer of ownership described in subdivision (a) shall have no effect on any contract executed pursuant to Article 3

(commencing with Section 51240) covering the land of which a portion was the subject of that transfer. The portion so transferred shall remain subject to that contract.

(c) For purposes of this section, "immediate family" means the spouse of the landowner, the natural or adopted children of the landowner, the parents of the landowner, or the siblings of the landowner.

CHAPTER 233

An act to amend Section 1291 of the Health and Safety Code, relating to health facilities.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 1291 of the Health and Safety Code is amended to read:

1291. The director may bring an action to enjoin the violation or threatened violation of Section 1253 in the superior court in and for the county in which the violation occurred or is about to occur. Any proceeding under this section shall conform to the requirements of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that the director shall not be required to allege facts necessary to show or tending to show lack of adequate remedy at law or irreparable damage or loss. Upon a finding by the director that the violations threaten the health or safety of patients in, or served by, a health facility, the health officer of any county or city health department which has been delegated inspection authority as defined in Section 1257 may bring an action to enjoin the violation, threatened violation, or continued violation by any health facility which is located in an area which is under his or her local health jurisdiction. Prior to bringing an action to enjoin the violation, the department shall ensure, to the extent feasible, that written notice of the proposed action is provided to each patient or the party responsible for each patient, each patient's physician and appropriate agencies which may be able to assist in, or facilitate, the placement of the patient in a licensed facility.

With respect to any and all actions brought pursuant to this section alleging the actual violation of Section 1253, the court shall, if it finds the allegations to be true, issue its order enjoining the facility from continuance of the violation.

CHAPTER 234

An act to amend Section 830.5 of the Penal Code, relating to peace officers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 831.5 of the Penal Code is amended to read:

831.5. (a) As used in this section, a custodial officer is a public officer, not a peace officer, employed by a law enforcement agency of a county having a population of 425,000 or less who has the authority and responsibility for maintaining custody of prisoners and performs tasks related to the operation of a local detention facility used for the detention of persons usually pending arraignment or upon court order either for their own safekeeping or for the specific purpose of serving a sentence therein. A custodial officer includes a person designated as a correctional officer, jailer, or other similar title. The duties of custodial officer may include the serving of warrants, court orders, writs and subpoenas in the detention facility or under circumstances arising directly out of maintaining custody of prisoners and related tasks.

(b) A custodial officer shall have no right to carry or possess firearms in the performance of his or her prescribed duties, except, under the direction of the sheriff or chief of police, while engaged in transporting prisoners; guarding hospitalized prisoners; or suppressing jail riots, lynchings, escapes, or rescues in or about a detention facility falling under the care and custody of the sheriff or chief of police.

(c) Each person described in this section as a custodial officer shall, within 90 days following the date of the initial assignment to that position, satisfactorily complete the training course specified in Section 832. In addition, each person designated as a custodial officer shall, within 180 days following the date of the initial assignment as a custodial officer, satisfactorily complete the jail operations course prescribed by the Board of Corrections pursuant to Section 6030. Persons designated as custodial officers, before the expiration of the 90- and 180-day periods described in this subdivision, who have not yet completed the required training, shall not carry or possess firearms in the performance of their prescribed duties, but may perform the duties of a custodial officer only while under the direct supervision of a peace officer as described in Section 830.1, who has completed the training prescribed by the Commission on Peace Officer Standards and Training, or a custodial officer who has completed the training required in this section.

(d) At any time 20 or more custodial officers are on duty, there

shall be at least one peace officer, as described in Section 830.1, on duty at the same time to supervise the performance of the custodial officers.

(e) This section shall not be construed to confer any authority upon any custodial officer except while on duty.

(f) A custodial officer may use reasonable force in establishing and maintaining custody of persons delivered to him or her by a law enforcement officer; may make arrests for misdemeanors and felonies within the local detention facility pursuant to a duly issued warrant; may make warrantless arrests pursuant to Section 836.5 only during the duration of his or her job; may release without further criminal process persons arrested for intoxication; and may release misdemeanants on citation to appear in lieu of or after booking.

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 California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit correctional officers in certain less populated counties to carry firearms, if authorized, while transporting prisoners, suppressing riots, and under other specified circumstances while on duty, and because related staffing and safety considerations require immediate attention, it is necessary that this act take effect immediately.

CHAPTER 235

An act to amend Section 6753 of the Business and Professions Code, relating to professional engineers.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 6753 of the Business and Professions Code is amended to read:

6753. With respect to applicants for registration as professional engineers, the board:

(a) Shall give credit as qualifying experience of four years, for graduation with an engineering degree from a college or university the curriculum of which has been approved by the board.

(b) May at its discretion give credit as qualifying experience up to a maximum of two years, for graduation with an engineering degree from a nonapproved engineering curriculum or graduation with an engineering technology degree in an approved engineering technology curriculum.

(c) May at its discretion give credit as qualifying experience of up to one-half year, for each year of successfully completed

postsecondary study in an engineering curriculum up to a maximum of four years credit. A year of study shall be at least 32 semester units or 48 quarter units.

(d) May at its discretion give credit as qualifying experience not in excess of one year, for a postgraduate degree in a school of engineering with a board approved postgraduate curriculum.

(e) May at its discretion give credit as qualifying experience for engineering teaching, not in excess of one year, if of a character satisfactory to the board.

The sum of qualifying experience credit for subdivision (a) to (e), inclusive, shall not exceed five years.

CHAPTER 236

An act to amend Section 660 of, and to add Section 682.5 to, the Streets and Highways Code, relating to highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 660 of the Streets and Highways Code is amended to read:

660. As used in this chapter:

(a) "Highway" includes all, or any part, of the entire width of the right-of-way of a state highway, whether or not the entire area is actually used for highway purposes.

(b) "Encroachment" includes any tower, pole, pole line, pipe, pipe line, fence, billboard, stand or building, or any structure, object of any kind or character not particularly mentioned in this section, or special event, which is in, under, or over any portion of the highway. "Special event" means any street festival, sidewalk sale, community-sponsored activity, or community-approved activity.

SEC. 2. Section 682.5 is added to the Streets and Highways Code, to read:

682.5. Notwithstanding Section 731, the department may issue permits to counties and cities for the use of highways within their boundaries for special events upon terms and conditions relating to the safe and orderly movement of traffic that the department finds necessary.

Not more than four permits for the same activity at the same location shall be issued to any city or county in any calendar year.

The department, in issuing permits for the use of highways, shall not be responsible for the conduct or operation of the permitted activity and shall require the permit applicant to agree to indemnify and hold harmless the state against any and all claims arising out of

any activity for which the permit is issued.

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 seasonal events planned for the spring season may be included in the new permit process and occur legally, it is necessary that this act take effect immediately.

CHAPTER 237

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

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987.]

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

SECTION 1. A grant not to exceed the amount of four hundred thousand dollars ($400,000) is hereby authorized from the California Safe Drinking Water Fund pursuant to subdivision (d) of Section 13819 of the Water Code to the Monterey County Service Area No. 69 for the purpose of improving its domestic water supply system to meet, at a minimum, safe drinking water standards.

SEC. 2. A grant not to exceed the amount of four hundred thousand dollars ($400,000) is hereby authorized from the California Safe Drinking Water Fund pursuant to subdivision (d) of Section 13819 of the Water Code to Sonoma County Service Area No. 34 (Jenner Water Works) for the purpose of improving its domestic water supply system to meet, at a minimum, safe drinking water standards.

SEC. 3. The Department of Water Resources shall determine eligibility for the grants authorized in Sections 1 and 2 in accordance with the California Safe Drinking Water Bond Law of 1984 (Chapter 10.2 (commencing with Section 13810) of Division 7 of the Water Code) and may make these grants in accordance with the bond law.

SEC. 4. The Legislature hereby finds and declares that, in order to meet the minimum safe drinking water standards, there are critical needs within the entities identified in Sections 1 and 2 to immediately undertake certain improvements necessary to enable residents of those communities to have a dependable and potable water supply.

SEC. 5. The Legislature further finds and declares that the water systems of the entities identified in Sections 1 and 2 have critical deficiencies in the areas of treatment, storage, and distribution which pose a serious threat to the public health and welfare of all consumers

within those communities and that these entities is only barely meeting the demand for water within those communities.

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 authorize grants from the California Safe Drinking Water Fund to the entities identified in this act to resolve the critical water supply problems of those communities at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 238

An act to repeal and add Section 1141.105 of the Code of Civil Procedure, and to add and repeal Section 68616 of the Government Code, relating to courts, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 1141.105 of the Code of Civil Procedure, as added by AB 439 of the 1987–88 Regular Session of the Legislature, is repealed.

SEC. 2. Section 1141.105 is added to the Code of Civil Procedure, to read:

1141.105. (a) This chapter only applies in those counties in which the board of supervisors has adopted a resolution authorizing this chapter to be applied in that county and agreeing to the payment by the county of costs imposed by Section 1141.28.

(b) This section shall become operative on January 1, 1988.

SEC. 3. Section 68616 is added to the Government Code, to read:

68616. Consistent with the standards adopted by the Judicial Council pursuant to Section 68603, a majority of the judges of the San Diego County Superior Court may adopt local rules of court for tracking civil cases.

This section shall remain in effect only until January 1, 1988, and as of that date is repealed.

SEC. 4. The sum of two hundred twenty-five thousand dollars ($225,000) is hereby appropriated from the General Fund to the Judicial Council for allocation to courts in which an exemplary delay reduction program has been established under the Trial Court Delay Reduction Act of 1986 for the purposes of the purchase of computer hardware and software and related costs as made necessary by that act.

SEC. 5. 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. 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 for the orderly implementation of judicial arbitration of certain disputes by counties, and in order to properly enforce the Trial Court Delay Reduction Act of 1986, the San Diego Superior Court needs specific authority to adopt and enforce local rules of court for tracking civil cases as soon as possible, and in order to permit the acquisition of equipment necessary for the Trial Court Delay Reduction Act of 1986, it is necessary that this act take effect immediately.

CHAPTER 239

An act to amend Section 6060 of the Business and Professions Code, relating to attorneys.

[Approved by Governor July 23, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 6060 of the Business and Professions Code is amended to read:

6060. To be certified to the Supreme Court for admission and a license to practice law, a person who does not comply with Section 6062 shall possess all of the following qualifications:

(a) Be of the age of at least 18 years.

(b) Be of good moral character.

(c) Before beginning the study of law, have done either of the following:

(1) Completed at least two years of college work, which college work shall be not less than one-half of the collegiate work acceptable for a bachelor's degree granted upon the basis of a four-year period of study by a college or university approved by the examining committee.

(2) Have attained in apparent intellectual ability the equivalent of at least two years of the college work hereinabove defined. The equivalent with respect to a person applying for admission to a law school accredited by the examining committee shall be determined by the dean or faculty thereof and with respect to all other persons shall be determined by the examining committee. The determination by the examining committee may be made after a

personal interview with the person or the examining committee may require him or her to pass a written examination. The examination may be given by the examining committee, or, if the examining committee so elects, the examination may be given under its supervision by such members of the faculty of a college as the examining committee may select or by the State Department of Education. However, any person who receives an adverse determination by the committee without an examination or fails an examination given directly by the committee shall, upon demand made within 30 days after receiving notice thereof, have the right to be reexamined either by such faculty members or department as the committee may decide. In the event that the examination is given by the State Department of Education, a fee for the examination, not to exceed fifteen dollars ($15), shall be charged by the department.

The requirements of paragraph (2) shall not apply to a person who had reached the age of 25 years prior to commencing the study of law and who commenced the study and registered with the examining committee as provided in subdivision (d) prior to January 1, 1955.

(d) Have registered with the examining committee as a law student within three months after beginning the study of law. The examining committee, upon good cause being shown, may permit a later registration.

(e) Have either:

(1) Graduated from a law school accredited by the examining committee requiring substantially the full time of its students for three years.

(2) Graduated from a law school accredited by the examining committee requiring a part only of its students' time for four years.

(3) Studied law diligently and in good faith for at least four years in any of the following manners:

(i) In a law school that is authorized or approved to confer professional degrees and requires classroom attendance of its students for a minimum of 270 hours a year.

(ii) In a law office in this state and under the personal supervision of a member of the State Bar of California who is, and for at least five years last past continuously has been, engaged in the active practice of law.

(iii) In the chambers and under the personal supervision of a judge of a court of record of this state.

(iv) By instruction in law from a correspondence law school authorized or approved to confer professional degrees by this state and requiring 864 hours of preparation and study per year for four years. The requirements imposed by the amendments to this subparagraph at the 1987 portion of the 1987–88 Regular Session of the Legislature are not applicable to any person who registered with the examining committee prior to January 1, 1988. However, a correspondence law school that is not authorized or approved to confer professional degrees, but is registered with the examining committee on January 1, 1988, may continue to enroll students until

January 1, 1990.

(v) By any combination of the methods referred to in paragraph (3) of this subdivision.

It is the duty of the attorney or judge referred to under (ii) and (iii) of paragraph (3) of this subdivision to render such periodic reports to the examining committee as the committee may require.

(4) Commence the study of law and registered as a law student as provided in subdivision (d) of this section prior to January 1, 1954, and completed four years of law study, diligently and in good faith.

(f) Have passed a final bar examination given by the examining committee.

(g) After completion of his or her first year of law study, have passed a first-year law student's examination given by the examining committee. This requirement does not apply to a student who satisfactorily completes the first-year course of instruction in a law school accredited by the examining committee and who either (1) commenced the study of law and registered with the examining committee as provided in subdivision (d) of this section prior to January 1, 1954, or (2) had completed at least two years of college work as defined in this section prior to matriculating in the accredited law school, nor shall this requirement apply to an applicant who has passed the bar examination of a sister state or of a country wherein the common law of England constitutes the basis of jurisprudence. An applicant who is required to take the first-year examination shall not receive credit for his or her first year of law study until he or she has passed that examination; nor shall he or she receive credit for any law study subsequent to the first year, and before he or she shall have passed the examination, unless for good cause in a particular case the committee decides that credit should be given for the subsequent study or for some part thereof.

The examination which the students in their first year of law studies are required to take shall be given twice a year at reasonable intervals.

CHAPTER 240

An act to amend Sections 14550, 14561, and 14574 of, and to add Section 14536.1 to, the Public Resources Code, relating to beverage containers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1987. Filed with Secretary of State July 23, 1987.]

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

SECTION 1. Section 14536.1 is added to the Public Resources Code, to read:

14536.1. Notwithstanding subdivision (c) of Section 14536, any emergency regulations adopted by the department to implement the amendments made by the act of the 1987–88 Regular Session of the Legislature which added this section to Sections 14550, 14561, and 14574 shall not be submitted to the committee.

SEC. 2. Section 14550 of the Public Resources Code is amended to read:

14550. (a) Every processor shall report to the department for each month beginning October 1, 1987, the amount of empty beverage containers, by material type and weight of container or material, excluding refillable beverage containers, received from recycling centers for recycling, and the amount received not for recycling. Every processor shall also report to the department for each month the amount of other postfilled aluminum, glass, and plastic food and drink packaging materials sold filled to consumers in this state and returned for recycling. These reports shall be submitted within 10 days after each month, in the form and manner which the department may prescribe.

(b) Every distributor who sells or offers for sale in this state beverages in aluminum beverage containers, nonaluminum metal beverage containers, glass beverage containers, plastic beverage containers, or other beverage containers, including refillable beverage containers of these types, shall report to the department for each month beginning August 1, 1987, and for each month thereafter, the number of beverages sold in these beverage containers in this state which are labeled pursuant to Section 14561, by material type and size and weight of container or any other method as the department may prescribe. These reports shall be submitted by the day when payment is due, consistent with the schedule specified in subdivision (a) of Section 14574, notwithstanding subdivision (b) of Section 14574, in the form and manner which the department may prescribe.

(c) Every distributor who sells or offers for sale in this state beverages in refillable beverage containers and who pays a refund value to distributors, dealers, or consumers who return these containers for refilling, shall report to the department for each month beginning August 1, 1987, and for each month thereafter, the number of these beverage containers returned empty to be refilled, by material type and size of container or any other method which the department may prescribe. These reports shall be submitted by the day when payment is due, consistent with the schedule specified in subdivision (a) of Section 14574, notwithstanding subdivision (b) of Section 14574, in the form and manner which the department may prescribe.

SEC. 3. Section 14561 of the Public Resources Code is amended to read:

14561. (a) On and after August 1, 1987, a manufacturer of beer and other malt beverages shall clearly indicate on every beverage container sold or offered for sale by that beverage manufacturer in

this state the message "CA Redemption Value" or "California Redemption Value," by either printing or embossing the beverage container or by securely affixing a clear and prominent stamp, label, or other device to the beverage container.

(b) On and after September 1, 1987, a manufacturer of carbonated mineral and soda waters, and similar carbonated soft drinks in liquid form shall clearly indicate on every beverage container sold or offered for sale by that beverage manufacturer in this state the message "CA Redemption Value" or "California Redemption Value" in the manner prescribed in subdivision (a).

(c) Any refillable beverage container sold or offered for sale is exempt from subdivisions (a) and (b). However, any beverage manufacturer or container manufacturer may place upon, or affix to, a refillable beverage container, any message which they deem appropriate relating to the refund value of the container.

(d) Commencing October 1, 1987, no person shall offer to sell or sell to a consumer a beverage container which has not been labeled pursuant to this section, except for a refillable beverage container which is exempt from labeling.

(e) Any container labeled with the "CA Redemption Value" or "California Redemption Value" message shall have the minimum redemption value established pursuant to Section 14560 which shall be paid by the distributor to the department pursuant to Section 14574.

(f) The department may require that any beverage container intended for sale in this state be printed, embossed, stamped, labeled, or otherwise marked with a universal product code or similar machine-readable indicia.

SEC. 4. Section 14561 of the Public Resources Code is amended to read:

14561. (a) On and after August 1, 1987, a manufacturer of beer and other malt beverages shall clearly indicate on every beverage container sold or offered for sale by that beverage manufacturer in this state the message "CA Redemption Value" or "California Redemption Value," by either printing or embossing the beverage container or by securely affixing a clear and prominent stamp, label, or other device to the beverage container.

(b) On and after September 1, 1987, a manufacturer of carbonated mineral and soda waters, and similar carbonated soft drinks in liquid form shall clearly indicate on every beverage container sold or offered for sale by that beverage manufacturer in this state the message "CA Redemption Value" or "California Redemption Value" in the manner prescribed in subdivision (a).

(c) Any refillable beverage container sold or offered for sale is exempt from subdivisions (a) and (b). However, any beverage manufacturer or container manufacturer may place upon, or affix to, a refillable beverage container, any message which they deem appropriate relating to the refund value of the container.

(d) On and after October 1, 1987, no person shall offer to sell, or

sell to a consumer a beverage container which has not been labeled pursuant to this section except for a refillable beverage container which is exempt from labeling.

(e) The department may require that any beverage container intended for sale in this state be printed, embossed, stamped, labeled, or otherwise marked with a universal product code or similar machine-readable indicia.

(f) A beverage manufacturer of beer and other malt beverages may print, emboss, or label a beverage container in the manner specified in subdivision (a) before August 1, 1987, and a distributor may distribute the beverage container to dealers and consumers before August 1, 1987. Notwithstanding any other provision of law, the department shall require the beverage manufacturer and distributor to pay the department the redemption values and processing fees required by Sections 14574 and 14575 for any of these beverage containers sold or transferred to a dealer or consumer before September 1, 1987.

(g) A beverage manufacturer of carbonated mineral and soda waters, and similar carbonated soft drinks in liquid form, may print, emboss, or label a beverage container in the manner specified in subdivision (a) before September 1, 1987, and a distributor may distribute the beverage container to dealers and consumers before September 1, 1987. Notwithstanding any other provision of law, the department shall require the beverage manufacturer and distributor to pay the department the redemption values and processing fees required by Sections 14574 and 14575 for any of these beverage containers sold or transferred to a dealer or consumer before September 1, 1987.

(h) Any container labeled with the "CA Redemption Value" or "California Redemption Value" message shall have the minimum redemption value established pursuant to Section 14560, which shall be paid by the distributor to the department pursuant to Section 14574.

SEC. 5. Section 14574 of the Public Resources Code is amended to read:

14574. (a) A distributor of beer and other malt beverages shall pay to the department the redemption value of every beverage container, other than a refillable beverage container, sold or transferred to a dealer, less 1 percent for the distributor's administrative costs.

The payment shall be made not later than October 15, 1987, for labeled beverage containers sold or transferred on or before September 15, 1987; not later than November 15, 1987, for labeled beverage containers sold or transferred after September 15, 1987, but on or before September 30, 1987; not later than December 1, 1987, for labeled beverage containers sold or transferred between October 1, 1987, and October 31, 1987; not later than January 1, 1988, for labeled beverage containers sold or transferred between November 1, 1987, and November 30, 1987; and similarly not later than the first

day of the second following month for each successive month.

(b) A distributor of carbonated mineral and soda waters and similar carbonated soft drinks in liquid form shall pay to the department the redemption value of every beverage container, other than a refillable beverage container, sold or transferred to a dealer, less 1 percent for the distributor's administrative costs, within 40 days of any sale, or in the form and manner which the department may prescribe. No redemption value applies to, or shall be paid for, any refillable beverage container.

(c) Notwithstanding subdivision (b), and upon approval of the department, a distributor of carbonated mineral and soda waters and similar carbonated soft drinks in liquid form may make payments in accordance with subdivision (a). The department shall prescribe the terms and conditions for payments pursuant to subdivision (a).

SEC. 6. The sum of seven hundred thousand dollars ($700,000) is hereby appropriated from the General Fund to the Department of Conservation as a loan for the initial costs incurred by the Department of Conservation in carrying out the amendments made by this act to Sections 14550, 14561, and 14574 of the Public Resources Code. The loan shall be repaid during the 1987–88 fiscal year with interest calculated at the rate this amount would have earned in the Pooled Money Investment Account, with the funds deposited in the reserve in the California Beverage Container Recycling Fund, as required by paragraph (2) of subdivision (c) of Section 14580 of the Public Resources Code.

SEC. 7. 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. 8. Section 4 of this bill incorporates amendments to Section 14561 of the Public Resources Code proposed by both this bill and AB 20. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1988, (2) each bill amends Section 14561 of the Public Resources Code, and (3) this bill is enacted after AB 20, in which case Section 14561 of the Public Resources Code, as amended by AB 20, shall remain operative only until the operative date of this bill, at which time Section 4 of this bill shall become operative, and Section 3 of this bill shall not become operative.

SEC. 9. Pursuant to Section 14576 of the Public Resources Code, Section 5 of this act shall become operative September 1, 1987.

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 efficiently implement the California Beverage Container Recycling and Litter Reduction Act, and thereby protect

public health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 241

An act to amend Section 44266 of the Education Code, relating to schools.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 44266 of the Education Code is amended to read:

44266. The minimum requirements for the services credential with a specialization in pupil personnel services are a baccalaureate degree or higher degree, except in professional education, from an approved institution, a fifth year of study, and any specialized and professional preparation that the commission shall require, including completion of a commission-approved program of supervised field experience that includes direct classroom contact, jointly sponsored by a school district and a college or university.

The services credential with a specialization in pupil personnel services shall authorize the holder to perform, at all grade levels, the pupil personnel service approved by the commission as designated on the credential, which may include, but need not be limited to, school counseling, school psychology, child welfare and attendance services, and school social work.

The commission shall continue to issue credentials with a specialization in pupil personnel services under the law as it read on December 31, 1986, for a time period of two years from the effective date of regulations adopted for the issuance of certificates under the new program required by this section, to any candidate who was in the process of obtaining a services credential with a specialization in pupil personnel services prior to October 1, 1987, through a previously approved program of study.

CHAPTER 242

An act to amend Section 1100 of, and to add Section 1192.6 to, the Insurance Code, relating to insurance.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 1100 of the Insurance Code is amended to read:

1100. In this state, all investments and deposits of the assets of an insurer, all purchases on behalf of an insurer, and all sales made of the property and effects of an insurer shall be made in its own name, or in that of a corporation authorized to act as a trustee under the laws of this state, or in the name of a nominee of such a corporation in accordance with any law of this state permitting such a trustee to make use of nominees, or in the name of a nominee approved by the commissioner.

SEC. 2. Section 1192.6 is added to the Insurance Code, to read:

1192.6. (a) An insurer, except an insurer authorized to transact mortgage guaranty insurance as defined in Section 119, may invest in a mortgage, mortgage-backed bond, or a mortgage participation, pass-through, conventional pass-through, trust or participation certificate, which is secured by or represents an undivided interest in any loan secured by real property if the loan is a permitted investment for the insurer or in a pool of those loans if each is a permitted investment for an insurer; and for which there exists, at the time of making the investment, a resale market.

(b) If the loan or pools of loans have been transferred or contributed by an insurer to a corporation, all the voting securities of which are owned by the insurer, then the mortgage, mortgage-backed bond, or mortgage participation, pass-through, conventional pass-through, trust or participation certificate secured by or representing an undivided interest in the loan or pool of loans shall not be revalued solely due to that transfer. Any subsequent transfer to an affiliate from the wholly owned subsidiary shall be valued at the lower of book value or market value.

CHAPTER 243

An act to amend Sections 75002, 75004, 75027, 75030, 75132, 75133, and 77128 of, and to add Sections 75007, 75030.5, 75131.3, 75135.5, and 75137 to, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 1987 Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 75002 of the Food and Agricultural Code is amended to read:

75002. The protection and enhancement of the reputation of eggs and egg products in intrastate, interstate, and foreign markets, and the elimination of unreasonable and unnecessary economic waste of the agricultural wealth of this state is an essential aspect of the activities authorized in this chapter.

SEC. 2. Section 75004 of the Food and Agricultural Code is amended to read:

75004. The production of eggs and egg products in this state and the marketing of eggs and egg products in this state, regardless of their point of origin is hereby declared to be affected with a public interest. This chapter is enacted in the exercise of the police power of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state.

SEC. 3. Section 75007 is added to the Food and Agricultural Code, to read:

75007. The benefits conferred by the activities authorized pursuant to this chapter extend to those segments of the egg industry doing business within this state. Insofar as out-of-state handlers benefit from the programs and activities authorized in accordance with this chapter, they shall be obligated to bear their fair share of the burden and shall comply with this chapter.

SEC. 4. Section 75027 of the Food and Agricultural Code is amended to read:

75027. "Eggs" means eggs from domesticated chickens marketed in California for human consumption in shell egg form, except those eggs used for hatchery purposes.

SEC. 5. Section 75030 of the Food and Agricultural Code is amended to read:

75030. (a) "Handler" means the first person who either (a) sorts, grades, candles, or packages shell eggs, or (b) processes shell eggs into egg products; and who engages in the operation of selling or marketing eggs or egg products which he or she has produced, purchased, or acquired from a producer, or which he or she is marketing on behalf of a producer, whether as owner, agent, employee, or broker or otherwise. When the handler is a corporation,

all of the directors and officers of the corporation in their capacity as individuals shall be included, and any liability for failure to collect or make payment of assessments of which a corporate handler may be subject pursuant to this chapter shall include identical liability upon each individual director or officer of the corporation. However, "handler" does not include a retailer, except a retailer who purchases or acquires from, or handles on behalf of, any producer eggs or egg products which were not previously subject to assessment by the commission.

(b) Reference to "handler" in this chapter, except for Article 3 (commencing with Section 75051), Article 5 (commencing with Section 75111), subdivision (a) of Section 75132, and Article 8 (commencing with Section 75171), but not including Sections 75175 and 75176, includes California handlers and out-of-state handlers, unless otherwise specified.

SEC. 6. Section 75030.5 is added to the Food and Agricultural Code, to read:

75030.5. "Out-of-state handler" means any person located in another state who handles eggs or egg products, as specified in Section 75030, which are marketed in California.

SEC. 7. Section 75131.3 is added to the Food and Agricultural Code, to read:

75131.3. The assessment established pursuant to Section 75131 shall be collected from out-of-state handlers in accordance with procedures established by the commission on eggs or egg products marketed in this state.

SEC. 8. Section 75132 of the Food and Agricultural Code is amended to read:

75132. (a) This chapter does not apply to any handler who handles not more than 26,000 cases of eggs per year, or the equivalent thereof, and to secondary handlers. Unless the commission determines otherwise, direct sales to customers on the premises of the handler in less than one case lots shall not be used in computing the number of cases handled per year and shall not be subject to assessment by the commission. However, the handler shall file an affidavit with the commission stating the basis for exemption from this chapter. The commission shall then determine whether the exemption should be approved.

(b) This chapter does not apply to any out-of-state handler who handles not more than 26,000 cases of eggs per year, or the equivalent thereof. However, the handler shall file an affidavit with the commission stating the basis for exemption from this chapter. The commission shall then determine whether the exemption should be approved.

SEC. 9. Section 75133 of the Food and Agricultural Code is amended to read:

75133. Every handler, and any person required to be registered pursuant to Section 75135.5, shall keep a complete and accurate record of all eggs and egg products handled by him or her. These

records shall be in the form and contain the information prescribed by the commission. The records shall be kept by the handler for a period of five years and shall be submitted for inspection at any reasonable time upon written demand of the commission or its duly authorized agent.

SEC. 10. Section 75135.5 is added to the Food and Agricultural Code, to read:

75135.5. Persons marketing eggs or egg products in California which originated out-of-state, including persons shipping eggs or egg products into California, shall register with the commission in the manner prescribed by the commission, before marketing or shipping eggs or egg products in this state.

SEC. 11. Section 75137 is added to the Food and Agricultural Code, to read:

75137. (a) For any period during which the federal Egg Marketing Order (7 C.F.R. 994) and any resulting regulations are in effect and for which a federal assessment was paid in accordance with the order, the assessment collected by the commission pursuant to this chapter shall not exceed one-half cent ($0.005) per dozen shell eggs or the equivalent thereof.

(b) If the federal order is terminated, this section shall have no future force and effect.

SEC. 12. Section 77128 of the Food and Agricultural Code is amended to read:

77128. (a) Upon certification of the commission, the director shall contact all producers in each district who are not affiliated with any cooperative handling walnuts and all independent handlers by mail, or call meetings of producers in each district who are not affiliated with any cooperative handling walnuts and all independent handlers for the purpose of nominating and electing persons to the commission. All of these producers and handlers on the director's list shall be given written notice of any election meetings at least 15 days prior to the meeting date.

(b) To be eligible for election to the commission, producer nominees shall present to the director a nomination petition with the signatures of at least 15 eligible producers from the district from which the nominee is seeking election.

(c) All independent handler votes shall be apportioned on the basis of the kernel weight of walnuts certified as merchantable by each handler during the preceeding marketing year.

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 to effect urgently needed changes in provisions governing the marketing of certain agricultural products during the 1987 marketing season, it is necessary that this act take effect immediately.

CHAPTER 244

An act to repeal Section 14235 of the Elections Code, relating to elections.

[Approved by Governor July 23, 1987. Filed with Secretary of State July 23, 1987]

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

SECTION 1. Section 14235 of the Elections Code is repealed.

CHAPTER 245

An act relating to fire extinguishing and fire alarm systems, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. (a) The Legislature hereby finds and declares that some automatic fire extinguishing systems have been found to be inoperative, and that it is in the public interest that automatic fire extinguishing systems and fire alarm systems be correctly installed and operate efficiently.

(b) The State Fire Marshal and the Contractors' State License Board, in cooperation with manufacturers, contractors, installers, fire marshals, and local building officials, shall study all of the following:

(1) All pertinent laws, regulations, existing enforcement procedures and practices pertaining to the installation, inspection, and testing of automatic fire extinguishing systems and fire alarm systems.

(2) The licensing and enforcement efforts of the Contractors' State License Board and the State Fire Marshal for contractors and installers of automatic fire extinguishing systems and fire alarm systems.

(3) The design and manufacturing of automatic fire extinguishing systems and fire alarm systems.

(4) Current installation of automatic fire extinguishing systems and fire alarm systems, inspection practices, and testing procedures by occupancy classification.

(c) The State Fire Marshal and the Contractors' State License Board shall report their recommendations to the Legislature by July 1, 1988, on how the installation, inspection, testing, licensing, design, and manufacturing can be improved to ensure that automatic fire extinguishing systems and fire alarm systems are not impaired and will operate efficiently.

(d) The Contractors' State License Board and the State Fire Marshal shall jointly chair and coordinate the study which is required by this section. Funding for this study shall be from the Contractors' License Fund. The total expenditure for the study shall not exceed fifty thousand dollars ($50,000). The sum of fifty thousand dollars ($50,000) is hereby appropriated from the Contractors' License Fund to the Contractors' State License Board to fund this joint study. The funds shall be used for the study as mandated in this section to include, but not be limited to, the reimbursement of travel expenses for local fire, governmental, and building officials who participate in the study.

SEC. 2. This act shall become inoperative on July 1, 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. 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 promote public safety, it is necessary to expedite a study of automatic fire extinguishing systems and fire alarm systems to ensure the efficient operation of these systems.

CHAPTER 246

An act to amend Section 803 of, and to add Section 386 to, the Penal Code, relating to crime.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 386 is added to the Penal Code, to read:

386. (a) Any person who willfully or maliciously constructs or maintains a fire-protection system in any structure with the intent to install a fire protection system which is known to be inoperable or to impair the effective operation of a system, so as to threaten the safety of any occupant or user of the structure in the event of a fire,

shall be subject to imprisonment in the state prison for two, three, or four years.

(b) A violation of subdivision (a) which proximately results in great bodily injury or death is a felony punishable by imprisonment in the state prison for five, six, or seven years.

(c) As used in this section, "fire-protection system" includes, but is not limited to, an automatic fire sprinkler system, standpipe system, automatic fixed fire extinguishing system, and fire alarm system.

(d) For purposes of this section, the following definitions shall control:

(1) "Automatic fire sprinkler system" means an integrated system of underground and overhead piping designed in accordance with fire protection engineering standards. The portion of the sprinkler system above ground is a network of specially sized or hydraulically designed piping installed in a building, structure, or area, generally overhead, and to which sprinklers are attached in a systematic pattern. The valve controlling each system riser is located in the system riser or its supply piping. Each sprinkler system riser includes a device for activating an alarm when the system is in operation. The system is normally activated by heat from a fire, and it discharges water over the fire area.

(2) "Standpipe system" means an arrangement of piping, valves, and hose connectors and allied equipment installed in a building or structure with the hose connectors located in a manner that water can be discharged in streams or spray patterns through attached hose and nozzles. The purpose of the system is to extinguish a fire, thereby protecting a building or structure and its contents and occupants. This system relies upon connections to water supply systems or pumps, tanks, and other equipment necessary to provide an adequate supply of water to the hose connectors.

(3) "Automatic fixed fire extinguishing system" means either of the following:

(A) An engineered fixed extinguishing system which is custom designed for a particular hazard, using components which are approved or listed only for their broad performance characteristics. Components may be arranged into a variety of configurations. These systems shall include, but not be limited to, dry chemical systems, carbon dioxide systems, halogenated agent systems, steam systems, high expansion foam systems, foam extinguishing systems, and liquid agent systems.

(B) A pre-engineered fixed extinguishing system is a system where the number of components and their configurations are included in the description of the system's approval and listing. These systems include, but are not limited to, dry chemical systems, carbon dioxide systems, halogenated agent systems, and liquid agent systems.

(4) "Fire alarm system" means a control unit and a combination of electrical interconnected devices designed and intended to cause

an alarm or warning of fire in a building or structure by either manual or automatic activation, or by both, and includes the systems installed throughout any building or portion thereof.

(5) "Structure" means any building, whether private, commercial, or public, or any bridge, tunnel, or powerplant.

SEC. 2. 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.

(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 offenses under Division 7 (commencing with Section 13000) of the Water Code or Chapter 6.5 (commencing with Section 25100) of Division 20 or Part 4 (commencing with Section 41500) of Division 26 of the Health and Safety Code, or Section 386.

SEC. 3. 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 offenses under Division 7 (commencing with Section 13000) of the Water Code or Chapter 6.5 (commencing with Section 25100) of Division 20 or Part 4 (commencing with Section 41500) of Division 26 of the Health and Safety Code, or Section 386.

SEC. 4. Section 3 of this bill incorporates amendments to Section 803 of the Penal Code proposed by both this bill and AB 1956. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1988, (2) each bill amends Section 803 of the Penal Code, and (3) this bill is enacted after AB 1956, in which case Section 803 of the Penal Code, as amended by AB 1956, shall remain operative only until the operative date of this bill, at which time Section 3 of this bill shall become operative, and Section 2 of this bill shall not 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.

CHAPTER 247

An act to amend Section 11372.7 of the Health and Safety Code, and to amend Sections 23196, 23241, 23242, and 23244 of the Vehicle Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 11372.7 of the Health and Safety Code is amended to read:

11372.7. (a) Except as otherwise provided in subdivision (b) or (e), each person who is convicted of a violation of this chapter shall pay a drug program fee in an amount not to exceed one hundred dollars ($100) for each separate offense. The court shall increase the total fine, if necessary, to include this increment, which shall be in addition to any other penalty prescribed by law.

(b) The court shall determine whether or not the person who is convicted of a violation of this chapter has the ability to pay a drug program fee. If the court determines that the person has the ability to pay, the court may set the amount to be paid and order the person to pay that sum to the county in a manner that the court believes is reasonable and compatible with the person's financial ability. In its determination of whether a person has the ability to pay, the court shall take into account the amount of any fine imposed upon that person and any amount that person has been ordered to pay in restitution. If the court determines that the person does not have the ability to pay a drug program fee, the person shall not be required to pay a drug program fee.

(c) The county treasurer shall maintain a drug program fund. For every drug program fee assessed and collected pursuant to subdivisions (a) and (b), an amount equal to this assessment shall be deposited into the fund for every conviction pursuant to this chapter, in addition to fines, forfeitures, and other moneys which are transmitted by the courts to the county treasurer pursuant to Sections 11372.5 and 11502. These deposits shall be made prior to any transfer pursuant to Section 11502. Amounts deposited in the drug program fund shall be allocated by the administrator of the county's drug program to drug abuse programs in the schools and the community, subject to the approval of the board of supervisors, as follows:

(1) The moneys in the fund shall be allocated through the planning process established pursuant to Sections 11983, 11983.1, 11983.2, and 11983.3.

(2) A minimum of 33 percent of the fund shall be allocated to primary prevention programs in the schools and the community.

Primary prevention programs developed and implemented under this article shall emphasize cooperation in planning and program implementation among schools and community drug abuse agencies, and shall demonstrate coordination through an interagency agreement between the county offices of education or local school district and the county drug program administrator. These primary prevention programs may include:

(A) School- and classroom-oriented programs, including, but not limited to, programs designed to encourage sound decisionmaking, an awareness of values, an awareness of drugs and their effects, enhanced self-esteem, social and practical skills that will assist students toward maturity, enhanced or improved school climate and relationships among all school personnel and students, and furtherance of cooperative efforts of school- and community-based personnel.

(B) School- or community-based nonclassroom alternative programs, or both, including, but not limited to, positive peer group programs, programs involving youth and adults in constructive activities designed as alternatives to drug use, and programs for special target groups, such as women, ethnic minorities, and other high-risk, high-need populations.

(C) Family-oriented programs, including, but not limited to, programs aimed at improving family relationships and involving parents constructively in the education and nurturing of their children, as well as in specific activities aimed at preventing drug abuse.

(d) Moneys deposited into a county drug program fund pursuant to this section shall supplement, and shall not supplant, any local funds made available to support the county's drug abuse prevention and treatment efforts.

(e) This section shall not apply to any person convicted of a violation of subdivision (b) of Section 11357 of the Health and Safety Code.

SEC. 1.5. Section 11372.7 of the Health and Safety Code, as amended by Section 1 of this act, is amended to read:

11372.7. (a) Except as otherwise provided in subdivision (b) or (e), each person who is convicted of a violation of this chapter shall pay a drug program fee in an amount not to exceed one hundred dollars ($100) for each separate offense. The court shall increase the total fine, if necessary, to include this increment, which shall be in addition to any other penalty prescribed by law.

(b) The court shall determine whether or not the person who is convicted of a violation of this chapter has the ability to pay a drug program fee. If the court determines that the person has the ability to pay, the court may set the amount to be paid and order the person to pay that sum to the county in a manner that the court believes is reasonable and compatible with the person's financial ability. In its determination of whether a person has the ability to pay, the court shall take into account the amount of any fine imposed upon that

person and any amount that person has been ordered to pay in restitution. If the court determines that the person does not have the ability to pay a drug program fee, the person shall not be required to pay a drug program fee.

(c) The county treasurer shall maintain a drug program fund. For every drug program fee assessed and collected pursuant to subdivisions (a) and (b), an amount equal to this assessment shall be deposited into the fund for every conviction pursuant to this chapter, in addition to fines, forfeitures, and other moneys which are transmitted by the courts to the county treasurer pursuant to Sections 11372.5 and 11502. These deposits shall be made prior to any transfer pursuant to Section 11502. Amounts deposited in the drug program fund shall be allocated by the administrator of the county's drug program to drug abuse programs in the schools and the community, subject to the approval of the board of supervisors, as follows:

(1) The moneys in the fund shall be allocated through the planning process established pursuant to Sections 11983, 11983.1, 11983.2, and 11983.3.

(2) A minimum of 33 percent of the fund shall be allocated to primary prevention programs in the schools and the community. Primary prevention programs developed and implemented under this article shall emphasize cooperation in planning and program implementation among schools and community drug abuse agencies, and shall demonstrate coordination through an interagency agreement among county offices of education, school districts, and the county drug program administrator. These primary prevention programs may include:

(A) School- and classroom-oriented programs, including, but not limited to, programs designed to encourage sound decisionmaking, an awareness of values, an awareness of drugs and their effects, enhanced self-esteem, social and practical skills that will assist students toward maturity, enhanced or improved school climate and relationships among all school personnel and students, and furtherance of cooperative efforts of school- and community-based personnel.

(B) School- or community-based nonclassroom alternative programs, or both, including, but not limited to, positive peer group programs, programs involving youth and adults in constructive activities designed as alternatives to drug use, and programs for special target groups, such as women, ethnic minorities, and other high-risk, high-need populations.

(C) Family-oriented programs, including, but not limited to, programs aimed at improving family relationships and involving parents constructively in the education and nurturing of their children, as well as in specific activities aimed at preventing drug abuse.

(d) Moneys deposited into a county drug program fund pursuant to this section shall supplement, and shall not supplant, any local

funds made available to support the county's drug abuse prevention and treatment efforts.

(e) Five percent of the money allocated to primary prevention programs in schools and communities within the county pursuant to subdivision (a) shall be used for the purpose of conducting an annual evaluation. The annual evaluation shall be conducted by the office of the county superintendent of schools in counties where the program is operating in a single county or in the office of the county superintendent of schools in the county designated as the lead county in counties where the program is operating as a consortium of counties. The evaluation shall contain the following:

(1) A needs assessment evaluation which provides specific data regarding the problem to be resolved.

(2) A written report of the planning process outlining the deliberations, considerations, and conclusions following a review of the needs assessment.

(3) An end of fiscal year accountability evaluation that will indicate the program's continuing ability to reach appropriate program beneficiaries, deliver the appropriate benefits, and use funds appropriately.

(4) An impact evaluation charged with the task of assessing the effectiveness of the program. Guidelines for the evaluation report format and the timeliness for the submission of the report shall be developed by the State Department of Education. Each county shall submit an evaluation report annually to the State Department of Education and the State Department of Education shall write and submit a report to the Legislature and Governor.

(f) This section shall not apply to any person convicted of a violation of subdivision (b) of Section 11357 of the Health and Safety Code.

SEC. 2. Section 23196 of the Vehicle Code is amended to read:

23196. (a) Except as otherwise provided in subdivision (c), any person convicted of a violation of Section 23152 or 23153 shall, in addition to any other fine, assessment, or imprisonment imposed pursuant to law, pay an alcohol abuse education and prevention penalty assessment in an amount not to exceed fifty dollars ($50) for deposit and distribution pursuant to Section 1463.25 of the Penal Code.

(b) The payment of the penalty assessment under this section shall be ordered upon conviction of a person of a violation of Section 23152 or 23153 irrespective of any other proceeding and, if probation is granted, the payment of the penalty assessment shall also be ordered as a condition of probation, except in unusual cases which are subject to subdivision (d) of Section 1464 of the Penal Code.

(c) The court shall determine if the defendant has the ability to pay a penalty assessment. If the court determines that the defendant has the ability to pay a penalty assessment, the court may set the amount to be paid and order the defendant to pay that sum to the county 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. If the court determines that the defendant does not have the ability to pay a penalty assessment, the defendant shall not be required to pay a penalty assessment.

SEC. 2.5. Section 23196 of the Vehicle Code, as amended by Section 2 of this act, is amended to read:

23196. (a) Except as otherwise provided in subdivision (c), any person convicted of a violation of Section 23152 or 23153 shall, in addition to any other fine, assessment, or imprisonment imposed pursuant to law, pay an alcohol abuse education and prevention penalty assessment in an amount not to exceed fifty dollars ($50) for deposit and distribution pursuant to Section 1463.25 of the Penal Code.

(b) The payment of the penalty assessment under this section shall be ordered upon conviction of a person of a violation of Section 23152 or 23153 irrespective of any other proceeding and, if probation is granted, the payment of the penalty assessment shall also be ordered as a condition of probation, except in unusual cases which are subject to subdivision (d) of Section 1464 of the Penal Code.

(c) The court shall determine if the defendant has the ability to pay a penalty assessment. If the court determines that the defendant has the ability to pay a penalty assessment, the court may set the amount to be paid and order the defendant to pay that sum to the county 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. If the court determines that the defendant does not have the ability to pay a penalty assessment, the defendant shall not be required to pay a penalty assessment.

(d) Five percent of the funds allocated to primary prevention programs to the school and the communities pursuant to subdivision (a) shall be used to conduct an annual evaluation. The annual evaluation shall be conducted by the office of the county superintendent of schools in counties where the program is operating in a single county or in the office of the county superintendent of schools in the county designated as the lead county in counties where the program is operating as a consortium of counties. The evaluation shall contain the following:

(1) A needs assessment evaluation which provides specific data regarding the problem to be resolved.

(2) A written report of the planning process outlining the deliberations, considerations, and conclusions following a review of the needs assessment.

(3) An end of fiscal year accountability evaluation that will

indicate the program's continuing ability to reach appropriate program beneficiaries, deliver the appropriate benefits, and use funds appropriately.

(4) An impact evaluation charged with the task of assessing the effectiveness of the program. Guidelines for the evaluation report format and the timeliness for the submission of the report shall be developed by the State Department of Education. Each county shall submit an evaluation report annually to the State Department of Education and the State Department of Education shall write and submit a report to the Legislature and Governor.

SEC. 3. Section 23241 of the Vehicle Code, as added by Chapter 985 of the Statutes of 1986, is amended to read:

23241. Any judicial district within a county may develop, implement, operate, and administer an alcohol and drug problem assessment program pursuant to this article by resolution of the board of supervisors. The alcohol and drug problem assessment program may include a referral and client tracking component.

SEC. 4. Section 23242 of the Vehicle Code, as added by Chapter 985 of the Statutes of 1986, is amended to read:

23242. Any person convicted of a violation of Section 23152 or 23153 in a judicial district that administers an alcohol and drug problem assessment program pursuant to this article shall participate in the program.

SEC. 5. Section 23244 of the Vehicle Code, as added by Chapter 985 of the Statutes of 1986, is amended to read:

23244. (a) Notwithstanding any other provision of law, in addition to any other fine or penalty assessment, there shall be levied an assessment of not more than fifty dollars ($50) upon every fine, penalty, or forfeiture imposed and collected by the courts for a violation of Section 23152 or 23153 in any judicial district that administers an alcohol and drug problem assessment program pursuant to this article.

(b) The court may determine if the defendant has the ability to pay the assessment. If the court determines that the defendant has the ability to pay the assessment then the court may set the amount to be reimbursed and order the defendant to pay that sum to the county in the manner in which the court determines is 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.

(c) Notwithstanding Section 1463 or 1464 of the Penal Code or any other provision of law, all moneys collected pursuant to this section shall be deposited in a special account in the county treasury and shall be used exclusively to pay for the costs of developing, implementing, operating, maintaining, and evaluating alcohol and drug problem assessment programs.

(d) On January 15 of each year, the treasurer of each county that

administers an alcohol and drug problem assessment program shall determine those moneys in the special account which were not expended during the preceding fiscal year, and shall transfer those moneys into the general fund of the county.

(e) Any moneys remaining in the special account, if and when the alcohol and drug problem assessment program is terminated, shall be transferred into the general fund of the county.

(f) The county treasurer shall annually transfer an amount of money equal to the county's administrative cost incurred pursuant to this section, as he or she shall determine, from the special account to the general fund of the county.

SEC. 6. Section 1.5 of this bill incorporates amendments to Section 11372.7 of the Health and Safety Code proposed by both this bill and SB 789. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1988, but this bill becomes operative first, (2) each bill amends Section 11372.7 of the Health and Safety Code, and (3) this bill is enacted after SB 789, in which case Section 11372.7 of the Health and Safety Code as amended by Section 1 of this bill, shall remain operative only until the operative date of SB 789, at which time Section 1.5 of this bill shall become operative.

SEC. 7. Section 2.5 of this bill incorporates amendments to Section 23196 of the Vehicle Code proposed by both this bill and SB 789. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1988, but this bill becomes operative first, (2) each bill amends Section 23196 of the Vehicle Code, and (3) this bill is enacted after SB 789, in which case Section 23196 of the Vehicle Code, as amended by Section 2 of this bill, shall remain operative only until the operative date of SB 789, at which time Section 2.5 of this bill shall become operative.

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 clarify that the legislation enacted in 1986 was intended to require that counties pay to the state only those assessments actually collected from the offender and in order to avoid discontinuance of drunk driving assessment programs in participating judicial districts that elect to participate in those programs in certain counties, it is necessary that this act take effect immediately.

CHAPTER 248

An act to amend Sections 44000, 44031, 44031.5, 44035, 44050, 44051, 44053, 44055, and 44060 of, and to add Section 44030.5 to, the Health and Safety Code, relating to air pollution.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 44000 of the Health and Safety Code is amended to read:

44000. It is the intent of the Legislature, in enacting this chapter, to commit the State of California to the steps necessary to commence a biennial motor vehicle inspection and maintenance program in the urban nonattainment areas of the state and, upon the request of a district, in other nonattainment areas.

SEC. 2. Section 44030.5 is added to the Health and Safety Code, to read:

44030.5. The department shall, in addition to administering training courses, develop standards for certification of institutions and instructors for purposes of providing prerequisite training of test mechanics or repair mechanics, or both. The standards shall include criteria for applications, manuals, textbooks, laboratory equipment, laboratory exercises, hands-on work, examinations, and other matters the department determines necessary for a certified course of instruction.

The standards shall also specify the conditions under which an institution or instructor may be decertified, and under which a decertified institution or instructor may regain certification.

SEC. 3. Section 44031 of the Health and Safety Code is amended to read:

44031. (a) The owner or manager of every licensed test station and of every licensed repair station shall be a licensed inspector.

(b) Every licensed inspector either shall have completed training courses administered under Section 44031.5 or shall be a qualified test mechanic or qualified repair mechanic.

(c) The license of a licensed inspector shall be issued for a period of two years, commencing January 1, 1988, and is subject to renewal every two years thereafter. The department shall established initial and renewal license fees, which shall not exceed twenty dollars ($20) or the cost of administering training courses prescribed under subdivision (b), whichever is the lesser amount.

SEC. 4. Section 44031.5 of the Health and Safety Code is amended to read:

44031.5. (a) No test mechanic or repair mechanic may perform tests or make repairs for compensation, unless qualified by the completion of training courses prescribed and administered by the

department.

(b) No person may perform the duties of a licensed inspector, including, but not limited to, the signing of certificates, unless that person is licensed and has met the requirements of subdivision (b) of Section 44031. This subdivision applies to every licensed inspector upon the first renewal of the inspector's license after January 1, 1988, and upon each renewal thereafter.

(c) The department shall prescribe and administer training and periodic retraining courses for licensed inspectors, for test mechanics, and for repair mechanics.

(d) Whenever the department determines, through investigation, that a previously qualified mechanic may lack the skills to reliably and accurately perform the test or repair functions within the required qualification, it may prescribe one or more retraining courses for the mechanic. The mechanic may request and be granted a hearing, pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, on the department's determination. The request for a hearing shall be submitted within 30 days of the department's notification of its determination. A failure to complete the prescribed retraining course within the time designated by the department, or to request a hearing within 30 days of the department's notification of its determination, shall result in loss of qualification. Upon a later completion of the prescribed retraining course, the department may reinstate the mechanic's qualification.

(e) Test mechanics and repair mechanics shall have the option to do hands-on work in lieu of written work in order to successfully complete the training and retraining courses. The department shall issue a certificate of completion to each person successfully completing the courses and testing.

(f) There is hereby created a training course advisory board to assist and advise the department in recommending the form and content of training courses. The advisory board shall consist of five members appointed by the Director of Consumer Affairs, of whom two shall represent repair station or test station owners or managers, two shall represent repair or test mechanics, and one shall be a public member. The members of the advisory board shall receive no compensation for their services, but shall be reimbursed for their actual and necessary expenses in performing their duties under this subdivision.

SEC. 5. Section 44035 of the Health and Safety Code is amended to read:

44035. A test station's license, a repair station's license, an inspector's license, a qualified test mechanic's qualification, or a qualified repair mechanic's qualification may be suspended or revoked by the department, after a hearing, for failure to meet or maintain the standards prescribed for qualification, equipment, performance, or conduct. The department shall adopt rules and regulations governing the suspension, revocation, and reinstatement

of licenses and qualifications and the conduct of the hearings.

SEC. 6. Section 44050 of the Health and Safety Code is amended to read:

44050. (a) If, upon investigation, the department has probable cause to believe that a licensed test station, a licensed repair station, a licensed inspector, or a fleet owner licensed under Section 44020 has violated this chapter, or any regulation adopted pursuant to this chapter, the department may issue a citation to the licensee or fleet owner. The citation shall specify the nature of the violation and may specify a civil penalty assessed by the department pursuant to Section 44051 or 44051.5.

(b) If, upon investigation, the department has probable cause to believe that a qualified test mechanic or a qualified repair mechanic has violated Section 44012 or 44015, or any regulation adopted pursuant to this chapter, the department may issue a citation to the mechanic. The citation shall specify the nature of the violation and, in addition, whichever of the following applies:

(1) For a first or second citation, the mechanic shall complete one or more retraining courses prescribed by the department pursuant to subdivision (d) of Section 44031.5.

(2) For a third citation, the mechanic shall complete one or more retraining courses prescribed by the department pursuant to subdivision (d) of Section 44031.5 and the mechanic's qualification shall be suspended until that completion.

(3) For a fourth citation, the mechanic's qualification shall be permanently revoked.

(c) The citation shall be served pursuant to subdivision (c) of Section 11505 of the Government Code.

SEC. 7. Section 44051 of the Health and Safety Code is amended to read:

44051. The civil penalty for a violation of the specified provisions of this chapter is as follows:

Section	Short Description of Violation	Civil Penalty Minimum	Civil Penalty Maximum
44012(a)	No emission control system inspection	$250	$1,500
44012(b)	No emissions test	250	1,500
44014(a)	Unlicensed test station or mechanic	250	1,500
44015(a,b,c)	Failure to issue certificate signed by licensed inspector	150	1,000
44017	Cost limitation requirement	150	1,000
44031.5(a)	Test/repair by unlicensed station or nonqualified mechanic	250	1,500
44033(a)	Test/repair station requirement	100	500

44033(b)	Test on condition of mandatory repair waiver	250	1,500
44033(c)	Signed repair waiver requirement	250	1,500
44033(d)	Test/repair charges separate	100	500
44036(b)	Test/repair station certified equipment requirement	150	1,500
44060(b)	Sale, transfer or purchase of certificate	250	1,500

SEC. 8. Section 44053 of the Health and Safety Code is amended to read:

44053. (a) Any person issued a citation pursuant to Section 44050 may request a hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. A request for a hearing shall be submitted in writing within 30 days of service of the citation, and shall be delivered to the office of the Bureau of Automotive Repair of the department in Sacramento. Hearings and related procedures under this section shall be conducted in the same manner as proceedings for adjudication of an accusation under that Chapter 5, except as otherwise specified in this article.

(b) If, within 30 days from service of the citation, the licensee or qualified mechanic fails to request a hearing, the citation shall be deemed the final order of the department.

SEC. 9. Section 44055 of the Health and Safety Code is amended to read:

44055. (a) Any failure to comply with the final order of the department for payment of a civil penalty, or to pay the amount specified in any settlement executed by the licensee and the Director of Consumer Affairs, shall result in denial of any application for the renewal of the license. The department shall not renew a license or furnish any certificate of compliance or noncompliance forms to the licensee until all civil penalties which have become final, or amounts agreed to in a settlement, have been paid by the licensee.

(b) The department may deny an application for the renewal of a test station or repair station license if the applicant, or any partner, officer, or director thereof, has failed to pay any civil penalty in accordance with this article.

SEC. 10. Section 44060 of the Health and Safety Code is amended to read:

44060. (a) The department shall prescribe the form of the certificate of compliance or noncompliance. The department shall charge a fee to licensed test stations and repair stations for the issuance by the department to the stations of certificate of

compliance or noncompliance forms. The fee charged shall be calculated to allow funding of the department and any other state agency directly involved in the implementation of the motor vehicle inspection program, and shall not exceed the amount reasonably necessary to fund the operation of the program, including all responsibilities, requirements, and obligations imposed upon the department or any of those state agencies by this chapter, which are not otherwise recoverable by license fees pursuant to Section 44034. In no event shall the fee for each certificate of compliance or noncompliance exceed six dollars ($6). It is the intent of the Legislature that the Vehicle Inspection Fund shall maintain a prudent surplus. If the surplus exceeds reasonable costs of administration of the program, the department shall, by regulation, prescribe a lower fee for the certificate of compliance or noncompliance.

(b) The sale or transfer of any certificate of compliance or noncompliance by a licensed test station or licensed repair station to any other licensed test station or repair station or any other person, and the purchase or acquisition of any certificate of compliance or noncompliance by any person, other than from the department, the department's designee, or pursuant to a vehicle inspection or repair conducted pursuant to this chapter, is prohibited.

SEC. 11. 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 249

An act to amend Sections 11901 and 11910 of the Food and Agricultural Code, relating to pest control.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 11901 of the Food and Agricultural Code is amended to read:

11901. It is unlawful for any person to operate any aircraft in pest control unless the pilot operating the aircraft holds a valid pest control aircraft pilot's certificate issued by the director and an appropriate and valid commercial pilot's certificate and a current appropriate medical certificate issued by the Federal Aviation Administration.

SEC. 2. Section 11910 of the Food and Agricultural Code is

amended to read:

11910. The director may refuse to issue a certificate to any pest control aircraft pilot and may revoke or suspend the certificate of any such pilot, after a hearing, upon finding that the pilot is not qualified to conduct the pest control operations in accordance with the certificate, or that the pilot does not hold an appropriate and valid commercial pilot's certificate and a current appropriate medical certificate issued by the Federal Aviation Administration, or that the pilot has violated any provision of this division or Division 7 (commencing with Section 12501) pertaining to pesticides or any regulation adopted pursuant to these provisions or any regulation of an agricultural commissioner or any industrial safety order of the Department of Industrial Relations or has not complied with any order of the director or commissioner as authorized by Section 11737.

The director may, pending a hearing, suspend or condition the certificate of any pest control aircraft pilot when, upon an investigation that the director determines to be necessary and upon the receipt of affidavits by the enforcement personnel provided in Section 11501.5 or injured parties, the director finds that continuance of the certificate endangers public welfare or safety. The director may terminate the suspension or condition upon the taking of corrective action that the director determines to be satisfactory to assure qualification or compliance with the law or regulations. In that event, the matter may proceed to hearing as though that action had not been taken.

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 250

An act to amend Sections 2550, 2551, 2554, and 2555 of, and to add Sections 2550.1 and 2556 to, the Streets and Highways Code, relating to freeway emergencies.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 2550 of the Streets and Highways Code is amended to read:

2550. A Service Authority for Freeway Emergencies may be established in any county if the board of supervisors of the county and the city councils of a majority of the cities within the county

having a majority of the population of cities within the county adopt resolutions providing for the establishment of the authority. The resolutions may designate the county transportation commission for the county, created pursuant to Division 12 (commencing with Section 130000) of the Public Utilities Code, as the Service Authority for Freeway Emergencies. The powers of a commission so designated are limited to those of the Service Authority for Freeway Emergencies.

The Metropolitan Transportation Commission may function as the Service Authority for Freeway Emergencies in any or all of the Counties of Santa Clara, San Mateo, Alameda, Contra Costa, Marin, Solano, Sonoma, Napa and the City and County of San Francisco upon adoption of a resolution by the commission to act as a service authority and upon ratification of the commission's resolution in a particular county by the board of supervisors of the city and county or by the board of supervisors of the county and by the city councils of the cities within the county having a majority of the population of the cities within the county.

SEC. 1.5. Section 2550.1 is added to the Streets and Highways Code, to read:

2550.1. When the Metropolitan Transportation Commission functions as the Service Authority for Freeway Emergencies for two or more counties, the revenues which it receives pursuant to Section 9250.10 of the Vehicle Code, after retention of amounts necessary to reimburse the commission for its reasonable and necessary administrative costs, shall be expended for implementation, maintenance, and operation of emergency motorist aid systems within those counties. The amount expended for each of those counties shall be in the same proportion as the revenues generated within the county bears to the total revenues received by the commission. Expenditures may be made in a county in addition to revenues proportionately generated if the expenditures are approved by all of the donor county representatives on the service authority.

SEC. 2. Section 2551 of the Streets and Highways Code is amended to read:

2551. An authority, other than the Metropolitan Transportation Commission or a county transportation commission designated pursuant to Section 2550, shall have seven members, with two members selected by the board of supervisors and five members selected jointly by the city councils of cities within the county.

When the Metropolitan Transportation Commission functions as a service authority, it shall consist of all the members of the commission as set forth in Section 66503 of the Government Code.

SEC. 3. Section 2554 of the Streets and Highways Code is amended to read:

2554. (a) Except as provided by subdivision (b), 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, including the lease or lease-purchase of facilities and equipment for the system, on the portions of the California Freeway and Expressway System and a county expressway system, and on state highway routes that connect segments of these systems, which are located within the county in which the authority is established and over which the Department of the California Highway Patrol has law enforcement responsibility. 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 or any other public entity may construct and maintain, and lease or lease-purchase on such terms and conditions as it deems appropriate, the facilities of an emergency motorist aid system or it may contract with a private person or entity to do so.

(b) If leases or lease-purchase agreements are entered into pursuant to subdivision (a), or if revenue bonds are issued and sold pursuant to Section 2555, the moneys received by each authority pursuant to subdivision (b) of Section 9250.10 of the Vehicle Code shall be used to the extent necessary to make lease payments or to pay the principal of, and interest on, the amount of bonded indebtedness outstanding, as the case may be. Facilities and equipment acquired through the expenditure of proceeds from the sale of those bonds shall have a useful life at least equal to the term of the bonds.

SEC. 4. Section 2555 of the Streets and Highways Code is amended to read:

2555. (a) Subject to subdivision (b), any service authority may issue revenue bonds pursuant to Chapter 6 (commencing with Section 54300) of Division 2 of Title 5 of the Government Code, or Chapter 5 (commencing with Section 4950) of Part 3 of Division 5 of the Health and Safety Code, as nearly as practicable, for the implementation and maintenance of an emergency motorist aid system for emergency call boxes and pledge revenues to be received from fees referred to in Section 2553. In addition, a service authority which has entered into one or more leases or lease-purchase agreements for facilities of an emergency motorist aid system may also pledge, as security for the payment of amounts due under such lease or agreements, revenues to be received from those fees. Bond proceeds shall not be used for operation of an emergency motorist aid system for emergency call boxes.

(b) A service authority may issue revenue bonds for each county within its jurisdiction only during the two-year period immediately following the start of the collection of a fee imposed pursuant to Section 2553 for that county.

SEC. 6. Section 2556 is added to the Streets and Highways Code, to read:

2556. An existing service authority for freeway emergencies established by any of the counties or the city and county enumerated in Section 2550 may be merged into a service authority for freeway emergencies established by the Metropolitan Transportation Commission.

CHAPTER 251

An act relating to the world's fair, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987.]

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

SECTION 1. (a) The sum of seven hundred thousand dollars ($700,000) is hereby appropriated from the General Fund to the Business, Transportation and Housing Agency, without regard to fiscal years, to enable this state, under the general supervision of the agency, to participate in the 1988 World Exposition in Brisbane, Australia and other appropriate events in celebration of Australia's bicentennial. The funds shall be used for the design, construction, and operation of a California exhibit at the exposition and for planning and participating in special events related to the exposition and the Australian bicentennial.

(b) The Secretary of the Business, Transportation and Housing Agency may expend the appropriation made pursuant to subdivision (a) for the purposes specified therein. Any unspent portion of the appropriation shall revert to the General Fund no later than December 31, 1988.

(c) The Secretary of the Business, Transportation and Housing Agency is hereby encouraged to seek, and is authorized to spend, private sector donations to expand and enhance the quality of, and to help offset the General Fund cost of, the state's participation in the 1988 World Exposition and bicentennial in Australia.

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 State of California may begin planning for its participation in Australia's bicentennial and the 1988 World Exposition in Brisbane, Australia, it is necessary that this act take effect immediately.

CHAPTER 252

An act to amend Sections 19596.5 and 19612.6 of, and to add Sections 19417.6 and 19534 to, the Business and Professions Code, and to amend Section 4058 of the Food and Agricultural Code, relating to horseracing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 19417.6 is added to the Business and Professions Code, to read:

19417.6. "Appaloosa invitational meeting" means a meeting conducted by an association in which Appaloosa horses would be featured and in which any other breeds invited to participate by the association may race.

SEC. 2. Section 19534 is added to the Business and Professions Code, to read:

19534. (a) Notwithstanding Section 19531 or 19532, the board may allocate up to 100 days of racing to an association licensed to conduct racing for the purpose of conducting an Appaloosa invitational meeting. An Appaloosa invitational meeting may only be held at a racing facility leased from the California Exposition and State Fair, a district agricultural association, or a county fair.

(b) Notwithstanding Section 19414.5, a racing meeting conducted pursuant to this section shall consist of racing weeks of not less than four days.

SEC. 3. 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. Notwithstanding any other provision of law or any agreement under this subdivision, for purposes of determining license fees and breakage at the racetrack where the racing meeting is conducted, wagers at a satellite facility shall not be included in the conventional

or exotic pools of the association conducting the racing meeting.

(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) (1) 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 and 1½ percent of the amount handled by the satellite wagering facility located at a fair inclosure, or an amount equal to actual expenses as determined by the board, whichever amount is less, shall be distributed to the entity or association that incurs operating expenses related to satellite wagering, including, but not limited to, transmission costs, totalizator charges, and mutuel labor charges. The funds remaining after distribution of the 2 percent commission and the 1½ percent, or amount of actual expenses, operating expense deduction shall be distributed (reduced pro rata for the 2 percent commission and the 1½ percent, or amount of actual operating expenses, operating expense deduction) first, for applicable state license fees, and second, 50 percent to the association which conducts the racing meeting; 45 percent to the horsemen, in the form of purses, who participate in the racing meeting of the association which conducts the racing meeting; and, 5 percent to the horsemen, in the form of purses, who participate in racing fairs that operate satellite wagering facilities.

(2) The 5 percent of these funds which go to horsemen who participate in racing fairs shall be deposited in a separate account in the fund. Upon appropriation to the board, the funds in the account shall be distributed to the horsemen, as purses, during the fair season following the season in which it was deposited. These funds shall be distributed on an equal basis to each racing fair track that operates satellite wagering facilities for distribution in all nonstakes races and among all breeds.

(c) Except as provided in subdivisions (d) and (e), 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 of Food and Agriculture 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.

(d) Seven and one-half percent of all revenues payable to the state from satellite wagering facilities located at fairs shall be deposited in the General Fund.

(e) Up to 10 percent of all revenues payable to the state from satellite wagering facilities located at fairs shall be deposited in a special account in the General Fund and shall be available, when appropriated by the Legislature, for supplementing purses at fair meetings to achieve the purposes of subdivision (f). The department shall annually determine the percentage of revenues payable to the special account under this subdivision based on the amount necessary to achieve the purposes of subdivision (f).

(f) It is the intent of the Legislature that funds allocated pursuant to subdivision (e) be used primarily at fair racing meetings in the northern zone with a daily average handle of more than three hundred thousand dollars ($300,000). The Legislature further finds that its intent is that these allocations be used to bring the purses at these fairs, exclusive of purses for stakes races and special events, to a level of at least 80 percent of purses for similar classes of horses at private racing associations in the northern zone.

SEC. 4. Section 19612.6 of the Business and Professions Code is amended to read:

19612.6. (a) Notwithstanding any other provision of this chapter, any association with an average daily handle of six hundred fifty thousand dollars ($650,000) or less which conducts a racing meeting pursuant to Section 19534, 19549, 19549.1, 19549.2, 19549.5, 19549.6, 19549.7, or 19701 shall deduct the amounts specified in Section 19610 to be distributed as license fees, commissions, and purses as provided by this section.

(b) Each such association shall pay a daily license fee based on its conventional and exotic parimutuel handle at the following rates:

Daily handle	License fee rate
$300,000 and under	1.0 percent of the handle
$300,001 to $350,000	$3,000 plus 1.5 percent of the handle in excess of $300,000
$350,001 to $400,000	$3,750 plus 2.0 percent of the handle in excess of $350,000
$400,001 to $450,000	$4,750 plus 2.5 percent of the handle in excess of $400,000
$450,001 to $500,000	$6,000 plus 3.0 percent of the handle in excess of $450,000
$500,001 to $550,000	$7,500 plus 3.5 percent of the handle in excess of $500,000
$550,001 or more	$9,250 plus 4.0 percent of the handle in excess of $550,000

(c) For harness and mixed meetings the amount remaining after deduction of the state license fee pursuant to subdivision (b) shall be distributed equally between commissions and purses. For quarter horse and muleracing meetings, the amount remaining after deduction of the state license fee pursuant to subdivision (b) shall be distributed between commissions and purses as agreed to by the association conducting the meeting and the organization representing the horsemen or mulemen participating in the meeting. For fair meetings conducted pursuant to Section 19549, the amount remaining after deduction of the state license fee pursuant to subdivision (b) shall be distributed 48 percent to commissions and 52 percent to purses.

Every association which conducts a racing meeting pursuant to Section 19549 shall, in addition, deduct from its parimutuel pools the amount specified in subdivision (d) of Section 19614.

(d) In the event that any association qualified to operate its meeting pursuant to the provisions of this section conducts two separate programs of racing on any day, each such program shall be considered a separate racing day for purposes of determining the daily handle and computing the distribution of license fees, commissions, and purses thereon. For the purposes of this subdivision, a program shall consist of at least nine races.

(e) In addition to any deductions pursuant to this section, every association conducting a racing meeting pursuant to Section 19549.1 shall also deduct an additional 1 percent of its parimutuel pools to be distributed as commissions.

(f) In addition to any deductions pursuant to this section, every association conducting a racing meeting pursuant to Section 19549.1 shall also deduct an additional 2 percent of its exotic parimutuel pools to be distributed equally as commissions and purses.

SEC. 5. Section 4058 of the Food and Agricultural Code is amended to read:

4058. (a) Notwithstanding Section 4052, the California Exposition and State Fair or a district agricultural association, with the approval of both the Department of Food and Agriculture and the Department of General Services, may utilize its racing facilities for conducting horseracing meetings, with parimutuel wagering, on days other than the days on which general fair activities are conducted. The horseracing meetings shall include a program consisting of either all breeds of horses or an Appaloosa invitational meeting as defined in Section 19417.6 of the Business and Professions Code.

(b) The association shall designate certain days of a meeting held pursuant to this section as charity days with the proceeds therefrom to be distributed in accordance with Sections 19550 and 19556 of the Business and Professions Code.

(c) The association shall encourage the racing of the emerging breeds of horses.

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 changes in the California Horse Racing Law made by this act to be operative in time for the 1987 fall racing season, it is necessary that this act take effect immediately.

CHAPTER 253

An act to add Section 10403.5 to the Public Contract Code, relating to co-compost products.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 10403.5 is added to the Public Contract Code, to read:

10403.5. The Solid Waste Management Board shall conduct with each state department and agency which purchases co-compost or compost products, regular fertilizer, or soil amendment products, including those state departments specified in Section 10403, testing of co-compost products produced at testing sites selected by the Solid Waste Management Board to determine whether the products meet the requirements specified in Sections 10401 and 10402 and any applicable state standards and regulations determined pursuant to Section 10403.

On or before January 1, 1989, the Legislative Analyst shall evaluate the results of the tests required by this section and report its findings to the Legislature as an interim report. The final report is due on January 1, 1990. The private contractor shall provide the necessary products by January 1, 1989. If the products are delayed, the report deadline shall be delayed by the same amount of time.

The private contractor which constructs and operates the co-compost facility on the permanent site selected by the City of Los Angeles shall agree to provide the necessary co-compost products and agree in advance to pay with nonstate funds an amount to the Solid Waste Management Board and each state department or agency for any costs that the department or agency incurs in testing products pursuant to this section and shall pay the Legislative Analyst for costs incurred in evaluating test results.

CHAPTER 254

An act to amend Section 697.370 of the Code of Civil Procedure, and to amend Section 12811.1 of the Public Utilities Code, relating to liens.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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 in _____ County presently owned or hereafter acquired 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 12811.1 of the Public Utilities Code is amended to read:

12811.1. (a) A district may, by resolution or ordinance, require the owner of record of real property within the district to pay the fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or other occupant of the property and those fees, tolls, rates, rentals, and other charges that have become delinquent, together with interest and penalties thereon, are a lien on the property when a certificate is filed in the office of the county recorder pursuant to subdivision (b) and the lien has the force, effect, and priority of a judgment lien. No lien may be created under this section on any publicly owned property.

(b) A lien under this section attaches when the district files for recordation in the office of the county recorder a certificate specifying the amount of the delinquent fees, tolls, rates, rentals, or other charges together with interest and penalties thereon; the name of the owner of record of the property to which services were rendered by the district; and the legal description of the property. Within 30 days of receipt of payment of all amounts due, including recordation fees paid by the district, the district shall file for recordation a release of the lien.

(c) In filing any instrument for recordation under this section, the district shall pay the fees specified in Sections 27361 and 27361.4 of the Government Code.

(d) The remedies in this section are in addition to any other remedy provided by law.

(e) This section does not apply to delinquent fees or charges for the furnishing of water to residential property or electrical service.

CHAPTER 255

An act to amend Sections 2626.1 and 2626.2 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 2626.1 of the Unemployment Insurance Code is amended to read:

2626.1. (a) An individual who is a resident in an alcoholic recovery home pursuant to referral or recommendation by a physician shall be eligible for disability benefits for a period not in

excess of 30 days in any disability benefit period while receiving resident services, if an authorized representative of the alcoholic recovery home certifies that the individual is a resident participating in an alcoholic recovery program which has been certified by the State Department of Alcohol and Drug Programs. The individual shall be eligible for disability benefits for an additional period not in excess of 60 days if the referring physician certifies to the need of the individual for continuing resident services.

(b) The department shall reimburse the State Department of Alcohol and Drug Programs from the Disability Fund, in a reasonable amount as determined by the department, for the expense of reviewing any alcoholic recovery program, as required by the department in the administration of subdivision (a) which is not funded in the county alcohol program plan provided for in Article 3 (commencing with Section 11810) or Article 4 (commencing with Section 11830) of Part 2 of Division 10.5 of the Health and Safety Code.

(c) Outside the State of California, an individual who is a resident in an alcohol recovery home pursuant to referral or recommendation by a physician shall be eligible for disability benefits for a period not in excess of 30 days in any disability benefit period while receiving resident services, if an authorized representative of the alcoholic recovery home certifies that the individual is a resident participating in an alcoholic recovery program, licensed by or satisfying a program review by the state in which the facility is located. The individual shall be eligible for disability benefits for an additional period not in excess of 60 days if the referring physician certifies to the need of the individual for continuing resident services.

SEC. 2. Section 2626.2 of the Unemployment Insurance Code is amended to read:

2626.2. (a) An individual who is a resident in a drug-free residential facility pursuant to referral or recommendation by a physician shall be eligible for disability benefits for a period not in excess of 45 days in any disability benefit period while receiving resident services, if an authorized representative of the drug-free residential facility certifies that the individual is a resident participating in a drug-free residential facility which has satisfied a program review by the State Department of Alcohol and Drug Programs. The individual shall be eligible for disability benefits for an additional period not in excess of 45 days if the referring physician certifies to the need of the individual for continuing resident services.

(b) The department shall reimburse the State Department of Alcohol and Drug Programs from the Disability Fund, in a reasonable amount as determined by the department, for the expense of reviewing any drug-free residential facility, as required by the department in the administration of subdivision (a), which is not funded under the federal Drug Abuse Office and Treatment Act of 1972 (Public Law 92-255) or in conformance with Chapter 4

(commencing with Section 11980) of Part 3 of Division 10.5 of the Health and Safety Code.

(c) Outside the State of California, an individual who is a resident in a drug-free residential facility pursuant to referral or recommendation by a physician shall be eligible for disability benefits for a period not in excess of 45 days in any disability benefit period while receiving resident services, if an authorized representative of the drug-free residential facility certifies that the individual is a resident participating in a drug-free residential program, licensed by or satisfying a program review by the state in which the facility is located. The individual shall be eligible for disability benefits for an additional period, but not in excess of 45 days, if the referring physician certifies to the need of the individual for continuing resident services.

CHAPTER 256

An act to amend Section 51225.3 of the Education Code, relating to secondary education.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 51225.3 of the Education Code, as added by Section 2 of Chapter 1158 of the Statutes of 1985, is amended to read:

51225.3. (a) Commencing with the 1988–89 school year, no pupil shall receive a diploma of graduation from high school who, while in grades 9 to 12, inclusive, has not completed all of the following:

(1) At least the following numbers of courses in the subjects specified, each course having a duration of one year, unless otherwise specified.

(A) Three courses in English.

(B) Two courses in mathematics.

(C) Two courses in science, including biological and physical sciences.

(D) Three courses in social studies, including United States history and geography; world history, culture, and geography; a one-semester course in American government and civics, and a one-semester course in economics.

(E) One course in visual or performing arts or foreign language. For the purposes of satisfying the requirement specified in this subparagraph, a course in American Sign Language shall be deemed a course in foreign language.

(F) Two courses in physical education, unless the pupil has been exempted pursuant to the provisions of this code.

(2) Such other coursework as the governing board of the school

district may by rule specify.

(b) The governing board, with the active involvement of parents, administrators, teachers, and pupils, shall adopt alternative means for students to complete the prescribed course of study which may include practical demonstration of skills and competencies, supervised work experience or other outside school experience, interdisciplinary study, independent study, and credit earned at a postsecondary institution. Requirements for graduation and specified alternative modes for completing the prescribed course of study shall be made available to pupils, parents, and the public.

This section shall become operative on July 1, 1988.

CHAPTER 257

An act to amend Section 148 of, and to add Section 409.3 to, the Penal Code, relating to crime.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987.]

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

SECTION 1. Section 148 of the Penal Code is amended to read:

148. Every person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety Code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, is punishable by a fine not exceeding one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding one year, or by both such fine and imprisonment.

SEC. 2. Section 409.3 is added to the Penal Code, to read:

409.3. Whenever law enforcement officers and emergency medical technicians are at the scene of an accident, management of the scene of the accident shall be vested in the appropriate law enforcement agency, whose representative shall consult with representatives of other response agencies at the scene to ensure that all appropriate resources are properly utilized.

For purposes of this section, "management of the scene of an accident" means the coordination of operations which occur at the location of an accident.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for 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.

However, notwithstanding Section 17610 of the Government

Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 258

An act to amend Sections 14511.7, 14514.5, 14541, 14560, 14561, 14571.6, 14571.7, 14571.8, 14572, 14573.5, 14575, 14581, and 14585 of, and to add Sections 14536.2 and 14554 to, the Public Resources Code, relating to beverage containers, making an appropriation therefor and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987. Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 14511.7 of the Public Resources Code is amended to read:

14511.7. "Dropoff or collection program" means any person, association, nonprofit corporation, church, club, or other organization which meets the requirements of this division as determined by the department, and which accepts or collects empty beverage containers from consumers with the intention to recycle them, or any waste reduction facility that separates beverage containers from the waste stream with the intent to recycle them, but is not certified by the department and does not pay consumers the redemption value or redemption bonus. "Dropoff or collection program" does not include a certified recycling center, nonprofit dropoff program, or curbside program.

SEC. 2. Section 14514.5 of the Public Resources Code is amended to read:

14514.5. "Nonprofit dropoff program" means a recycling program which meets all of the following criteria:

(a) The program is organized under Section 501(c) or Section 501(d) of the Internal Revenue Code (26 U.S.C. Sec. 501(c), 501(d)), or operated by, or caused to be operated by, a city, county, or other public agency.

(b) The program is certified by the department pursuant to Section 14541.5.

(c) The program accepts empty beverage containers from consumers with the intent to recycle them, but may pay the redemption value or redemption bonus or both the redemption

value and redemption bonus. If the program pays the redemption value or redemption bonus, or both the redemption value and redemption bonus, the program shall pay the redemption value or redemption bonus, or both the redemption value and redemption bonus, for all types of redeemable beverage containers, regardless of the beverage container's material.

SEC. 3. Section 14536.2 is added to the Public Resources Code, to read:

14536.2. Notwithstanding subdivision (c) of Section 14536, any emergency regulations adopted by the director to implement the amendments or additions made by the act of the 1987–88 Regular Session which added this section shall not be submitted to the committee.

SEC. 4. Section 14541 of the Public Resources Code is amended to read:

14541. (a) After notice and a hearing, the department may revoke, suspend, or refuse to renew a certificate granted pursuant to Section 14538 or 14539, or may impose a civil penalty on the holder of a certificate, for any one of, or any combination of, the following reasons:

(1) The certificate holder is convicted of any crime substantially related to the qualifications, functions, and duties of a certificate holder.

(2) The certificate holder engaged in fraud or deceit to obtain a certificate.

(3) The certificate holder engaged in dishonesty or substantial incompetence or fraud in performing the functions and duties of a certificate holder.

(4) The certificate holder willfully violated Section 14550, 14572, 14572.5, 14573, 14573.5, or 14575.

(b) In making a decision pursuant to subdivision (a), the department may do any of the following:

(1) Immediately revoke the certificate.

(2) Immediately suspend the certificate for a specified period of time.

(3) Permit the certificate holder to continue operation as a certified processor or recycling center until a specific date, at which time the revocation or suspension shall become effective.

(4) Permit the certificate holder to continue operation as a certified processor or recycling center on condition of complying with any conditions which the department determines would further the goals of this division.

(5) Impose a civil penalty of not more than one hundred dollars ($100) per violation. Each day that a violation occurs shall be considered a separate violation. The department shall deposit all revenues from civil penalties in the California Beverage Container Recycling Fund.

(c) The department may examine the accounts and records of distributors and beverage manufacturers and assess a penalty of 10

percent per year and interest for underpayments of the redemption value for containers to the California Beverage Container Recycling Fund. The department may also impose a penalty of 15 percent of the amount due for payments up to a month late and a 5 percent additional penalty for each month the payments continue to be unremitted.

(d) The department may examine the accounts and records of any beverage manufacturer which pays a processing fee pursuant to Section 14575. The department may assess a penalty of 10 percent per year and interest for underpayments of the applicable processing fee to the California Beverage Container Recycling Fund. The department may also impose a penalty of 15 percent of the amount due for payments up to a month late and a 5 percent additional penalty for each month the payments continue to be unremitted.

If the department determines that an audit of a beverage manufacturer shows that there has been an underpayment of a processing fee, the department may examine the records of any container manufacturer who supplied the beverage containers to the beverage manufacturer.

SEC. 5. Section 14554 is added to the Public Resources Code, to read:

14554. The department shall establish procedures to protect any proprietary information concerning sales, purchases, and operations obtained while collecting information for carrying out the requirements of this division.

SEC. 6. Section 14560 of the Public Resources Code is amended to read:

14560. (a) Except as provided in subdivisions (b), (c), (d), (e), (f), and (g), on or after September 1, 1987, every beverage container which is sold or offered for sale by a distributor in this state, and on or after October 1, 1987, every beverage container which is sold or offered for sale in this state by a dealer, shall have a minimum redemption value of not less than one cent ($0.01).

(b) Except as provided in subdivisions (c), (d), and (e), on and after December 31, 1989, a beverage container shall have a redemption value of not less than two cents ($0.02) if both of the following conditions are met for that specific type of beverage container:

(1) For the reporting period beginning January 1, 1989, and ending June 30, 1989, the redemption rate determined pursuant to Section 14551 for that type of beverage container is less than 65 percent.

(2) The average redemption rate for the highest two of any three reporting periods, the third period of which is the period ending June 30, 1989, is less than 65 percent.

(c) Except as provided in subdivisions (b), (d), (e), and (g), if for any two of any three consecutive reporting periods subsequent to December 31, 1987, the redemption rate determined pursuant to Section 14551 for that type of beverage container is less than 65

percent, every beverage container of that type shall have a redemption value of not less than two cents ($0.02) beginning six months after the end of the third reporting period.

(d) Except as provided in subdivisions (e) and (g), on and after December 31, 1992, a beverage container shall have a redemption value of not less than three cents ($0.03) if both of the following conditions are met for that specific type of beverage container:

(1) For the reporting period beginning January 1, 1992, and ending June 30, 1992, that type of beverage container has a redemption value of not less than two cents ($0.02) and the redemption rate determined pursuant to Section 14551 for that type of beverage container is less than 65 percent.

(2) The average redemption rate for the highest two of any four reporting periods, the fourth period of which is the period ending June 30, 1992, is less than 65 percent.

(e) Except as provided in subdivisions (d) and (g), if for any two of any four consecutive reporting periods subsequent to June 30, 1990, the redemption rate of any type of beverage container with a current redemption value of not less than two cents ($0.02) is less than 65 percent, the redemption value of every beverage container of that type shall be increased to not less than three cents ($0.03) beginning six months following the end of the fourth reporting period.

(f) Except as provided in subdivision (g), once any redemption value is established pursuant to subdivision (b), (c), (d), or (e) for any type of beverage container, the redemption value shall not be decreased based upon the redemption rate.

(g) The redemption value of a specific type of beverage container which has had its redemption value established pursuant to subdivision (d) or (e) shall be decreased to not less than two cents ($0.02) if the redemption rate for that type of beverage container is 80 percent or more during all of four consecutive reporting periods. The decrease shall occur six months following the end of the fourth reporting period. If the redemption rate for that type of beverage container thereafter falls below 65 percent for any two of any four consecutive reporting periods, the redemption value for that type of beverage container shall be increased to three cents ($0.03) until a redemption rate of 80 percent or more, during all of four consecutive reporting periods, is established for that type of beverage container.

(h) This section does not apply to any refillable beverage container.

SEC. 7. Section 14561 of the Public Resources Code is amended to read:

14561. (a) On and after September 1, 1987, a manufacturer shall clearly indicate on every beverage container sold or offered for sale by the beverage manufacturer in this state the message "CA Redemption Value" or "California Redemption Value," by either printing or embossing the beverage container or by securely affixing a clear and prominent stamp, label, or other device to the beverage

container. Any refillable beverage container sold or offered for sale is exempt from this subdivision. However, any beverage manufacturer or container manufacturer may place upon, or affix to, a refillable beverage container, any message which they deem appropriate relating to the refund value of the container.

On and after October 1, 1987, no person shall offer to sell, or sell, to a consumer a beverage container which has not been labeled pursuant to this subdivision unless the beverage container is a refillable beverage container which is exempt from this subdivision.

(b) The department may require that any beverage container intended for sale in this state be printed, embossed, stamped, labeled, or otherwise marked with a universal product code or similar machine-readable indicia.

(c) A beverage manufacturer may print, emboss, or label a beverage container in the manner specified in subdivision (a) before September 1, 1987, and a distributor may distribute the beverage container to dealers and consumers before September 1, 1987. Notwithstanding any other provision of law, the department shall require a beverage manufacturer and distributor to pay the department the redemption values and processing fees required by Section 14574 and 14575 for any of these beverage containers sold or transferred to a dealer or consumer before September 1, 1987.

(d) Any container labeled with the "CA Redemption Value" or "California Redemption Value" message shall have the minimum redemption value established pursuant to Section 14560, which shall be paid by the distributor to the department pursuant to Section 14574.

SEC. 8. Section 14561 of the Public Resources Code is amended to read:

14561. (a) On and after August 1, 1987, a manufacturer of beer and other malt beverages shall clearly indicate on every beverage container sold or offered for sale by that beverage manufacturer in this state the message "CA Redemption Value" or "California Redemption Value," by either printing or embossing the beverage container or by securely affixing a clear and prominent stamp, label, or other device to the beverage container.

(b) On and after September 1, 1987, a manufacturer of carbonated mineral and soda waters, and similar carbonated soft drinks in liquid form shall clearly indicate on every beverage container sold or offered for sale by that beverage manufacturer in this state the message " CA Redemption Value" or "California Redemption Value" in the manner prescribed in subdivision (a).

(c) Any refillable beverage container sold or offered for sale is exempt from subdivisions (a) and (b). However, any beverage manufacturer or container manufacturer may place upon, or affix to, a refillable beverage container, any message which they deem appropriate relating to the refund value of the container.

(d) On and after October 1, 1987, no person shall offer to sell, or sell to a consumer a beverage container which has not been labeled

pursuant to this section, except for a refillable beverage container which is exempt from labeling.

(e) The department may require that any beverage container intended for sale in this state be printed, embossed, stamped, labeled, or otherwise marked with a universal product code or similar machine-readable indicia.

(f) A beverage manufacturer of beer and other malt beverages may print, emboss, or label a beverage container in the manner specified in subdivision (a) before August 1, 1987, and a distributor may distribute the beverage container to dealers and consumers before August 1, 1987. Notwithstanding any other provision of law, the department shall require the beverage manufacturer and distributor to pay the department the redemption values and processing fees required by Sections 14574 and 14575 for any of these beverage containers sold or transferred to a dealer or consumer before September 1, 1987.

(g) A beverage manufacturer of carbonated mineral and soda waters, and similar carbonated soft drinks in liquid form, may print, emboss, or label a beverage container in the manner specified in subdivision (a) before September 1, 1987, and a distributor may distribute the beverage container to dealers and consumers before September 1, 1987. Notwithstanding any other provision of law, the department shall require the beverage manufacturer and distributor to pay the department the redemption values and processing fees required by Section 14574 and 14575 for any of these beverage containers sold or transferred to a dealer or consumer before September 1, 1987.

(h) Any container labeled with the "CA Redemption Value" or "California Redemption Value" message shall have the minimum redemption value established pursuant to Section 14560, which shall be paid by the distributor to the department pursuant to Section 14574.

SEC. 9. Section 14571.6 of the Public Resources Code is amended to read:

14571.6. On or after January 1, 1988, in any convenience zone where no recycling location has been established which satisfies the requirements of Section 14571, all dealers within that zone shall, until a recycling location has been established in that zone, do one of the following:

(a) Offer to redeem all types of beverage containers.

(b) Pay to the department for deposit in the California Beverage Container Recycling Fund the sum of one hundred dollars ($100) per day until a recycling location is established.

SEC. 10. Section 14571.7 of the Public Resources Code is amended to read:

14571.7. After January 1, 1988, in any convenience zone where a recycling location or locations were initially established, but where the location or locations cease to operate in accordance with Section 14571, the department shall notify all dealers within that

convenience zone that a recycling location is required to be established within 90 days. The department shall offer a convenience incentive payment and the retention of the redemption bonus to one recycling location only. If, within 45 days of the notification, no recycling location has been established which satisfies the requirements of Section 14571, the department shall notify all dealers within that zone, and one or more dealers within that zone shall establish, or cause to be established, a recycling location. If, within 90 days of the initial notification, no recycling location has been established, all dealers within that zone shall, until a recycling location has been established, do one of the following:

(a) Offer to redeem all types of beverage containers.

(b) Pay to the California Beverage Container Recycling Fund the sum of one hundred dollars ($100) per day until a recycling location is established.

SEC. 11. Section 14571.8 of the Public Resources Code is amended to read:

14571.8. (a) If the department determines that Section 14571 cannot be fulfilled in a particular convenience zone due to local zoning or dealer's leasehold restrictions for leases in effect on January 1, 1987, and that these factors are beyond the control of the department and the dealer, the department may establish an alternative minimum convenience requirement for that convenience zone which shall not conflict with the purposes of this division. No lease entered into by a dealer after January 1, 1987, may contain a leasehold restriction that prohibits or results in the prohibition of the establishment of a recycling location.

(b) The director may grant an exemption to the requirements of Section 14571 if all of the following conditions exist:

(1) The director may grant an exemption only for individual convenience zones. The director shall not grant a blanket exemption to areas larger than a single convenience zone.

(2) Exemptions may be granted only to further the purposes of this division.

(3) Exemptions may only be granted after a public hearing by the department.

(4) An exemption may only be granted to prevent the creation of excessive recycling locations resulting in severe adverse local market conditions for recycled materials or if, after a public hearing, a city, county, or city and county requests an exemption for an existing nonprofit recycling center for its location or locations.

(5) The total number of exemptions shall not be more than 10 percent of all the recycling locations which would otherwise be created under this division, as calculated by the department pursuant to Section 14571.

(6) The director shall not grant an exemption which would significantly decrease the ability of consumers to conveniently return beverage containers for the redemption value.

(7) In areas with curbside programs which collect and recycle

beverage containers, the director shall not grant an exemption for the benefit of the curbside program unless the local agency administering the program requests the department to grant an exemption and the program collects and recycles all types of beverage containers from households at least weekly.

SEC. 12. Section 14572 of the Public Resources Code is amended to read:

14572. (a) Except as provided in subdivisions (b) and (c), a certified recycling center shall accept from any consumer or dropoff or collection program any empty beverage container, and shall pay to the consumer or dropoff or collection program the redemption value and any applicable redemption bonus of the beverage container. The center may pay the redemption value and any applicable redemption bonus based on the weight of returned containers.

(b) A recycling center or recycling location may refuse to pay any redemption bonus for a beverage container to a consumer under either of the following circumstances:

(1) If the beverage container is returned to any mechanical device which accepts empty beverage containers and issues a cash refund or redeemable credit slip of not less than the redemption value of the container. The exemption provided by this paragraph shall apply only to beverage containers returned on or before April 1, 1989.

(2) If the recycling center or location was established or caused to be established solely pursuant to Section 14571.3, 14571.4, 14571.5, or 14571.7 and the department authorizes retention of the redemption bonus pursuant to Section 14571.3, 14571.4, 14571.5, or 14571.7.

(c) Any recycling center or processor which was in existence on January 1, 1986, and which refused, as of January 1, 1986, to accept at a particular location a certain type of empty beverage container may continue to refuse to accept at the location the type or types of empty beverage containers that the recycling center or processor refused to accept as of January 1, 1986. Any recycling center which refuses, pursuant to this subdivision, to accept a certain type or types of empty beverage containers shall pay to the consumer the full redemption bonus for containers accepted and is not eligible to receive convenience incentive payments unless the center agrees to accept all types of empty beverage containers. This subdivision does not preclude the recycling center from retaining the redemption bonus or receiving a convenience incentive payment for beverage containers redeemed at locations which do accept all types of containers.

(d) The department shall terminate the authorization for retention of the redemption bonus pursuant to Section 14571.5 or 14571.7 if another recycling location is willing to redeem containers to satisfy the requirements of Section 14571 within the convenience zone without retaining the redemption bonus.

SEC. 13. Section 14573.5 of the Public Resources Code is

amended to read:

14573.5. Except as provided in Section 14573.6, a processor shall pay to a recycling center, dropoff or collection program, curbside program, or nonprofit dropoff program, for all types of empty beverage containers, by type of beverage container, received by the processor from recycling center, curbside program, dropoff or collection program, or nonprofit dropoff program, the sum of all of the following amounts:

(a) The redemption value.

(b) The applicable redemption bonus.

(c) One percent of the redemption value for administrative costs.

(d) The portion of the processing fee established pursuant to Section 14575 representing the actual cost and financial return incurred by the recycling center, as determined by the department.

The processor shall make this payment within two working days of the date the processor receives these empty beverage containers, or within the time which the department determines to be necessary and adequate. A processor may authorize a redemption center to crush and compact beverage containers before the processor receives the containers.

SEC. 14. Section 14575 of the Public Resources Code is amended to read:

14575. (a) If any type of empty beverage container with a redemption value established pursuant to Section 14560 has a scrap value less than the sum of paragraphs (1) and (2), the department shall establish a processing fee for the container, by the type of the material of the container, at least equal to the difference between the scrap value offered by a statistically significant sample of container manufacturers, beverage manufacturers, or willing purchasers, for each container sold by the beverage manufacturer, and the sum of both of the following:

(1) The actual cost of receiving, handling, processing, storing, transporting, and maintaining equipment for each container sold for recycling or, only if the container is not recyclable, for disposal, calculated pursuant to subdivision (b).

(2) A reasonable financial return for recycling centers and processors, calculated pursuant to subdivision (b).

(b) The department shall calculate a statewide average value for the amounts specified in paragraphs (1) and (2) of subdivision (a) for each type of material of the container sold and the processing fee specified in subdivision (a) at least annually and whenever the statewide average scrap value changes by more than 15 percent, or more frequently if necessary, based on audited surveys of the costs specified in subdivision (a) at existing certified recycling centers, reverse vending machines, and processors, with standardized modifications for transportation distances and factors specific to a particular region, as determined by the department, and only if the container is not recyclable, local disposal fees. The processing fee shall be calculated in a manner which furthers the purposes of this

division and the fee shall be sufficient to establish sufficient recycling locations and processors to achieve the goals established pursuant to subdivision (c) of Section 14501 and Section 14571.

(c) Every beverage manufacturer shall pay to the department the applicable processing fee for each container sold or transferred to a distributor or dealer within 40 days of the sale in the form and in the manner which the department may prescribe. The department shall pay the processing fees collected on redeemed containers to processors, in the same manner as it pays redemption values pursuant to Sections 14573 and 14573.5. The department shall pay the processing fees collected on unredeemed containers into the Redemption Bonus Account created pursuant to Section 14580. The department shall not use processing fees collected on unredeemed beverage containers to pay all or a portion of the processing costs determined pursuant to subdivision (a). The processor shall pay the recycling center that portion of the processing fee representing the actual cost and financial return incurred by the recycling center, as specified in subdivision (a).

(d) When assessing processing fees pursuant to subdivision (b), the department shall assess the processing fee on each container sold, by the type of material of the container, assuming that every container sold will be redeemed for recycling, whether or not the container is actually recycled. When calculating and assessing processing fees the department also shall not assume that redemption bonuses will be kept by recycling centers or locations.

(e) If there are no recycling locations within a convenience zone meeting the requirements of Section 14571, the department shall examine the level of the scrap values and determine whether the department is in compliance with this section. If the department is not in compliance with this section, the department shall recalculate the processing fee pursuant to this section.

(f) The container manufacturer, or a designated agent, shall pay to, or credit, the account of the beverage manufacturer in an amount equal to the processing fee. The payment or credit shall be made no later than the date upon which the container manufacturer, or a designated agent, submits the invoice to the beverage manufacturer.

SEC. 15. Section 14581 of the Public Resources Code is amended to read:

14581. (a) The department shall calculate the redemption bonus amount, pursuant to subdivision (b), by deducting the following amounts from the Redemption Bonus Account, for which purpose the department may expend money from the Redemption Bonus Account:

(1) The department shall expend 10 percent of the amount deposited in the Redemption Bonus Account during the previous three months for urban, rural, and recreational litter abatement and recycling activities. These funds shall be expended by contract with local conservation organizations. Three-quarters of this 10 percent shall be expended in the form of grants, as specified by the

department, to certified community conservation corps, either existing or those established in the future, designated by a city or a city and county to perform litter abatement, recycling, and related activities, if the city or the city and county has a population, as determined by the last federal census, of more than 250,000 persons. Any grants provided pursuant to this paragraph shall not comprise more than 75 percent of the annual budget of a community conservation corps.

(2) The department shall expend 10 percent of the amount deposited in the Redemption Bonus Account during the previous three months for recycling information, education, and promotion. These funds shall be expended by entering into contracts with public or private agencies, and at least 50 percent of the funds shall be expended by entering into contracts with statewide nonprofit private agencies.

(3) The department may expend up to 20 percent of the amount deposited in the Redemption Bonus Account during the previous three months for convenience incentive payments pursuant to Section 14585 in 1987 and 1988, and the department may expend up to 10 percent for those purposes in 1989 and 1990.

(b) The department shall calculate the redemption bonus amount using the balance remaining in the Redemption Bonus Account after deducting the amounts specified in subdivision (a).

(1) The department shall calculate the redemption bonus at least quarterly, except that the department may revise any redemption bonus to account for seasonal variations in beverage container sales and redemptions, to prevent funds accumulated during a high sales period from providing disproportionately high redemption bonuses during a low redemption period, or to prevent funds accumulated during a low sales period from providing disproportionately low redemption bonuses during a high redemption period.

(2) Notwithstanding any other provision of this section, the department shall pay out, as a redemption bonus, any amount deposited in the account within six months after receipt to ensure the payment of maximum redemption bonuses to processors compatible with the level of funds available in the Redemption Bonus Account.

(3) From the remaining balance in the Redemption Bonus Account, the department shall determine the redemption bonus by dividing the balance in the Redemption Bonus Account by the number of containers redeemed during the previous quarter or other period determined pursuant to paragraph (1). The department shall calculate the redemption bonus so that all funds shall be passed entirely to processors in a prompt and efficient manner and that the redemption bonus amount will further the purposes of this division.

(4) For the first two quarters, beginning October 1, 1987, and ending March 31, 1988, the redemption bonus shall be determined by the department after consultation with the committee.

(5) The department may round any redemption bonus to the nearest one-tenth or one-quarter of a cent.

SEC. 16. Section 14585 of the Public Resources Code is amended to read:

14585. (a) The department shall develop guidelines and criteria for issuing convenience incentive payments solely to assist in establishing recycling locations in convenience zones without sufficient recycling locations pursuant to Chapter 6 (commencing with Section 14570). The department may establish a convenience incentive payment if the payment meets all of the following:

(1) The convenience incentive payment is an amount paid per container or by weight for containers redeemed in the underserved convenience zone.

(2) The payment shall be set by the department at the minimum level determined by the department to be sufficient to establish convenience in the convenience zone pursuant to Chapter 6 (commencing with Section 14570).

(3) The department may revise the payment upon finding that the previous payment is inadequate, and shall revise the payment upon finding that the previous payment is excessive, to establish convenience in the convenience zone pursuant to Chapter 6 (commencing with Section 14570).

(4) The department may establish a maximum number of containers for which a designated recycling location or locations in the convenience zone shall receive the payment.

(5) The department may require the operators of the recycling locations to maintain daily records of redemptions at the locations, and may require the locations to take any other steps necessary for the department to ensure that the operators do not receive a convenience incentive payment for any containers redeemed at a recycling location not within the underserved convenience zone.

(6) The department may make convenience incentive payments to the operators of recycling locations through processors or directly, at the department's discretion, in the same manner as the department pays redemption values, redemption bonuses, and processing fees to recycling locations.

(b) For each payment established pursuant to subdivision (a), the department shall determine whether the convenience incentive payment may be retained by the reycling center or is to be paid to consumers who redeem beverage containers in the convenience zone covered by the payment.

(c) The department shall conduct a study on use of each of the payment mechanisms authorized by subdivision (b) and on use of bonds, grants, and loans authorized by Section 14584 and report to the Legislature on or before January 1, 1989, on the effectiveness of each of these mechanisms.

(d) The department may authorize prepayment of convenience incentive payments to recycling centers pursuant to subdivision (a) for periods of up to one year at a time.

(e) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless the department recommends its reenactment and unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 17. In addition the appropriation made by Section 6 of Chapter 1290 of the Statutes of 1986, the sum of three million eight hundred thousand dollars ($3,800,000) is hereby appropriated from the General Fund or any other available fund to the Department of Conservation as a loan for the initial costs incurred by the Department of Conservation between the effective date of this act and October 31, 1987, in carrying out Division 12.1 (commencing with Section 14500) of the Public Resources Code. This amount shall be repaid by the department, during the fiscal year 1987–88 with interest calculated at the rate this amount would have earned in the Pooled Money Investment Account, with the funds deposited in the reserve in the California Beverage Container Recycling Fund, as required by paragraph (2) of subdivision (c) of Section 14580 of the Public Resources Code.

SEC. 18. Pursuant to Section 14576 of the Public Resources Code, Sections 9, 10, 11, 12, and 13 of this act shall become operative October 1, 1987, and Section 14 of this act shall become operative September 1, 1987.

SEC. 19. Section 8 of this bill incorporates amendments to Section 14561 of the Public Resources Code proposed by both this bill and SB 775. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1988, (2) each bill amends Section 14561 of the Public Resources Code, and (3) this bill is enacted after SB 775, in which case Section 14561 of the Public Resources Code, as amended by SB 775, shall remain operative only until the operative date of this bill, at which time Section 8 of this bill shall become operative, and Section 7 of this bill shall not become operative.

SEC. 20. 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. 21. 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 orderly implementation of the California Beverage Container Recycling and Litter Reduction Act, it is necessary that this act take effect immediately.

CHAPTER 259

An act to amend Sections 42247, 42247.3, and 42249.2 of the Education Code, relating to claims against the state, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987. Filed with Secretary of State July 27, 1987]

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

SECTION 1. The Legislature finds and declares that it is of vital interest to certain school districts under voluntary desegregation that they be eligible for reimbursement for costs incurred despite their failure to comply with the recently advanced filing deadline in Section 42249.2 of the Education Code.

The Legislature finds and declares that the governing boards and officers of certain school districts are excused under the special and unique circumstances of clerical error or omission from timely filing a claim pursuant to Section 42249.2 of the Education Code. The Legislature finds and declares that the verified claims for reimbursement for actual costs incurred of these school districts shall be paid pursuant to Section 42249 of the Education Code.

SEC. 2. Section 42247 of the Education Code is amended to read:

42247. (a) Notwithstanding any other provision of law, reimbursements authorized by Sections 42243.9 and 42249 for desegregation costs incurred in the 1985–86 fiscal year, and each fiscal year thereafter, shall not exceed the following amounts:

(1) For desegregation programs operating pursuant to a final court order issued prior to the effective date of this section, or January 1, 1986, as appropriate, the amount calculated pursuant to Section 42247.3.

(2) For desegregation programs initiated after the 1984–85 fiscal year, the amount in excess of one-fifth of the audited costs approved by the Controller for the first full year of operation, adjusted pursuant to Section 42247.2, and provided that the school district has contributed in the prior fiscal year not less than one-fifth of the audited costs approved by the Controller for that fiscal year. For purposes of this paragraph, desegregation programs initiated after the 1984–85 fiscal year shall not include expansion of desegregation activities by school districts that were reimbursed pursuant to Section 42249 for desegregation costs incurred during the 1984–85 fiscal year, except as otherwise provided by Section 42247.2.

(3) For all other desegregation programs, the amount in excess of one-fifth of the audited desegregation costs approved by the Controller and incurred in the 1984–85 fiscal year, adjusted pursuant to Section 42247.2, and provided that the school district has contributed in the prior fiscal year not less than one-fifth of the

audited costs approved by the Controller for that fiscal year.

(b) Claims for reimbursement of desegregation program costs shall be subject to audit by the Controller to determine all of the following:

(1) Whether the costs and programs are for purposes of desegregation or alleviation of the harmful effects of racial segregation, as provided in the plan filed by the district pursuant to Section 42247.1.

(2) Whether the costs are increased costs which exceed the district's expenditure levels for regular educational programs.

(3) Whether the costs are excessive or unreasonable.

SEC. 3. Section 42247.3 of the Education Code is amended to read:

42247.3. (a) Reimbursements authorized by Section 42243.9 for programs operating pursuant to a final court order issued prior to the effective date of this section shall not exceed the sum of paragraphs (1) and (2):

(1) The audited costs approved by the Controller and incurred during the 1984–85 fiscal year, increased by the adjustment calculated pursuant to Section 42247.2.

(2) The amount in excess of one-fifth of the amount obtained by subtracting subparagraph (B) from subparagraph (A):

(A) The audited costs approved by the Controller for reimbursement pursuant to Section 42243.6 for the then current fiscal year.

(B) The amount computed pursuant to paragraph (1).

(b) Reimbursements authorized by Section 42243.9 for programs operating pursuant to a final federal court order issued prior to January 1, 1986, but not implemented until the 1985–86 fiscal year, shall not exceed, for the 1985–86 fiscal year only, the audited costs approved by the Controller and incurred during the 1985–86 fiscal year. For the 1986–87 fiscal year and each fiscal year thereafter, the reimbursements shall not exceed the sum of paragraphs (1) and (2):

(1) The audited costs approved by the Controller and incurred during the 1986–87 fiscal year, increased by the adjustment calculated pursuant to Section 42247.2 for each fiscal year thereafter.

(2) The amount in excess of one-fifth of the amount obtained by subtracting subparagraph (B) from subparagraph (A).

(A) The audited costs approved by the Controller for reimbursement pursuant to Section 42243.6 for the then current fiscal year.

(B) The amount computed pursuant to paragraph (1).

SEC. 4. Section 42249.2 of the Education Code is amended to read:

42249.2. (a) Notwithstanding any other provision of law, a school district that meets all of the following conditions shall be reimbursed pursuant to Section 42249 based on costs incurred in the 1981–82 fiscal year:

(1) The district developed a voluntary desegregation plan in the

1980–81 fiscal year.

(2) The district's voluntary desegregation plan was first implemented in the 1981–82 fiscal year.

(3) The district has filed a claim for costs incurred in the 1983–84 and 1984–85 fiscal years prior to the effective date of this section.

(b) A school district that has not filed a claim pursuant to Section 42249 for the 1983–84 or 1984–85 fiscal year prior to July 8, 1985, shall not be eligible for reimbursement for costs incurred in those fiscal years, except that any district that filed a claim pursuant to Section 42249 for the 1984–85 or 1985–86 fiscal year prior to November 30, 1985, shall be eligible for reimbursement for costs incurred in the 1984–85 fiscal year. Any such district shall be eligible for reimbursement for the 1985–86 fiscal year and any fiscal year thereafter on the basis of audited desegregation costs incurred during the 1984–85 fiscal year as if approved by the Controller pursuant to Section 42247.

(c) Commencing with the 1985–86 fiscal year, and each fiscal year thereafter, to be eligible to receive reimbursement pursuant to Section 42249 a district shall submit an estimated cost claim to the Superintendent of Public Instruction and the Controller on or before November 30 of that fiscal year.

SEC. 5. Notwithstanding any other provision of law, any claim for reimbursement for costs incurred during the 1984–85 fiscal year under a voluntary program designed to remedy the harmful effects of racial segregation, which claim is received by the Controller on or after July 8, 1985, but no later than November 30, 1985, and approved under Section 42249 of the Education Code, may be paid from funds appropriated under subdivision (a) of Section 2 of Chapter 418 of the Statutes of 1984, as amended by Section 6 of Chapter 180 of the Statutes of 1985, or under subdivision (d) of Section 7 of Chapter 180 of the Statutes of 1985, or both.

SEC. 6. The sum of two million five hundred sixty-five thousand dollars ($2,565,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for the 1986–87 fiscal year for purposes of subdivision (b) of Section 42247.3 of the Education Code.

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 settle local government claims against the state and to end hardship to local governments, it is necessary that this act take effect immediately.

CHAPTER 260

An act to add Section 42404.5 to the Health and Safety Code, relating to air pollution.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 42404.5 is added to the Health and Safety Code, to read:

42404.5. Any limitation of time applicable to actions brought pursuant to Section 42403 shall not commence to run until the offense has been discovered, or could reasonably have been discovered.

CHAPTER 261

An act to amend Sections 75.5 and 75.15 of, and to repeal Section 75.16 of, the Revenue and Taxation Code, relating to property taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 75.5 of the Revenue and Taxation Code is amended to read:

75.5. "Property" means and includes real property, other than fixtures which are normally valued as a separate appraisal unit from a structure, and mobilehomes subject to taxation under Part 13 (commencing with Section 5800).

SEC. 2. Section 75.15 of the Revenue and Taxation Code, as amended by Section 8 of Chapter 186 of the Statutes of 1985, is amended to read:

75.15. (a) For fixtures, other than fixtures which are included in a change of ownership or which are included in a structure and are assessed at the completion of the new construction of a structure pursuant to Section 75.12, taxpayers shall report to the assessor once each year at the time the annual property statement is due, on the fixtures added to real property and fixtures removed from real property, the dates of those additions and removals, and the cost of each in the prior 12-month period from March 1 to March 1. That reporting requirement shall not apply to fixtures added or removed on or after the first day of the month following the effective date of

the act adding this sentence to this subdivision. One supplemental tax bill shall be prepared for those fixtures based on the cost of the fixtures added and subtracted from real property, the date of each addition or subtraction, and the appropriate tax rate computed pursuant to Section 75.41.

The taxes due from the resulting tax bill shall be collected in the same manner and at the same times as other supplemental tax bills mailed on the same date.

(b) For the purposes of the supplemental roll, taxpayers shall report pursuant to this section only those fixtures which are taxable on the supplemental roll.

(c) This section shall become operative on March 1, 1987.

SEC. 3. Section 75.16 of the Revenue and Taxation Code is repealed.

SEC. 4. This act shall become operative on the first day of the month following the effective date of this act.

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 assessors with relief from an inefficient and costly administrative procedure, and save limited county resources, it is necessary for this act to go into immediate effect.

CHAPTER 262

An act to add Section 22525 to the Vehicle Code, relating to vehicles.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 22525 is added to the Vehicle Code, to read:

22525. Local authorities may by ordinance or resolution authorize vanpool vehicles to utilize designated state highway bus stops.

The ordinance or resolution shall be submitted to the Department of Transportation for approval. No ordinance or resolution shall become effective until approved by the department. The department shall review the ordinance or resolution within 45 days after receipt.

CHAPTER 263

An act to amend Sections 69994.2, 70046.1, 74191, 74191.7, 74192, 74193, 74196, 74201, 74207, 74208, 74210, 74211, 74212, and 74665 of, and to repeal and add Section 74663 of, and to repeal Section 74196.5 of, the Government Code, relating to courts.

[Approved by Governor July 24, 1987. Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 69994.2 of the Government Code is amended to read:

69994.2. The regular official phonographic reporters shall be compensated at an annual salary of thirty-five thousand nine hundred forty dollars ($35,940), except that such reporters may be employed at an annual salary of twenty-nine thousand seven hundred twelve dollars ($29,712) for the first year of service, at an annual salary of thirty-one thousand two hundred dollars ($31,200) for the second year of service, at an annual salary of thirty-two thousand five hundred ninety-two dollars ($32,592) for the third year of service, and at an annual salary of thirty-four thousand two hundred twenty-four dollars ($34,224) for the fourth year of service. The judges of the superior and municipal courts of such county, a majority concurring, may appoint a supervising phonographic reporter at an annual salary of forty thousand ninety-two dollars ($40,092), except that such reporter may be employed at an annual salary of thirty-six thousand three hundred seventy-two dollars ($36,372) for the first year of service and at an annual salary of thirty-eight thousand one hundred eighty-four dollars ($38,184) for the second year of service.

SEC. 1.5. 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-seven dollars and sixty-eight cents ($1,347.68), and the compensation of official reporters pro tempore, which shall be at a rate not less than eighty-one dollars and fifty-three cents ($81.53) per half day and one hundred sixty-three dollars and six cents ($163.06) 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. 2. Section 74191 of the Government Code is amended to read:

74191. There shall be 16 judges.

SEC. 3. Section 74191.7 of the Government Code is amended to read:

74191.7. The judges of the Sacramento Municipal Court District shall appoint four and one-half commissioners as the business of the court requires. The commissioners shall possess the same qualifications as the law requires of a judge of the court. Such appointment shall be pursuant to Section 72190 and the commissioners shall receive a salary which equals: (a) 85 percent of the annual salary for a municipal court judge during the first year of service with the court; (b) 87 percent of the annual salary for a municipal court judge after one year of service with the court; (c) 89 percent of the annual salary for a municipal court judge after two years of service with the court; (d) 91 percent of the annual salary for a municipal court judge after three years of service with the court; and (e) 93 percent of the annual salary for a municipal court judge after four years of service with the court.

SEC. 4. Section 74192 of the Government Code is amended to read:

74192. (a) There shall be one administrator who shall be appointed by the judges of the court and who shall be clerk of the court. The administrator shall receive a biweekly salary at a rate specified in range 2159. The position of administrator shall not be deemed a civil service position. The administrator shall be the appointing authority for the positions set forth in this section. Each person appointed shall serve at the pleasure of the administrator.

(b) There shall be one director of judicial services. The director of judicial services for the court shall receive a biweekly salary at a rate specified in range 1684. The position of director of judicial services for the court shall not be deemed a civil service position.

(c) There shall be one director of administrative services. The director of administrative services for the court shall receive a biweekly salary at a rate specified in range 1813. The position of director of administrative services shall not be deemed a civil service position.

(d) There shall be four court process managers. Each court process manager for the court shall receive a salary at a rate specified in range 1323. The positions of court process manager for the court shall not be deemed civil service positions.

(e) There shall be one system manager coordinator. The system manager coordinator shall receive a biweekly salary at a rate specified in range 1588. The position of system manager coordinator shall not be deemed a civil service position.

(f) There shall be one court interpreter. The court interpreter shall receive a biweekly salary at a rate specified in range 959. The position of court interpreter shall not be deemed a civil service position.

(g) There shall be one senior court interpreter. The senior court interpreter shall receive a biweekly salary at a rate specified in range 1012. The position of senior court interpreter shall not be deemed a

civil service position.

(h) There shall be one director of operations. The director of operations shall receive a biweekly salary at a rate specified in range 1684. The position of director of operations shall not be deemed a civil service position.

(i) There shall be 14 court process supervisors. The court process supervisors shall receive a biweekly salary at a rate specified in range 1002. The position of the court process supervisor for the court shall not be deemed a civil service position.

(j) There shall be one attorney III. The attorney III for the court shall receive a biweekly salary at a rate specified in range 2092. The position of attorney III shall not be deemed a civil service position.

(k) There shall be two administrative assistants I. The administrative assistants I for the court shall receive a biweekly salary at a rate specified in range 1204. The position of administrative assistant shall not be deemed a civil service position.

(*l*) There shall be one associate administrative analyst. The associate administrative analyst shall receive a biweekly salary at a rate specified in range 1454. The position of associate administrative analyst shall not be deemed a civil service position.

(m) There shall be one accountant III. The accountant III shall receive a biweekly salary at a rate specified in range 1392. The position of accountant III shall not be deemed a civil service position.

(n) There shall be one court process supervisor, confidential. The court process supervisor, confidential, shall receive a biweekly salary at a rate specified in range 1086. The position of court process supervisor, confidential, shall not be deemed a civil service position.

(o) There shall be one departmental systems analyst/programmer. The departmental systems analyst/programmer shall receive a biweekly salary at a rate specified in range 1588. The position of departmental systems analyst/programmer shall not be deemed a civil service position.

(p) There shall be one accounting technician. The accounting technician shall receive a biweekly salary at a rate specified in range 1052. The position of accounting technician shall not be deemed a civil service position.

(q) There shall be one department secretary. The department secretary shall receive a biweekly salary at a rate specified in range 1071. The position of department secretary shall not be deemed a civil service position.

SEC. 5. Section 74193 of the Government Code is amended to read:

74193. The administrator shall appoint:

(a) Ninety-six deputy clerks, who shall be associate court process clerks, each of whom shall receive a biweekly salary at a rate specified in range 747 for level II and in range 687 for level I.

(b) Thirteen deputy clerks, who shall be senior court process clerks, each of whom shall receive a biweekly salary at a rate specified in range 849.

(c) Twenty-three deputy clerks, who shall be courtroom clerks, each of whom shall receive a biweekly salary at a rate specified in range 1111 for level II and in range 990 for level I.

(d) Three deputy clerks who shall be court process specialists, each of whom shall receive a biweekly salary at a rate specified in range 909.

(e) One deputy clerk, who shall be a departmental data-processing technician II, who shall receive a biweekly salary at a rate specified in range 955.

(f) Four deputy clerks, who shall be account clerks II, each of whom shall receive a biweekly salary at a rate specified in range 813.

(g) One deputy clerk, who shall be an account clerk III, who shall receive a biweekly salary at a rate specified in range 900.

(h) Two deputy clerks, who shall be legal secretaries II, each of whom shall receive a biweekly salary at a rate specified in range 900.

(i) One deputy clerk who shall be a departmental data-processing technician I, who shall receive a biweekly salary at a rate specified in range 873.

(j) One deputy clerk who shall be a senior personnel clerk, who shall receive a biweekly salary at a rate specified in range 865.

SEC. 6. Section 74196 of the Government Code is amended to read:

74196. (a) All attachés and employees of the Sacramento Municipal Court District shall be entitled to anniversary dates and salary step increases and shall receive the same vacation, sick leave, leave of absence, overtime, reinstatement and similar privileges and benefits provided for the officers and employees of the County of Sacramento in the manner provided in the Sacramento County Personnel Ordinance or applicable agreements with recognized employee organizations. Rights provided by the county to return to formerly held employment in county civil service shall be applicable only to the positions of administrator and.

(b) Except as otherwise provided in this article, the provisions of the Sacramento County Charter relating to the civil service system of the county and the rules of the Civil Service Commission adopted pursuant thereto shall be applicable to all attachés and employees of the Sacramento Municipal Court District in the same manner and to the same extent as applicable generally to the officers and employees of Sacramento County. The Sacramento County Civil Service Commission shall exercise the same jurisdiction over the attachés and employees of the Sacramento Municipal Court District as it exercises over the officers and employees of the county.

(c) The provisions of subdivision (b) shall not apply to any officer or employee in a position which this article expressly provides is not to be deemed a part of county civil service.

(d) Whenever reference to a numbered salary range is made in any section of this article, the range referred to is one of the ranges provided for in Section 2.78.410(d) of the Sacramento County Personnel Ordinance.

SEC. 7. Section 74196.5 of the Government Code is repealed.

SEC. 8. Section 74201 of the Government Code is amended to read:

74201. There shall be one pretrial release program manager. The appointing authority for the position shall be the judges of the Sacramento Municipal Court. The position shall not be deemed to be a civil service position and the incumbent shall serve at the pleasure of the judges of the Sacramento Municipal Court. The salary range for the position shall be 1572.

SEC. 9. Section 74207 of the Government Code is amended to read:

74207. There shall be one clerk/administrator who shall be appointed by the judge of the court and who shall be clerk of the court. The clerk/administrator shall receive a biweekly salary at a rate specified in range 1323 except for the person occupying the position on January 1, 1987, who is Y rated in range 1684. The position of clerk/administrator shall not be deemed to be a civil service position.

SEC. 10. Section 74208 of the Government Code is amended to read:

74208. There shall be the following positions for which the appointing authority shall be the clerk/administrator:

(a) Three court process specialists who shall receive a biweekly salary at a rate specified in range 909.

(b) One senior court process clerk who shall receive a biweekly salary at a rate specified in range 849.

(c) One associate court process clerk II who shall receive a biweekly salary at a rate specified in range 747.

SEC. 11. Section 74210 of the Government Code is amended to read:

74210. (a) All attachés and employees of the court shall be entitled to anniversary dates and salary step increases and shall receive the same vacation, sick leave, leave of absence, overtime, reinstatement, and similar privileges and benefits provided for the officers and employees of the County of Sacramento in the manner provided in the Sacramento County Personnel Ordinance or applicable agreements with recognized employee organizations. Rights provided by the county to return to formerly held employment in county civil service shall be applicable only to the position of clerk/administrator.

(b) Except as otherwise provided in this article, the provisions of the Sacramento County Charter relating to the civil service system of the county and the rules of the Sacramento County Civil Service Commission adopted pursuant thereto shall be applicable to all attachés and employees of the court in the same manner and to the same extent as applicable generally to the officers and employees of Sacramento County. The Sacramento County Civil Service Commission shall exercise the same jurisdiction over the attachés and employees of the court as it exercises over the officers and

employees of the county.

(c) The provisions of subdivision (b) shall not apply to any officer or employee in a position which this article expressly provides is not to be deemed a part of county civil service.

(d) Whenever reference to a numbered salary range is made in any section of this article, the range referred to is one of the ranges provided for in Section 2.78.410(d) of the Sacramento County Personnel Ordinance.

SEC. 12. Section 74211 of the Government Code is amended to read:

74211. Upon recommendation of the judge of the court, and with approval of the board of supervisors, the clerk/administrator may appoint additional employees as he or she 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. 13. Section 74212 of the Government Code is amended to read:

74212. Notwithstanding the provisions of Article 4 (commencing with Section 72150) of Chapter 8 of Title 8, and the provisions of this article, and in order to equalize the compensation of, and the classification of, employees of the court with the compensation paid to, and the classification of, county employees with commensurate duties and responsibilities, upon recommendation of the judge of the court and with the approval of the Board of Supervisors of the County of Sacramento, an officer or an attaché of the court, whether appointed under the provisions of this article or under Article 4 (commencing with Section 72150) of Chapter 8 of Title 8, may be paid any compensation in excess of or less than the maximum to which the employee would otherwise be entitled under the schedules set forth in this article and there may also be a reclassification of the position of the employee. Any such salary adjustment or reclassification shall not extend longer than 90 days after the adjournment of the next succeeding regular session of the Legislature after the salary adjustment.

SEC. 14. Section 74663 of the Government Code is repealed.

SEC. 15. 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 four hundred seventy-one dollars and twelve cents ($2,471.12) biweekly and shall, notwithstanding the provisions of 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 42.5B.

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 eighty-four dollars ($1,984) biweekly.

(b) One administrative assistant to the clerk-administrative officer who shall receive a salary as specified in range 33.7A.

(c) One court support coordinator who shall receive a salary as specified in range 23.5A.

(d) One administrative services manager II who shall receive a salary as specified in range 34.9A.

(e) Two management analysts who shall receive a salary as specified in range 30.4A.

(f) One accountant III who shall receive a salary as specified in range 30.4A.

(g) One accountant II who shall receive a salary as specified in range 46.4B.

(h) One secretary II who shall receive a salary as specified in range 41.4B.

(i) One office management coordinator who shall receive a salary as specified in range 23.9A.

(j) One municipal court division manager III who shall receive a salary specified in range 34.5A.

(k) Three municipal court division managers II who shall receive a salary as specified in range 32.8A.

(*l*) Three municipal court division managers I who shall receive a salary as specified in range 31.5A.

(m) One chief deputy court clerk II who shall receive a salary as specified in range 30.5A.

(n) Six chief deputy court clerks I who shall receive a salary as specified in range 29.5A.

(o) Nine supervising deputy court clerks II who shall receive a salary as specified in range 27.5A.

(p) Three supervising deputy court clerks I who shall receive a salary as specified in range 24.5A.

(q) Nine assistant supervising deputy court clerks who shall receive a salary as specified in range 40.5B.

(r) Forty-seven municipal courtroom clerks who shall receive a salary as specified in range 43.5B.

(s) One hundred seventy-one 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.

(t) Seven accountant assistants who shall receive a salary as specified in range 40.1B.

(u) One senior data entry operator who shall receive a salary as specified in range 39.2B.

(v) Eleven data entry operators who shall receive a salary as specified in range 37.5B.

(w) One messenger-driver who shall receive a salary as specified

in range 34.4B.

SEC. 16. 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 eighty-one dollars and fifty-three cents ($81.53) per half day and one hundred sixty-three dollars and six cents ($163.06) 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. 17. 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 264

An act to amend Sections 987.57 and 987.86 of 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 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 987.57 of the Military and Veterans Code is amended to read:

987.57. (a) On and after the day which is one year after the date the statute amending this section at the 1987 portion of the 1987–88 Regular Session of the Legislature becomes effective, all applications for the benefits contained in this article shall be filed with the department within 30 years from the date of the applicant's discharge from the service, or release from active duty, except applications filed by either of the following:

(1) Veterans who were wounded or are disabled as a result of wartime service.

(2) Veterans who were previously declared prisoners of war.

(b) The department shall require that all applicants under this article qualify under applicable federal laws and regulations governing the permitted uses of tax-exempt bond funds.

SEC. 2. Section 987.86 of the Military and Veterans Code is amended to read:

987.86. (a) Any 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 the farm or home purchased under this article is sold if the veteran pays the purchase contract in full and thereafter applies for subsequent benefits within one year from date of sale. The maximum amount which the department may advance under this subdivision is limited to the unpaid contract balance at the time of sale of the former property.

(b) Only one farm or home purchased under this article shall be owned by a veteran or a veteran and the veteran's spouse at any one time.

(c) Any veteran for whom a farm or home is purchased under this article may be granted a subsequent opportunity to purchase another farm or home if he or she has paid the purchase contract in full and qualifies as a veteran as described in Section 980 under another separate period of service, or the veteran and the veteran's spouse each qualify as a veteran, as described in Section 980.

(d) A member of the armed forces, eligible for military retirement, who meets the residence requirements of Section 980, or a veteran as described in Section 980 who is receiving military retirement pay, for whom a farm or home was purchased under this article while in active military service, may be granted a subsequent opportunity to purchase another farm or home, if he or she has paid the purchase contract in full and has served during more than one period for which eligibility is granted.

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 veterans who will benefit from this act to be assured of sufficient funding for their farm or home purchase benefits, it is necessary for this act to take effect immediately.

CHAPTER 265

An act to amend Section 1373 of the Health and Safety Code, and to amend Sections 10119, 10121, and 11512.1 of the Insurance Code, relating to insurance.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 1373 of the Health and Safety Code is amended to read:

1373. (a) A plan contract may not provide an exception for other coverage where the other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code.

Each plan contract shall be interpreted not to provide an exception for the Medi-Cal benefits.

A plan contract may not provide that the benefits payable thereunder are subject to reduction if the individual insured has entitlement to the Medi-Cal benefits.

(b) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for sterilization operations or procedures shall not impose any disclaimer, restriction on, or limitation of, coverage relative to the covered individual's reason for sterilization.

As used in this section, "sterilization operations or procedures" shall have the same meaning as that specified in Section 10120 of the Insurance Code.

(c) Every plan contract which provides coverage to family members or dependents of the subscriber or enrollee shall grant immediate accident and sickness coverage, from and after the moment of birth, to each newborn infant of any subscriber or enrollee covered and to each minor child placed for adoption from and after the moment the child is placed in the physical custody of the covered subscriber or enrollee for adoption. No such plan may be entered into or amended if it contains any disclaimer, waiver, or other limitation of coverage relative to the coverage or insurability of newborn infants of, or children placed for adoption with, a subscriber or enrollee covered as required by this subdivision.

(d) Every plan contract which provides that coverage of a dependent child of a subscriber shall terminate upon attainment of the limiting age for dependent children specified in the plan, shall also provide in substance that attainment of the limiting age shall not operate to terminate the coverage of the child while the child is and continues to be both (1) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (2) chiefly

dependent upon the subscriber for support and maintenance, provided proof of the incapacity and dependency is furnished to the plan by the member within 31 days of the request for such information by the plan or group plan contract holder and subsequently as may be required by the plan or group plan contract holder, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

(e) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for both an employee and one or more covered persons dependent upon the employee and provides for an extension of the coverage for any period following a termination of employment of the employee shall also provide that this extension of coverage shall apply to dependents upon the same terms and conditions precedent as applied to the covered employee, for the same period of time, subject to payment of premiums, if any, as required by the terms of the policy and subject to any applicable collective bargaining agreement.

(f) A group contract shall not discriminate against handicapped persons or against groups containing handicapped persons. Nothing in this subdivision shall preclude reasonable provisions in a plan contract against liability for services or reimbursement of the handicap condition or conditions relating thereto, as may be allowed by rules of the commissioner.

(g) Every group contract shall set forth the terms and conditions under which subscribers and enrollees may remain in the plan in the event the group ceases to exist, the group contract is terminated or an individual subscriber leaves the group, or the enrollees' eligibility status changes.

(h) (1) A health care service plan or specialized health care service plan may provide for coverage of, or for payment for, professional mental health services, or vision care services, or for the exclusion of such services. If the terms and conditions include coverage for services provided in a general acute care hospital or an acute psychiatric hospital as defined in Section 1250 and do not restrict or modify the choice of providers, the coverage shall extend to care provided by a psychiatric health facility as defined in Section 1250.2 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. A health care service plan that offers outpatient mental health services but does not cover such services in all of its group contracts shall communicate to prospective group contract holders as to the availability of outpatient coverage for the treatment of mental or nervous disorders.

(2) No plan shall prohibit the member from selecting any psychologist who is licensed pursuant to the Psychology Licensing Law or, any optometrist who is the holder of a certificate issued pursuant to Chapter 7 (commencing with Section 3000) of Division 2 of the Business and Professions Code or, upon referral by a physician and surgeon licensed pursuant to the Medical Practice Act,

(i) any marriage, family, and child counselor who is the holder of a license under Section 17805 of the Business and Professions Code, or (ii) any licensed clinical social worker who is the holder of a license under Section 9040 of the Business and Professions Code, or (iii) any registered nurse licensed pursuant to Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code who possesses a master's degree in psychiatric-mental health nursing and two years of supervised experience in psychiatric-mental health nursing, at such time as the State Board of Registered Nurses produces and maintains a list of those psychiatric-mental health nurses who possess a master's degree in psychiatric-mental health nursing and two years of supervised experience in psychiatric-mental health nursing, to perform the particular services covered under the terms of the plan, the certificate holder being expressly authorized by law to perform these services.

(3) Nothing in this section shall be construed to allow any certificate holder or licensee enumerated in this section to perform professional mental health services beyond his or her field or fields of competence as established by his or her education, training and experience.

(4) For the purposes of this section, "marriage, family and child counselor" means a licensed marriage, family and child counselor who has received specific instruction in assessment, diagnosis, prognosis, and counseling, and psychotherapeutic treatment of premarital, marriage, family and child relationship dysfunctions which is equivalent to the instruction required for licensure on January 1, 1981.

(5) Nothing in this section shall be construed to allow a member to select and obtain mental health or psychological or vision care services from a certificate or license holder who is not directly affiliated with or under contract to the health care service plan or specialized health care service plan to which the member belongs. All health care service plans and individual practice associations which offer mental health benefits shall make reasonable efforts to make available to their members the services of licensed psychologists. However, a failure of a plan or association to comply with the requirements of the preceding sentence shall not constitute a misdemeanor.

(6) As used in this subdivision, "individual practice association" means an entity as defined in subsection (5) of Section 1307 of the federal Public Health Service Act (subs. (5), Sec. 300e-1, 42 U.S.C.).

(7) Health care service plan coverage for professional mental health services may include community residential treatment services which are alternatives to inpatient care and which are directly affiliated with the plan or to which enrollees are referred by providers affiliated with the plan.

(i) If the plan utilizes arbitration to settle disputes, the plan contracts shall set forth the type of disputes subject to arbitration, the process to be utilized, and how it is to be initiated.

(j) A plan contract which provides benefits that accrue after a certain time of confinement in a health care facility shall specify what constitutes a day of confinement or the number of consecutive hours of confinement which are requisite to the commencement of benefits.

SEC. 2. Section 10119 of the Insurance Code is amended to read:

10119. On and after the operative date of this section:

(a) No policy of disability insurance which, in addition to covering the insured, also covers members of the insured's immediate family, may be issued or amended in this state if it contains any disclaimer, waiver, or other limitation of coverage relative to the accident and sickness coverage or insurability of newborn infants of an insured from and after the moment of birth or of any minor child placed with an insured for adoption from and after the moment the child is placed in the physical custody of the insured for adoption.

(b) Each such policy of disability insurance shall contain a provision granting immediate accident and sickness coverage to each newborn infant of, and each minor child placed for adoption with, any insured as required by subdivision (a).

SEC. 3. 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 and to each minor child placed for adoption from and after the moment the child is placed in the physical custody of the covered family for adoption. 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 or minor children placed for adoption with a family covered as required by this section. Coverage of minor children placed for adoption with a covered family shall be required only after the effective date of the amendment requiring that coverage.

(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. 4. Section 11512.1 of the Insurance Code is amended to read:

11512.1. (a) Family hospital service contracts may be issued to a family consisting of an individual and one or more persons

dependent upon him or her and may include his or her spouse whether or not dependent upon him or her. Such contracts shall contain a provision to the effect that to the family originally covered may be added from time to time all new members of the family group eligible for coverage and that the head of the family shall give the corporation notice of the addition to the family of any person eligible for coverage under the contracts.

(b) No such contract which contains coverage for sterilization operations or procedures may be entered into or renewed on or after the effective date of the amendments to this section enacted at the 1970 Regular Session if it imposes any disclaimer, restriction on, or limitation of coverage relative to the insured's reason for sterilization. All such contracts entered into or renewed on or after the effective date of such amendments shall be construed to be in compliance with this section, and any provision in any such contract which is in conflict with this section shall be of no force or effect.

(c) No such contract which contains coverage for both an employee and one or more covered persons dependent upon such employee and provides for an extension of coverage for any period following a termination of employment of the employee may be entered into or renewed on or after the operative date of the amendments to this section enacted at the 1971 Regular Session of the Legislature if it does not also provide that such extension of coverage shall apply to dependents upon the same terms and conditions precedent as applied to the covered employee, for the same period of time, subject to payment of premiums, if any, as required by the terms of the policy and subject to any limitations or conditions set forth in any applicable collective bargaining agreement. All such contracts entered into or renewed on or after the operative date of such amendments shall be construed to be in compliance with this section, and any provision in any such contract which is in conflict with this section shall be of no force or effect.

(d) Every such contract entered into or amended in this state on or after the operative date of the amendments to this section enacted at the 1971 Regular Session of the Legislature 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 and to each minor child placed for adoption from and after the moment the child is placed in the physical custody of the covered family for adoption. No such contract may be entered into or amended if it contains any disclaimer, waiver, or other limitation of coverage relative to the coverage or insurability of newborn infants of or minor children placed for adoption with a covered family as required by this subdivision.

CHAPTER 266

An act to amend Sections 1, 2, 3, and 34 of, and to add Sections 7.5, 8.5, 8.6, 8.7, and 12.5 to, the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949), relating to the Mendocino County Flood Control and Water Conservation District.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 1 of the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949) is amended to read:

Section 1. A flood control and water conservation district is hereby created, to be called the "Mendocino County Water Agency," and the boundaries and territory of the agency are as follows:

All that territory of the County of Mendocino lying within the exterior boundaries thereof.

SEC. 2. Section 2 of the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949) is amended to read:

Sec. 2. As used in this act:

(a) "Agency" or "district" means the Mendocino County Water Agency.

(b) "Board" means the board of directors of the agency.

SEC. 3. Section 3 of the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949) is amended to read:

Sec. 3. The objects and purposes of this act are to provide, to the extent that the board may deem expedient or economical, for the control and disposition of the storm and flood and other waters of the agency and to that end the agency is hereby created to be a body corporate and politic and as such shall have the following powers:

(a) To have perpetual succession.

(b) To sue and be sued in the name of the district in all actions and proceedings in all courts and tribunals of competent jurisdiction.

(c) To adopt a seal and alter it at pleasure.

(d) To take by grant, purchase, gift, devise, or lease; to hold, use, enjoy, sell, and contract to sell, lease, or dispose of real, personal and mixed property of every kind within or without the district necessary, expedient or advantageous to the full exercise and economic enjoyment of its purposes.

(e) To acquire and contract to acquire by purchase, donation, or other lawful means in the name of the district from private persons, public and private corporations, associations, agencies or districts,

lands, rights-of-way, easements, privileges, material, and property of every kind within or without the district, to do all work and to acquire, construct, maintain, and operate any and all works and improvements within or without the district, and to make, execute, carry out and enforce all contracts of every character, necessary, convenient, incidental, useful, or proper to carry out any of the provisions, objects or purposes of this act, and to complete, extend, add to, repair, or otherwise improve any works or improvements acquired by it as herein authorized.

(f) To exercise the right of eminent domain, either within or without the district, to take any property necessary to carry out any of the objects or purposes of this act.

(g) To compel by injunction or other lawful means the owner or owners of any bridge, trestle, wire line, viaduct, embankment, or other structure which shall be intersected, traversed, or crossed by any channel, ditch, bed of any stream, waterway, conduit, or canal so to construct or alter the same as to offer a minimum of obstruction to the free flow of water through or along any such channel, ditch, bed of any stream, waterway, conduit, or canal, and whenever necessary in the case of existing works or structures, to compel the removal or alteration thereof for such purpose or purposes. All costs of relocating or otherwise changing any portion of a state highway shall be paid from funds available for rights-of-way for flood control purposes and not from funds appropriated for state highway purposes.

(h) To construct, maintain, repair and operate all levees, bulkheads, walls of rock or other material, pumps, dams, channels, conduits, pipes, ditches, canals, reservoirs, tunnels, drains, poles, posts, wires, lamps, powerplants, railroads, dredgers, and all other auxiliary, incidental, necessary or convenient agencies, work or improvements that may be required to carry out, facilitate, repair, maintain and complete the same.

(i) To incur indebtedness, and to issue bonds in the manner herein provided and to provide for the issuance of warrants of the district in payment of district obligations and the registration of any warrants not paid for want of funds and the rate of interest such warrants shall bear after registration and until such payment.

(j) To cause assessments to be levied and collected for the purpose of paying any obligations of the district in the manner hereinafter provided.

(k) To appoint and employ such engineers, attorneys, assistants and other employees as may be necessary and fix their compensation, including, if it deem advisable, a clerk, superintendent of work, assessor, treasurer, and collector and define their powers and duties, and fix and determine the amount of bond required of each appointee and pay the premimum on each such bond; which said officers and employees and each of them shall serve at the pleasure of the board.

The board shall have the power to combine any two or more offices

in its discretion.

(*l*) To establish and fix the boundaries of zones in the district as provided in this act; to make transfers of money from the general fund of the district to any special fund and to create and administer such special funds as in their discretion may seem advisable, and to abolish same; to create and administer revolving funds to facilitate and assist in the carrying on and completing of such acquisitions, works, and improvements provided for herein, and to abolish same; and to do any and all things necessary or incidental to the accomplishment of the things which are permitted to be done under this act.

(m) To make and enter into contracts with the United States, the State of California, any political subdivision, county, municipality, district, agency or mandatory of the State of California or of the United States and any department, board, bureau, or commission of the State of California or the United States, or any person, firm, association, or corporation, jointly or severally, for the acquisition of property or rights or the construction, maintenance, and operation in whole or in part of any or all works and improvements provided in this act.

(n) To lease or rent to or from any of the parties named in subdivision (m) of this section any property or rights necessary, in the opinion of the board, to accomplish or carry out any of the work or improvement or the maintenance thereof herein provided and under such terms and conditions as may be agreed upon between the parties.

(o) To receive and accept any and all contributions in labor, material, or money from any of the parties named in subdivision (m) of this section, to be applied to the work or improvement herein provided for.

(p) To construct, purchase, lease, or otherwise acquire works, and to purchase, lease, appropriate, or otherwise acquire surface waters and water rights, useful or necessary to make use of water for any purposes authorized by this act.

(q) To control flood and storm waters and other waters within the district and the flood and storm and other waters of streams outside of the district, which flow into the district; to conserve such waters by storage in surface reservoirs, to divert and transport such waters for beneficial uses within the district; to release such waters from surface reservoirs to replenish and augment the supply of waters in natural underground reservoirs and otherwise to reduce the waste of water and to protect life and property from floods within the district; and to do any and every lawful act necessary to be done that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the district, including, but not limited to, irrigation, domestic, fire protection, municipal, commercial, industrial, and all other beneficial uses.

(r) To cooperate and contract with the United States under the Federal Reclamation Act of June 17, 1902, and all acts amendatory

thereof or supplementary thereto or any other act of Congress heretofore or hereafter enacted permitting cooperation or contract for the purposes of construction of works, whether for irrigation, drainage, or flood control, or for the acquisition, purchase, extension, operation, or maintenance of such works, or for a water supply for any purposes, or for the assumption as principal or guarantor of indebtedness to the United States, or for carrying out any of the purposes of the district, and to carry out and perform the terms of any contract so made; and for said purposes the district shall have in addition to the powers specifically set forth in this act, all powers, rights, and privileges possessed by irrigation districts as set out in Chapter 2 (commencing with Section 23175) of Part 6 of Division 11 of the Water Code, not inconsistent with the provisions of this act.

(s) To divert, produce, store, transmit, distribute, and sell or otherwise furnish surface waters and groundwater for beneficial uses within or without the agency.

SEC. 4. Section 7.5 is added to the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949), to read:

Sec. 7.5. If the board of directors by resolution determines that a bonded indebtedness to pay for the acquisition or construction of any project or work for any purposes of the agency, zone, or participating zone or for refunding any outstanding bonds, should be incurred and can be repaid and liquidated as to both principal and interest from revenues designated by the board, the agency is authorized and shall have the power to define the project or work as an "enterprise" consistent with the definition in Section 54309 of the Government Code, and to issue revenue bonds all in the manner and as provided in the Revenue Bond Law of 1941, and for that purpose the agency shall be considered a "local agency," as defined in Section 54307 of the Government Code.

SEC. 5. Section 8.5 is added to the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949), to read:

Sec. 8.5. (a) The board of directors may establish zones of benefit within the agency without reference to the boundaries of other zones. The land comprising a zone of benefit need not be contiguous. A zone of benefit shall be established only with respect to a project for the benefit of the zone of benefit and proceedings for the establishment of the zone of benefit may be conducted concurrently with, and as a part of, proceedings for the instituting of projects relating to the zone of benefit, the issuance of special benefit bonds, and the levy of benefit assessments.

(b) Whenever the board of directors determines that a zone of benefit should be formed for the purposes set forth in this act, the board shall adopt a resolution of intention which shall state the following:

(1) The intention of the board to form the proposed zone of benefit.

(2) The purpose for which the proposed zone of benefit is to be formed.

(3) The estimated expense of carrying out the purpose, if known.

(4) That assessments for carrying out the purpose shall be levied exclusively upon the lands in the proposed zone of benefit.

(5) That a map showing the exterior boundaries of the proposed zone of benefit, which map shall govern for all details as to the extent of the proposed zone of benefit, is on file with the district secretary and is available for inspection by any interested person or persons.

(6) The time and place for a hearing by the board on the formation on the proposed zone of benefit, the extent thereof, the purpose for which it is to be formed, the benefit to land within the proposed zone of benefit from carrying out that purpose, the estimated expense of carrying out that purpose, if known, or any other matter relating to any of the foregoing.

(7) That at the time and place specified any interested person, including all persons owning land in the district or in the proposed zone of benefit, may appear and be heard.

(c) Notice of the hearing shall be given by publishing a copy of the resolution of intention in a newspaper of general circulation published in the agency, pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing.

(d) At the time and place so fixed, or at any time or place to which the hearing is continued, the board of directors shall hold the hearing provided for by the resolution of intention, at which time any interested person may appear and be heard concerning any matter set forth in the resolution of intention or any matters material thereto. Upon the conclusion of the hearing, the board may abandon the proposal, modify it, or proceed with the proposal unless prior to the conclusion of the hearing, or any continued hearing, written protests against the proposal signed by a majority in number of the eligible voters within the proposed zone of benefit shall be filed with the board, in which event further proceedings relating to the proposal shall be suspended for not less than six months following the date of the conclusion of the hearing.

(e) At the conclusion of the hearing, the board of directors may, by resolution, order the zone of benefit formed for the purpose and with the exterior boundaries described therein. The resolution ordering formation shall state the estimated expense of carrying out the purpose described therein, if known. The resolution shall also number and designate the zone of benefit substantially as "Zone of Benefit Number _____ of the Mendocino County Water Agency."

SEC. 6. Section 8.6 is added to the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949), to read:

Sec. 8.6. After a zone has been formed, the board of directors may, by resolution, order the creation of a zone council within the zone. The resolution shall set forth the number of members of the

council and their term of office. The zone council for a zone which consists entirely of the territory of an incorporated city may be comprised of the city council of the incorporated city. The members of all other zone councils shall be eligible voters of the zone in which the council is established and shall be elected to the council by the eligible voters of the zone. The resolution establishing the zone council shall set forth the procedure for conducting the election.

(b) Members of the zone council shall take office immediately upon certification of their election, filing of the official oath, and execution of a bond, if any, in an amount set by the board of directors. At its first meeting, the zone council shall elect from its members a chairperson and a vice chairperson and shall fix their terms of office. A majority of the zone council shall constitute a quorum for the transaction of business. The vote of a majority of the zone council members present at any meeting attended by a quorum shall be necessary to take action, unless otherwise specified in this act. Meetings of the zone council shall be conducted in accordance with 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 zone council shall, by resolution, set the time and place for holding regular meetings. Zone councils shall receive compensation, if any, in an amount set by the board of directors.

(c) The purpose of a zone council is to assist the board of directors in the planning, acquisition, construction, operation, maintenance, and administration of projects within the zone in which it is established, and to coordinate the activity of the agency within the zone with the activities of other public entities within the zone. The board of directors shall determine the specific responsibilities and powers of a zone council and may delegate to the zone council any of the authority of the board with respect to the planning, acquisition, construction, operation, maintenance, or administration of a project within the zone.

(d) In the case of projects for the benefit of two or more zones, the board of directors may establish a participating zone council for the project, selected by either (1) the appointment by each zone council of an equal number of representatives selected from its membership, with one additional member of the participating zone council to be appointed by the board of directors or mutually selected by the two affected zone councils, or (2) any other method mutually agreed upon by the two affected zone councils.

(e) A zone council or a participating zone council shall be dissolved upon four-fifths of all members of the board of directors or upon a majority vote of all of the members of the board of directors and a majority vote of all of the members of the zone council.

SEC. 7. Section 8.7 is added to the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949), to read:

Sec. 8.7. (a) The board of directors shall determine which projects shall be carried out and shall determine, as to each project,

that it is either: (1) for the common benefit of the agency as a whole, or (2) for the benefit of a single zone, whether in existence or not, or (3) for the common benefit of participating zones, whether in existence or not.

(b) The agency may institute countywide projects, projects for single zones, and joint projects for participating zones for studying, planning, financing, constructing, acquiring, maintaining, operating, extending, or repairing any work of common benefit to the district as a whole, to the zone, or to the participating zones, as the case may be. All powers of the agency may be exercised or performed on behalf of and within a zone. Before proceeding with any project, the board of directors shall adopt a resolution of intention setting forth the proposed boundaries designating the benefited area and stating its intention to undertake the project, together with an estimate of the cost of the project to be borne by the agency as a whole, or a particular zone, or participating zones, as the case may be, and fixing a time and place for public hearing on the resolution. The resolution shall refer to a map or maps showing the general location of the project and shall generally describe the project. Notice of the hearing shall be given in the same manner as for a resolution of intention to form a zone of benefit. The proceedings on the resolution proposing the project may be consolidated with the proceedings on a resolution proposing formation of a zone of benefit.

(c) The hearing may be consolidated with a hearing on the formation of a zone, the issuance of special benefit bonds, or the levy of benefit assessments affecting the same area. At the time and place so fixed, or at any time or place to which the hearing is continued, the board of directors shall hold the hearing provided for by the resolution, at which time any interested person may appear and be heard concerning any matter set forth in the resolution or any matters material thereto. Upon the conclusion of the hearing, the board may abandon the proposal, modify it, order an election on the proposal within the area affected, or proceed with the proposal, unless prior to the conclusion of the hearing, or any continued hearing, written protests against the proposal signed by a majority in number of the eligible voters within the affected area shall be filed with the board, in which event further proceedings relating to the proposal shall be suspended for not less than six months following the date of the conclusion of the hearing. The board of directors shall not proceed with the proposal without an election unless a majority in number of the eligible voters within the affected area have filed with the board written consent to the proposal. If the election is held, a majority of the votes cast at the election shall be required to approve the proposal.

SEC. 8. Section 12.5 is added to the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949), to read:

Sec. 12.5. (a) The agency shall be authorized to levy benefit assessments on an agencywide basis or within any zone or

participating zone. The benefit assessment may be levied in any manner which reasonably reflects the benefit that will accrue to the area being assessed for the purpose of the assessment, including, but not limited to: (1) per acre or fraction thereof basis, or (2) for benefit assessments related to drain, storm, or flood control purposes, the proportionate water runoff from each parcel assessed.

(b) Benefit assessments may be levied for expenditures made, or expenditures estimated to be required during the next calendar or fiscal year, for any lawful purpose of the agency, including, but not limited to, the following purposes:

(1) The administrative expenses of the agency.

(2) The formation and administrative expenses of any zone.

(3) Engineering and other expenses in connection with the investigation and preparation of a resource management plan or plan for a work or project.

(4) Acquisition or construction of any work or project.

(5) Operation and maintenance of any work or project.

The revenues derived from the benefit assessment shall be used for no purpose other than the purpose specified at the time of levy of the assessment.

(c) The board of directors may adopt a resolution of intention to levy a special benefit assessment on land only. The resolution shall set forth the proposed amount, manner of levy, and purpose of the proposed benefit assessment and designate by a map or otherwise the boundaries of the area proposed for assessment, and shall designate a time and place of hearing on the resolution.

(d) Notice of the hearing shall be given by publishing a copy of the resolution of intention in a newspaper of general circulation published in the agency pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing.

(e) At the time and place so fixed, or at any time or place to which the hearing is continued, the board of directors shall hold the hearing provided for by the resolution, at which time any interested person may appear and be heard concerning any matter set forth in the resolution or any matters material thereto. Upon the conclusion of the hearing, the board may terminate further proceedings on the proposed assessment, modify the proposed assessment, order an election on the assessment within the area to be assessed, or levy the assessment, unless prior to the conclusion of the hearing, or any continued hearing, written protests against the proposed assessment signed by a majority in number of the eligible voters within the area to be assessed shall be filed with the board, in which event further proceedings relating to the proposed assessment shall be suspended for not less than six months following the date of the conclusion of the hearing. The board of directors shall not levy the assessment without an election unless a majority in number of the eligible voters within the affected area have filed with the board written consent to levy the assessment. If an election is held, a majority of the votes

cast in the area to be assessed shall be required to approve the assessment.

(f) After its approval, the benefit assessment shall be levied, collected, and enforced at the same time and in the same manner as county taxes.

SEC. 9. Section 34 of the Mendocino County Flood Control and Water Conservation District Act (Chapter 995 of the Statutes of 1949) is amended to read:

Sec. 34. This act shall be known and may be cited as the "Mendocino County Water Agency Act."

CHAPTER 267

An act to add Section 220.5 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 220.5 is added to the Revenue and Taxation Code, to read:

220.5. (a) Aircraft of historical significance shall be exempt from taxation.

(b) The exemption provided in subdivision (a) shall only apply if all of the following conditions are satisfied:

(1) The assessee is an individual owner who does not hold the aircraft primarily for purposes of sale.

(2) The assessee does not use the aircraft for commercial purposes or general transportation.

(3) The aircraft is available for display to the public at least 12 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed. If the aircraft was first made available for public display less than 12 days prior to the lien date, the exemption may be granted if the claimant certifies in writing that the aircraft will be made available for public display at least 12 days during the 12-month period commencing with the first day the property was made available for public display.

(c) When claiming an exemption pursuant to this section, the claimant shall provide all information required and answer all questions contained in an affidavit furnished by the assessor. The claimant shall sign and swear to the accuracy of the contents of the affidavit before either a notary public or the assessor or his or her designee, at the claimant's option. The assessor may require additional proof of the information or answers provided in the affidavit before allowing the exemption.

(d) For purposes of this section, "aircraft of historical

significance" means any aircraft which is an original, restored, or replica of a heavier than air powered aircraft which is 35 years or older or any aircraft of a type or model of which there are fewer than five in number known to exist worldwide.

(e) A fee of thirty-five dollars ($35) shall be charged and collected by the assessor upon the initial application for an exemption pursuant to this section.

SEC. 2. Section 1 of this act applies to the 1987–88 fiscal year and fiscal years thereafter.

SEC. 3. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act, and the state shall not reimburse any local agency for any property tax revenues lost by it under this act.

CHAPTER 268

An act to amend Section 39311.5 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1987. Filed with Secretary of State July 27, 1987]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The public schools of Fresno County face the incalculable loss of public television station KMTF, Channel 18, a valuable educational resource in the area for several years, unless the affected educational agencies of the county are authorized to transfer the property and license of the station to a nonprofit corporation willing to continue its operation.

(b) Due to legal complications and fiscal problems, the Fresno County Board of Education and the County Superintendent of Schools can no longer continue the operation of Channel 18.

(c) Teachers in Fresno public schools have consistently utilized the programming of Channel 18, to enhance their respective school instructional programs, and to provide home and classroom assignments, and continuance of Channel 18 will confer a substantial benefit upon the Fresno public schools.

(d) A transfer as provided in this act will also enable the Fresno public schools to eliminate a program which has constituted an economic drain upon their fiscal affairs, while facilitating the continuance of that program at no ongoing cost to the public schools.

SEC. 2. The Fresno County Board of Education, the County Superintendent of Schools, and any other affected public agency may, after holding at least one open and public hearing regarding the

matter, transfer, for the consideration of one dollar ($1) or more, any or all of the property and licenses connected with KMTF, Channel 18, in Fresno County, to a nonprofit corporation.

SEC. 3. No public agency shall be held liable, and no officer or employee of a public agency shall be held personally liable, for any damage or injury resulting from the transfer of property authorized by this act. No action concerning that transfer may be filed in any court of this state more than 45 days after the date of the transfer.

SEC. 4. Due to the unique circumstances surrounding the present status of television station KMTF, Channel 18, in Fresno County, 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. 5. Section 39311.5 of the Education Code is amended to read:

39311.5. If, at an election held pursuant to Section 39308 or 39311 on November 8, 1977, a majority of the electors voting on the proposition voted "Yes," the governing board may call an election pursuant to this section.

Within 10 days after the governing board has adopted a resolution pursuant to Section 39315, it shall call an election pursuant to this section. The governing board of the district shall call, hold, and conduct an election in the manner provided in Section 42202, as it existed on November 8, 1977, except that the ballot used in the election shall contain substantially the words: "Shall the governing board of the district lease [a site (sites) and] a building [buildings] to be constructed for use by the school district [designating the location of the site or sites on which the building or buildings will be constructed and generally describing the building or buildings and the cost thereof] and for those purposes, shall the tax rate increase authorized on November 8, 1977, be used solely and exclusively for those purposes in addition to those approved by the majority of electors on the election held pursuant to Section 39308 or 39311 on November 8, 1977?"

If, at an election held pursuant to this section, the proposition is approved, the district may enter into one or more leases or agreements pursuant to this section and this article, pursuant to which the tax rate increase authorized on November 8, 1977, may be used solely and exclusively for the purposes approved at that election in addition to those approved at the election held on November 8, 1977. Those additional purposes shall include the acquisition of a site or sites and the preparation of plans and specifications for the building or buildings designated in the ballot proposition.

It is the intent of the Legislature in enacting this section to provide that the authorization for the levy of the tax shall be the original authorization approved on November 8, 1977, modified to the extent approved by the voters at the election held pursuant to this section.

It is the further intention of the Legislature in enacting this section to supply the legislative authorization necessary to validate any acts

and proceedings heretofore taken in connection with an election held pursuant to, or under color of, this section that could have been supplied through the enactment of 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:

The transfer of property authorized by this act must be made at the earliest possible time in order to continue the operation of KMTF, Channel 18, in Fresno County. Further, in order to enable school districts to proceed pursuant to Section 39311.5 of the Education Code to meet the public building needs of their pupils rather than awaiting future remedial action, it is necessary for this act to take effect immediately.

CHAPTER 269

An act to amend Sections 8025, 8183, as amended by Section 1 of Chapter 552 of the Statutes of 1982, 8377, 8377.5, 8382, as amended by Section 1 of Chapter 890 of the Statutes of 1982, 8383, 8383.5, 8384, as amended by Section 6 of Chapter 890 of the Statutes of 1982, 8386, as amended by Section 8 of Chapter 890 of the Statutes of 1982, 8387, as amended by Section 10 of Chapter 890 of the Statutes of 1982, 8557, 8664.8, 8671, 8671.2, 8671.4, 8680.5, and 8693, as amended by Section 9 of Chapter 203 of the Statutes of 1984 of, and to repeal Sections 8183, as added by Chapter 144 of the Statutes of 1984, 8377.7, 8382, as added by Section 1.5 of Chapter 890 of the Statutes of 1982, 8384, as added by Section 6.5 of Chapter 890 of the Statutes of 1982, 8386, as added by Section 8.5 of Chapter 890 of the Statutes of 1982, 8387, as added by Section 10.5 of Chapter 890 of the Statutes of 1982, and 8693, as added by Section 12.5 of Chapter 890 of the Statutes of 1982 of, the Fish and Game Code, and to amend Section 3 of Chapter 1248 of the Statutes of 1986, relating to commercial fishing, and making an appropriation therefor.

[Approved by Governor July 24, 1987 Filed with Secretary of State July 27, 1987]

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

SECTION 1. Section 8025 of the Fish and Game Code is amended to read:

8025. The commission, upon recommendation of the department, may suspend or revoke the commercial fishing privileges of any fisherman or the license of any person required to be licensed under Article 7 (commencing with Section 8030) convicted of a violation of this article or Article 7.5 (commencing with Section 8040).

SEC. 2. Section 8183 of the Fish and Game Code, as amended by Section 1 of Chapter 552 of the Statutes of 1982, is amended to read:

8183. No anchovies may be taken for any purpose in Humboldt Bay, except under the following conditions:

(a) Anchovies may be taken for live bait only between September 1 and December 1. The operator of a vessel may take anchovies only for use in his or her own fishing operation, except that the operator may make incidental sales of anchovies so taken to local sport fishermen for their use as bait.

This subdivision does not prevent the cooperative effort of two or more vessel operators or their crews working together with one net if each operator has complied with the notification requirement in subdivision (b).

(b) An observer who is an employee of the department shall inspect any bait operation and may halt that operation if the operation cannot be conducted without adversely affecting the game species of the bay. Notification of all bait operations shall be dispatched so as to be received by the department at least 12 hours prior to the commencement of the operation.

(c) Anchovies may be taken in Humboldt Bay only north of a line extending through channel markers 9 and 10 in Humboldt Bay.

(d) The seasonal take of anchovy shall not exceed 15 tons.

(e) Only bait nets, as defined in Section 8780, shall be used to take anchovy.

(f) Any game fish caught incidentally in bait nets shall be released by use of a hand scoop net or by dipping the cork line.

The commission shall adopt any other regulation it determines is necessary to protect the Humboldt Bay anchovy resource.

SEC. 3. Section 8183 of the Fish and Game Code, as added by Section 30 of Chapter 144 of the Statutes of 1984, is repealed.

SEC. 4. Section 8377 of the Fish and Game Code is amended to read:

8377. (a) Pacific bonito less than 24 inches fork length or five pounds in weight shall not be taken or possessed on any vessel at any time for any commercial purpose, except as follows:

(1) A load of bonito taken on a vessel by the use of round haul nets may contain 18 percent or less by number of bonito smaller than the minimum size.

(2) A load of fish taken on a vessel by the use of gill nets or trammel nets may contain 1,000 pounds or less of bonito smaller than the minimum size per trip.

(b) Pacific bonito smaller than the minimum size, incidentally taken, may be used for any purpose.

SEC. 5. Section 8377.5 of the Fish and Game Code is amended to read:

8377.5. Pacific bonito shall be measured from the tip of the lower jaw to the center of the fork of the tail fin.

SEC. 6. Section 8377.7 of the Fish and Game Code is repealed.

SEC. 7. Section 8382 of the Fish and Game Code, as amended by

Section 1 of Chapter 890 of the Statutes of 1982, is amended to read:

8382. Barracuda and yellowtail not less than 28 inches in length may be taken with hook and line at any time.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 8. Section 8382 of the Fish and Game Code, as added by Section 1.5 of Chapter 890 of the Statutes of 1982, is repealed.

SEC. 9. Section 8383 of the Fish and Game Code is amended to read:

8383. White seabass may not be taken for commercial purposes between March 15th and June 15th, inclusive, between the United States-Mexico International Boundary and a line extending due west (true) from Point Conception. Any fish so taken shall not be transferred to any other vessel.

The restrictions in this section shall not apply to white seabass taken in waters lying south of the International Boundary Line between the United States and Mexico extended westerly into the Pacific Ocean. A current fishing permit issued by the Mexican Government is evidence that white seabass were taken south of the international boundary.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 10. Section 8383.5 of the Fish and Game Code is amended to read:

8383.5. It is unlawful to take, possess, sell, or purchase any white seabass less than 28 inches in length, measured from the tip of the lower jaw to the end of the longer lobe of the tail.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 11. Section 8384 of the Fish and Game Code, as amended by Section 6 of Chapter 890 of the Statutes of 1982, is amended to read:

8384. No barracuda or yellowtail less than 28 inches in length may be sold or purchased, except that not more than five barracuda and five yellowtail per day may be possessed by the holder of a commercial fishing license for noncommercial use if taken incidentally in commercial fishing.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 12. Section 8384 of the Fish and Game Code, as added by Section 6.5 of Chapter 890 of the Statutes of 1982, is repealed.

SEC. 13. Section 8386 of the Fish and Game Code, as amended by Section 8 of Chapter 890 of the Statutes of 1982, is amended to read:

8386. Barracuda and yellowtail shall be measured from the tip of the lower jaw to the end of the longer lobe of the tail.

This section shall remain in effect only until January 1, 1993, and

as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 14. Section 8386 of the Fish and Game Code, as added by Section 8.5 of Chapter 890 of the Statutes of 1982, is repealed.

SEC. 15. Section 8387 of the Fish and Game Code, as amended by Section 10 of Chapter 890 of the Statutes of 1982, is amended to read:

8387. It is unlawful from May 1st to August 31st, inclusive, for any one person to have in his or her possession on any boat, barge, or other vessel, more than 500 pounds of yellowtail. From May 1st to August 31st, inclusive, not more than 2,500 pounds of yellowtail may be possessed on any boat, barge, or other vessel at any one time.

This section does not apply to yellowtail taken in waters lying south of the international boundary line between the United States and Mexico extended westerly into the Pacific Ocean.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 16. Section 8387 of the Fish and Game Code, as added by Section 10.5 of Chapter 890 of the Statutes of 1982, is repealed.

SEC. 17. Section 8557 of the Fish and Game Code is amended to read:

8557. Notwithstanding any other provision of law, the commission shall determine if round haul nets may be used to take herring in Districts 12 and 13 and the conditions under which those nets may be used.

SEC. 18. Section 8664.8 of the Fish and Game Code is amended to read:

8664.8. (a) Notwithstanding Sections 8687, 8696, and 8724, gill or trammel nets shall not be used, except as permitted in Section 8664.9, from May 1 through September 30 in the following ocean waters:

(1) In waters which are 25 fathoms or less in depth at mean lower low water along the south facing shoreline of the Point Reyes headlands between a line extending 270° magnetic from the west point and 105° magnetic from the east point of the Point Reyes headlands in Marin County.

(2) In waters 10 fathoms or less in depth at mean lower low water between a line extending 105° magnetic from the eastern point of the Point Reyes headlands in Marin County and a line extending 210° magnetic from a point on the mainland shore 3¾ of a mile northwest of the north projection of Double Point in Marin County, excluding the waters of Drakes Estero and Estero de Limantour.

(3) In waters 15 fathoms or less in depth at mean lower low water between a line extending 210° magnetic from a point on the mainland shore 3¾ of a mile northwest of the north projection of Double Point in Marin County and a line extending 210° magnetic from a point on the mainland shore one mile south of the south projection of Double Point in Marin County.

(4) In waters 20 fathoms or less in depth at mean lower low water between a line extending 250° magnetic from Mussel Rocks in San

Mateo County and a line extending 270° magnetic from Point Montara in San Mateo County.

(5) In waters 10 fathoms or less in depth at mean lower low water between a line extending 270° magnetic from Point Montara in San Mateo County and a line extending 270° magnetic from Miramontes Point in San Mateo County.

(6) In waters 10 fathoms or less in depth at mean lower low water between a line extending 270° magnetic from the mouth of Tunitas Creek in San Mateo County and a line extending 270° magnetic from Pescadero Point in San Mateo County.

(b) Notwithstanding Sections 8687, 8696, and 8724, gill and trammel nets with meshes less than 8 inches in length shall not be used, except as permitted in Section 8664.9, in the following portions of District 10:

(1) In waters inside a line extending 160° magnetic from Duxbury Point in Marin County to the Duxbury whistle buoy, then southeasterly 95° magnetic to the Point Bonita bell buoy, located approximately 1.5 miles southwesterly from Point Bonita in Marin County, then easterly 59° magnetic to Point Bonita.

(2) In waters within one mile of the mainland shore between a line, which extends 315° magnetic from the north shore of Point Lobos in San Francisco County, to Mile Rock Light in San Francisco County and then 225° magnetic from Mile Rock Light, and a line extending 250° magnetic from Mussel Rocks in San Mateo County.

(c) Notwithstanding Sections 8687, 8696, and 8724, gill and trammel nets with meshes 8 inches or greater in length shall not be used from May 1 through September 30 in waters inside a line extending 160° magnetic from Duxbury Point in Marin County to the Duxbury whistle buoy, then southeasterly 95° magnetic to a point on a line extending 250° magnetic from Tennessee Point in Marin County, then easterly 70° magnetic to Tennessee Point, but excluding that portion of Bolinas Bay north of a line extending from Rocky Point in Marin County to Duxbury Point in Marin County.

(d) Notwithstanding Sections 8687, 8696, and 8724, gill or trammel nets with meshes 8 inches or less shall not be used in waters 40 fathoms or less in depth at mean lower low water or within 2 nautical miles, whichever is nearer to the mean lower low waterline, and nets with meshes greater than 8 inches shall not be used in waters 25 fathoms or less in depth at mean lower low water around the North, Middle, and South Farallon Islands, and Noonday Rock buoy in San Francisco County.

(e) Notwithstanding Sections 8687, 8696, and 8724, gill or trammel nets with meshes less than 8 inches in length shall not be used from May 1 through August 15 within three nautical miles of the North, Middle, and South Farallon Islands, and within three nautical miles of the Noonday Rock buoy in San Francisco County.

(f) In District 10 between Point Reyes in Marin County and Pigeon Point in San Mateo County, in waters 40 fathoms or less in depth at mean lower low water, no permittee operating under

authority of a gill or trammel net permit issued under regulations adopted pursuant to Section 8682 shall fish, in combination in any day, more than 600 fathoms of set gill or trammel nets with meshes ranging in size from 8 inches to 10 inches in length, and 1,000 fathoms of set gill or trammel nets with meshes less than 8 inches in length, except that, in that portion of Bolinas Bay north of a line extending from Rocky Point to Duxbury Reef, no gill or trammel net permittee may use more than 200 fathoms of gill or trammel net with meshes 8 inches or greater in length per boat per day.

(g) Gill and trammel nets used to take fish in District 10 shall be marked at each end with a buoy displaying above its waterline in Arabic numerals at least 2 inches high, the certificate of vessel registration number issued by the department under Section 7881 for the vessel from which the net is being used. Nets shall be marked at both ends and at least every 250 fathoms between the ends with flags of the same color and at least 144 square inches in size, acceptable to the department.

(h) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute which is enacted before January 1, 1993, deletes or extends that date.

SEC. 19. Section 8671 of the Fish and Game Code is amended to read:

8671. Notwithstanding Sections 8693 and 8724, gill nets and trammel nets with less than a 6-inch mesh shall not be used in the following portions of District 19:

(a) In waters less than 10 fathoms in depth, between a line running 225° magnetic from Dana Point and a line running 225° magnetic from the southernmost stack of the power plant approximately 1.5 miles southeast of Carlsbad.

(b) In waters less than 13 fathoms in depth between a line running 225° magnetic from the southernmost stack of the power plant approximately 1.5 miles southeast of Carlsbad and a line running 225° magnetic from Scripps Pier.

(c) In waters less than 20 fathoms in depth between a line running 270° magnetic from Scripps Pier and a line running 270° magnetic from the North Jetty at the entrance to Mission Bay.

(d) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 20. Section 8671.2 of the Fish and Game Code is amended to read:

8671.2. Notwithstanding Sections 8693 and 8724, gill nets and trammel nets with less than a 6-inch mesh shall not be used from June 1 to September 15, inclusive, in the following portions of Districts 18, 19, and 118:

(a) In waters less than eight fathoms in depth, between a line running 225° magnetic from Point Conception and a line extending 225° magnetic from Rincon Point.

(b) In waters less than six fathoms in depth, between a line

extending 225° magnetic from Rincon Point to a line running 225° magnetic from the mouth of the Ventura River.

(c) In waters less than eight fathoms in depth, between a line running 225° magnetic from Point Mugu and a line connecting the southerly extremity of Malibu Point and the westerly extremity of Rocky Point (Palos Verdes Point).

(d) In waters less than 10 fathoms in depth, between a line extending 240° magnetic from the westerly extremity of Rocky Point (Palos Verdes Point) and a line running 180° magnetic from Point Fermin.

(e) In waters less than 12 fathoms in depth, between a line running 270° magnetic from the South Jetty at Mission Bay to a line running 180° magnetic from Point Loma Light.

(f) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 21. Section 8671.4 of the Fish and Game Code is amended to read:

8671.4. (a) Notwithstanding Sections 8693 and 8724 and subdivision (b) of Section 8671.2, gill nets and trammel nets with less than an 8-inch mesh shall not be used in that portion of District 19 in waters less than three fathoms in depth between a line running 225° magnetic from Pitas Point and a line running 225° magnetic from the Port Hueneme Light.

(b) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 22. Section 8680.5 of the Fish and Game Code is amended to read:

8680.5. (a) If the department determines that a fishery resource is being adversely impacted by the use of gill nets, the department shall initiate and conduct a study to evaluate the impact on an area-by-area or species-by-species basis, and shall determine if regulatory action is necessary to provide resource protection.

(b) If the director determines, after a public hearing, that regulatory action is necessary, the director may restrict, wholly or in part, or regulate the use or construction of gill nets to protect the impacted resources. On or before April 1 of each year, the department shall submit to the Legislature a written report describing any studies or regulatory actions taken pursuant to this section.

(c) Any regulation adopted pursuant to this section shall include provisions permitting prompt closure by the director under Section 7710 of any fishery to which the regulation applies whenever the closure is deemed necessary to protect the resource. The regulation shall also provide for a method of appeal of the director's closure order.

(d) Regulations to be adopted under this section shall first be submitted to the Chair of the Joint Committee on Fisheries and

Aquaculture of the Legislature 30 days prior to the regulations becoming effective. The chair may determine a shorter time for this prior notification requirement in each case.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 23. Section 8693 of the Fish and Game Code, as amended by Section 9 of Chapter 203 of the Statutes of 1984, is amended to read:

8693. Except as otherwise provided in this code, drift gill nets and set gill nets may be used in Districts 17, 18, 19, and 20A, except for the taking of salmon.

Rockfish and lingcod may be taken with drift gill nets and set gill nets in Districts 17, 18, 19, and 20A, subject to the following restrictions:

(a) Rockfish and lingcod shall not be taken between a line running 240° magnetic from the south steamplant stack at Moss Landing and a line running 320° magnetic from the lighthouse at Point Pinos in water less than 60 fathoms.

(b) Rockfish and lingcod shall not be taken between a line running 320° magnetic from the lighthouse at Point Pinos and a line running 250° magnetic from Hurricane Point in waters less than 50 fathoms.

(c) Rockfish and lingcod shall not be taken between a line running 250° magnetic from Hurricane Point and a line running 180° magnetic from Pfeiffer Point in water less than 45 fathoms.

(d) Rockfish and lingcod shall not be taken between a line running due west magnetic from the lighthouse at Point Piedras Blancas and a line running due west magnetic from Point Sal in water less than 40 fathoms.

(e) Rockfish and lingcod shall not be taken between a line running 250° magnetic from the Pigeon Point Lighthouse and a line running 240° magnetic from the south steamplant stack at Moss Landing, inside 40 fathoms, by means of drift gill nets or set gill nets which have mesh smaller than 5½ inches.

(f) Drift gill nets and set gill nets shall not be used nor shall they be possessed on any boat fishing for rockfish and lingcod with mesh smaller than 4⅛ inches when used in Districts 17 and 18 north of Point Buchon, or with mesh smaller than 4⅛ inches when used in District 18 south of Point Buchon or in District 19. Drift gill nets and set gill nets used or possessed on any boat fishing for rockfish and lingcod in District 17, 18, or 19, shall not be constructed of twine larger than number 6 nylon, except that the bottom 15 meshes may be constructed of heavier twine.

(g) In District 18 south of Point Sal and in District 19, drift gill nets and set gill nets shall not be used to take rockfish and lingcod with the mesh of the net in waters less than 50 fathoms in depth when within the first 100 fathom curve along the mainland shore, and elsewhere in waters less than 70 fathoms in depth.

(h) Loads or lots of fish taken in the areas described under

subdivisions (a) to (g), inclusive, may contain 200 pounds or less of rockfish and lingcod in combination, but in no instance more than 100 pounds of rockfish.

(i) Gill nets shall not be used to take rockfish in District 20A.

SEC. 24. Section 8693 of the Fish and Game Code, as added by Section 12.5 of Chapter 890 of the Statutes of 1982, is repealed.

SEC. 25. Section 3 of Chapter 1248 of the Statutes of 1986 is amended to read:

Sec. 3. The Department of Fish and Game shall report to the Legislature on the effect of the gill net closures on or before January 1, 1991.

SEC. 26. 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 270

An act to add Division 20 (commencing with Section 190000) and Division 25 (commencing with Section 240000) to the Public Utilities Code, and to add Sections 7252.21 and 7252.22 to the Revenue and Taxation Code, relating to county transportation commissions, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature Filed with Secretary of State July 28, 1987]

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

SECTION 1. Division 20 (commencing with Section 190000) is added to the Public Utilities Code, to read:

DIVISION 20. SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION

CHAPTER 1. GENERAL PROVISIONS, FINDINGS, AND DEFINITIONS

190000. The division shall be known and may be cited as the San Bernardino County Transportation Sales Tax Act.

190001. The Legislature hereby finds and declares all of the following:

(a) Recognizing the scarcity of resources available for all transportation development, alternative methods of financing provided in this division are needed to finance the cost of constructing, developing, acquiring, and maintaining and providing highways, streets, roads, and public transportation services in the

County of San Bernardino 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 Bernardino.

(b) It is the intent of the Legislature, in enacting this division, that the County of San Bernardino continue to receive its equitable share of funds under the state transportation improvement program and that incentives be provided to reward rather than to penalize counties that adopt local sales tax measures.

(c) It is in the public interest to allow the voters of San Bernardino County to adopt a specific revenue source and to authorize new duties for the San Bernardino County Transportation Commission so that local decisions can be implemented in a timely manner to provide improvements to the transportation system.

190002. "Bonds" means indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, and commercial paper.

190003. "Commission" means the San Bernardino County Transportation Commission created pursuant to Section 130054.

190004. "County" means the County of San Bernardino.

190005. "San Bernardino Associated Governments" means the joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Any board, commission, department, or officer succeeding to the functions of the association is granted the powers and duties of the association under this division.

CHAPTER 2. ADMINISTRATION

190100. The commission shall expend only that amount of the funds generated pursuant to this division for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities pursuant to this division, and in no case shall the funds expended for salaries and benefits exceed 1 percent of the annual amount of revenue raised by the tax.

190101. The commission shall do all of the following with respect to the revenues derived from the transactions and use tax levied pursuant to Chapter 4 (commencing with Section 190300):

(a) Adopt an annual budget.

(b) Cause a postaudit of the financial transactions and records of the commission and of all revenues expended pursuant to this division to be made at least annually by a certified public accountant.

(c) Do any and all things necessary to carry out the purposes of this division.

190102. (a) The commission shall publish, pursuant to Section 6061 of the Government Code, notice of the time and place of the public hearing for the adoption of the annual budget not later than 15 days prior to the date of the hearing.

(b) The proposed annual budget shall be available for public

inspection at least 15 days prior to the hearing.

190103. The commission may approve a transaction and use tax ordinance and ballot proposition and call an election in accordance with Chapter 4 (commencing with Section 190300).

CHAPTER 3. POWERS AND FUNCTIONS

190200. The commission may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

190201. All claims for money or damages against the commission 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.

190202. The commission may make contracts and enter into stipulations of any nature whatsoever, 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.

190203. The commission may contract with any department or agency of the United States of America, with any public agency, including, but not limited to, the Department of Transportation; any transit development board, county, or city; or any person upon any terms and conditions that the commission finds is in its best interest.

CHAPTER 4. TRANSACTIONS AND USE TAX

190300. The Legislature, by the enactment of this chapter, intends the additional funds provided government agencies by this chapter to supplement existing local revenues being used for transportation purposes. The government agencies shall maintain their existing commitment of local funds for transportation purposes pursuant to an ordinance adopted by the commission to enforce this section.

The commission may levy a retail transactions and use tax applicable in the incorporated and unincorporated territory of the county in accordance with this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The ordinance shall only become effective if adopted by a two-thirds vote of the commission and subsequently approved by a majority of the electors voting on the measure at a special election called for the purpose by the board of supervisors or at any regular election. The board of supervisors shall call the election upon being requested to do so by a resolution adopted by the commission, but not otherwise. The commission shall specify in the ordinance that not more than 1 percent of the annual amount of revenues raised by the tax may be used to fund the salaries and benefits of the staff of the commission in administering the programs funded from that tax. The 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 190304.

If the voters do not approve the ordinance, the board of supervisors may, at any time thereafter, submit the same, or a different, measure, if adopted by a two-thirds vote of the commission, to the voters in accordance with this division.

190302. (a) The commission, 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 will be used, and shall set a term during which the tax will be imposed.

(b) The purposes for which the tax revenues may be used may include, but are not limited to, the administration of this division, including legal actions related thereto, the construction, capital acquisition, maintenance, and operation of streets, roads, and highways, including state highways. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

(c) The ordinance shall contain an expenditure plan which shall include the allocation of revenues for the purposes authorized by this section and shall include, at a minimum, the following provisions:

(1) The proportional distribution of the revenues among various purposes.

(2) The specific projects to be funded under the state highway and freeway portion. Following adoption of the ordinance by the voters, the plan may only be amended, if required, by the following process:

(A) Initiation of amendment by the commission, reciting findings of necessity..

(B) Approval by the board of supervisors.

(C) Approval by a majority of the cities constituting a majority of the incorporated population.

(3) The formula for distribution of the city and the county portion, which may be amended by voter approval.

(4) A requirement that the arterial portion be expended pursuant to a five-year project list to be adopted by the commission, extended annually for one year, available for public review, to be first adopted at least 30 days prior to the election held pursuant to Section 190301.

(5) A requirement that the city and the county portions be expended pursuant to a five-year project list to be adopted by a resolution by each city and the board of supervisors, respectively, extended annually for one year, available for public review, to be first adopted at least 30 days prior to the election held pursuant to Section 190301.

190303. (a) The county shall conduct an election called by the board of supervisors pursuant to Section 190301.

(b) The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county.

190304. (a) Any 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.

(b) Prior to the operative date of the ordinance, the commission shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance.

190305. The revenues from the taxes imposed pursuant to this chapter shall be allocated by the commission for transportation purposes consistent with the adopted regional transportation improvement program and the regional transportation plan.

190306. (a) The commission, subject to the approval of the voters, may impose a maximum tax rate of one-half of 1 percent under this division and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, and the commission may state the maximum tax rate in terms of not to exceed one-half of 1 percent, or any lesser percentage thereof. Neither this division nor the ordinance shall affect any tax otherwise authorized.

(b) The tax rate adopted pursuant to this chapter, unless otherwise prohibited, may be increased by the commission by ordinance adopted in the manner and by the vote stated in Section 190301 and approved by a majority of the electors voting on the measure at an election called for that purpose by the commission.

190307. The commission 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 reduced tax rate may be adopted only if the commission determines, by a two-thirds vote, 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 commission which was to be payable from the proceeds of the retail transactions and use tax.

190307.5. Any increase or reduction in the tax rate adopted pursuant to Section 190306 or 190307 shall become effective on the first day of the calendar quarter which commences at least 120 days following the date of the commission's vote approving the increased or reduced rate.

190308. (a) If requested to do so by the commission in its resolution calling for an election, 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 for capital outlay expenditures as may be provided for in the ordinance expenditure plan payable solely from the proceeds of the tax.

(b) The maximum bonded indebtedness which may be outstanding at any one time 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. The

amount of bonds outstanding at any one time does not include the amount of bonds, refunding bonds, or bond anticipation notes for which funds necessary for the payments thereof have been set aside for that purpose in a trust or escrow account.

(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 the commission as the agency imposing the tax.

(g) The proposition shall set forth the appropriations limit of the commission pursuant to Section 4 of Article XIII B of the California 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 ordinance expenditure plan.

190309. (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 commission and shall be payable from the proceeds of the tax. The bonds shall be referred to as "limited tax bonds."

The bonds may be secured by a pledge of revenues from the proceeds of the tax.

(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.

190310. Limited tax bonds shall be issued pursuant to a resolution adopted at any time by a two-thirds vote of the commission. 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.

190311. (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.

190312. The bonds shall bear interest at a rate or rates not exceeding the maximum allowable by law, payable at intervals determined by the commission, 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 commission.

190313. In the resolution authorizing the issuance of the bonds, the commission 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.

190314. 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 commission, 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.

190315. The bonds, or each series thereof, shall be dated and numbered consecutively and shall be signed by the chairperson or vice chairperson of the commission and the auditor-controller of the commission, and the official seal, if any, of the commission shall be attached.

The interest coupons of the bonds shall be signed by the auditor-controller of the commission. All of the signatures and seal may be printed, lithographed, or mechanically reproduced.

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.

190316. The bonds may be sold as the commission determines by resolution, and the bonds may be sold at a price below par, whether by negotiated or public sale.

190317. 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.

190318. 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 commission 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 commission. Bonds so purchased shall be canceled immediately.

190319. (a) The commission may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any bonds issued by the commission 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.

190320. (a) The commission 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 commission 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 commission 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 commission 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 commission may contain.

190321. 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 those 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.

190322. 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.

190323. The commission has no power to impose any tax other than the transactions and use tax imposed upon approval of the voters in accordance with this division.

SEC. 2. Division 25 (commencing with Section 240000) is added to the Public Utilities Code, to read:

DIVISION 25. RIVERSIDE COUNTY TRANSPORTATION COMMISSION

CHAPTER 1. GENERAL PROVISIONS, FINDINGS, AND DEFINITIONS

240000. The division shall be known and may be cited as the Riverside County Transportation Sales Tax Act.

240001. The Legislature hereby finds and declares all of the following:

(a) Recognizing the scarcity of resources available for all transportation development, alternative methods of financing

provided in this division are needed to finance the cost of constructing, developing, acquiring, and maintaining and providing highways, streets, roads, and public transportation services in the County of Riverside 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 Riverside.

(b) It is the intent of the Legislature, in enacting this division, that the County of Riverside continue to receive its equitable share of funds under the state transportation improvement program and that incentives be provided to reward rather than to penalize counties that adopt local sales tax measures.

(c) It is in the public interest to allow the voters of Riverside County to adopt a specific revenue source and to authorize new duties for the Riverside County Transportation Commission so that local decisions can be implemented in a timely manner to provide improvements to the transportation system.

240002. "Bonds" means indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, and commercial paper.

240003. "Commission" means the Riverside County Transportation Commission created pursuant to Section 130054.

240004. "County" means the County of Riverside.

CHAPTER 2. ADMINISTRATION

240100. The commission shall expend only that amount of the funds generated pursuant to this division for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities pursuant to this division. The commission shall not expend more than 1 percent of the funds received from the transactions and use tax levied pursuant to Chapter 4 (commencing with Section 240300) for the salaries and benefits for the commission's staff.

240101. The commission shall do all of the following with respect to the revenues derived from the transactions and use tax levied pursuant to Chapter 4 (commencing with Section 240300):

(a) Adopt an annual budget.

(b) Cause a postaudit of the financial transactions and records of the commission and of all revenues expended pursuant to this division to be made at least annually by a certified public accountant.

(c) Do any and all things necessary to carry out the purposes of this division.

240102. (a) The commission shall publish, pursuant to Section 6061 of the Government Code, notice of the time and place of the public hearing for the adoption of the annual budget not later than 15 days prior to the date of the hearing.

(b) The proposed annual budget shall be available for public inspection at least 15 days prior to the hearing.

240103. The commission may approve a transaction and use tax ordinance and ballot proposition and call an election in accordance with Chapter 4 (commencing with Section 240300).

CHAPTER 3. POWERS AND FUNCTIONS

240200. The commission may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

240201. All claims for money or damages against the commission 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.

240202. The commission may make contracts and enter into stipulations of any nature whatsoever, 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.

240203. The commission may contract with any department or agency of the United States of America, with any public agency, including, but not limited to, the Department of Transportation, any transit development board, county, or city, or with any person upon any terms and conditions that the commission finds is in its best interest.

CHAPTER 4. TRANSACTIONS AND USE TAX

240300. The Legislature, by the enactment of this chapter, intends the additional funds provided government agencies by this chapter to supplement existing local revenues being used for transportation purposes. The government agencies shall maintain their existing commitment of local funds for street, highway, and public transit purposes pursuant to an ordinance adopted by the commission to enforce this section.

240301. The commission may levy a retail transactions and use tax applicable in the incorporated and unincorporated territory of the county in accordance with this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The ordinance shall only become effective if adopted by a two-thirds vote of the commission and subsequently approved by a majority of the electors voting on the measure at a special election called for the purpose by the board of supervisors or at any regular election. The commission shall specify in the ordinance that 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 in administering the programs funded from that tax. The 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

240304.

If the voters do not approve the ordinance, the board of supervisors may, at any time thereafter, submit the same, or a different, measure, if adopted by a two-thirds vote of the commission, to the voters in accordance with this division.

240302. (a) The commission, 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 will be used, and shall set a term during which the tax will be imposed.

(b) The purposes for which the tax revenues may be used may include, but are not limited to, the administration of this division, including legal actions related thereto, the construction, capital acquisition, maintenance, and operation of streets, roads, highways, including state highways, and public transit systems. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

(c) The ordinance shall contain an expenditure plan which shall include the allocation of revenues for the purposes authorized by this section and shall include, at a minimum, the following provisions:

(1) The proportional distribution of the revenues among various purposes.

(2) The specific projects to be funded under the state highway and freeway portion.

(3) The formula for distribution of the city and county portion, which may be amended by voter approval.

(d) Following adoption of the ordinance by the voters, the expenditure plan may only be amended, if required, by the following process:

(1) Initiation of amendment by the commission, reciting findings of necessity.

(2) Approval by the board of supervisors.

(3) Approval by a majority of the cities constituting a majority of the incorporated population.

240303. (a) The county shall conduct an election called by the board of supervisors pursuant to Section 240301.

(b) The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county.

240304. (a) Any 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.

(b) Prior to the operative date of the ordinance, the commission shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance.

240305. The revenues from the taxes imposed pursuant to this chapter shall be allocated by the commission for transportation purposes consistent with the adopted regional transportation improvement program and the regional transportation plan.

240306. (a) The commission, subject to the approval of the voters, may impose a maximum tax rate of one-half of 1 percent under this division and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, and the commission may state the maximum tax rate in terms of not to exceed one-half of 1 percent, or any lesser percentage thereof. Neither this division nor the ordinance shall affect any tax otherwise authorized.

(b) The tax rate adopted pursuant to this chapter, unless otherwise prohibited, may be increased by the commission by ordinance adopted in the manner and by the vote stated in Section 240301 and approved by a majority of the electors voting on the measure at an election called for that purpose by the commission.

240307. Any increase or reduction in the tax rate adopted pursuant to Section 240306 or 240307 shall become effective on the first day of the calendar quarter which commences at least 120 days following the date of the commission's vote approving the increased or reduced rate.

240308. (a) If requested to do so by the commission in its resolution calling for an election, 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 for capital outlay expenditures as may be provided for in the ordinance expenditure plan payable from the proceeds of the tax.

(b) The maximum bonded indebtedness which may be outstanding at any one time 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. The amount of bonds outstanding at any one time does not include the amount of bonds, refunding bonds, or bond anticipation notes for which funds necessary for the payment thereof have been set aside for that purpose in a trust or escrow account.

(c) The proposition shall set forth each of the following:

(1) The actual percent of the tax.

(2) The duration of the tax if the plan specifies a time limit.

(3) The amount of bonds, if any, payable from the proceeds of the tax.

(4) The commission as the agency imposing the tax.

(5) The appropriations limit of the commission, pursuant to Section 4 of Article XIII B of the California Constitution.

(g) 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 ordinance expenditure plan.

240309. (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 commission and shall be payable from the proceeds of the tax. The bonds shall be referred to as "limited tax bonds."

The bonds may be secured by a pledge of revenues from the proceeds of the tax.

(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.

240310. Limited tax bonds shall be issued pursuant to a resolution adopted at any time by a two-thirds vote of the commission. 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.

240311. (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.

240312. The bonds shall bear interest at a rate or rates not exceeding the maximum allowable by law, payable at intervals determined by the commission, 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 commission.

240313. In the resolution authorizing the issuance of the bonds, the commission 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.

240314. 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 commission, 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.

240315. The bonds, or each series thereof, shall be dated and numbered consecutively and shall be signed by the chairperson or vice chairperson of the commission and the auditor-controller of the commission, and the official seal, if any, of the commission shall be attached.

The interest coupons of the bonds shall be signed by the auditor-controller of the commission. All of the signatures and seal may be printed, lithographed, or mechanically reproduced.

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.

240316. The bonds may be sold as the commission determines by resolution, and the bonds may be sold at a price below par, whether by negotiated or public sale.

240317. 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.

240318. 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 commission 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 commission. Bonds so purchased shall be canceled immediately.

240319. (a) The commission may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any bonds issued by the commission 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.

240320. (a) The commission 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 commission 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 commission 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 commission 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 commission may contain.

240321. 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 those 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.

240322. 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.

240323. The commission has no power to impose any tax other than the transactions and use tax imposed upon approval of the voters in accordance with this division.

SEC. 3. Section 7252.21 is added to the Revenue and Taxation Code, to read:

7252.21. "District," as used in this part, also means the San Bernardino County Transportation Commission, if authorized to impose transactions and use taxes pursuant to this part.

SEC. 4. Section 7252.22 is added to the Revenue and Taxation Code, to read:

7252.22. "District," as used in this part, also means the Riverside County Transportation Commission, if authorized to impose transactions and use taxes pursuant to this part.

SEC. 5. No appropriation is made by this act pursuant to Section 6 of Article XIII B of the California Constitution because (1) this act is in accordance with the request of a local agency which desired legislative authority to carry out the program specified in this act, and (2) self-financing authority is provided in Section 22003 of the Elections 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. 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 enable the electors of San Bernardino and Riverside Counties to authorize at the earliest possible time a proposition to put into effect a plan and funding mechanism for improving the transportation infrastructure of those counties, it is necessary that this act take effect immediately.

CHAPTER 271

An act to add Section 9358.1 to the Government Code, relating to retirement.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 9358.1 is added to the Government Code, to read:

9358.1. The board shall report annually to the Joint Rules Committee the rate of contributions which, if paid by the state pursuant to Section 9358, would fully amortize the unfunded actuarial obligation of this system over a period of not to exceed 40 years.

CHAPTER 272

An act to amend Section 6 of the County Water Authority Act (Chapter 545 of the Statutes of 1943), relating to special districts.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 6 of the County Water Authority Act (Chapter 545 of the Statutes of 1943) is amended to read:

Sec. 6. (a) All powers, privileges, and duties vested in or imposed upon any authority incorporated under this act shall be exercised and performed by and through a board of directors. The exercise of any and all executive, administrative, and ministerial powers may be delegated by the board of directors to any of the offices created by this act or by the board of directors acting under this act.

(b) The board of directors shall consist of at least one representative from each public agency, the area of which is within the authority. The representatives shall be designated and appointed by the chief executive officers of those public agencies, respectively, with the consent and approval of the legislative bodies of the public agencies, respectively. Any member of the governing body of a member agency which is a water district may be appointed by that member agency to the board of the authority to serve as the agency's representative, except that, in the case of agencies with several representatives, a majority of the members of the governing body of the agency may not be so appointed by the agency to serve as representatives on the board of the authority. No member of a

governing body shall appoint himself or herself or vote for his or her own appointment. Any director holding dual offices shall not vote upon any contract between a county water authority and the member public agency he or she represents on the authority's board. The term "water district," as used in this subdivision, has the same meaning as in subdivision (a) of Section 10.

(c) Members of the board of directors shall hold office for a term of six years, and until their successors are appointed and qualified. However, the terms of the members of the first board shall be determined by lot so that the terms of not less than one-half of the members shall be for three years and the terms of the remainder shall be six years. Every member shall be subject to recall by the voters of the public agency from which that member is appointed, in accordance with the recall provisions of the freeholders' charter or other law applicable to the public agency, and any member may be recalled by the majority vote of the governing body of the public agency from which the member is appointed.

(d) As a member of the board of directors, each representative is entitled to vote on all questions, orders, resolutions, and ordinances coming before the board, and is entitled to cast one vote for each five million dollars ($5,000,000), or major fractional part thereof, of assessed valuation of property taxable for authority purposes in the public agency represented by him or her as shown by the last equalized assessment roll of the county and evidenced by the certificate of the county auditor; provided, that each representative shall have at least one vote and no public agency shall have votes exceeding in number of the total number of votes of all the other public agencies whose corporate areas are included in the authority. In addition to one representative, any public agency may, at its option, designate and appoint one additional representative for each full 5 percent of the assessed value of property taxable for authority purposes which is within the public agency. However, the term of office of any representative shall not be changed or terminated by reason of any future change in the assessed values of property within any member agency. The representatives of each public agency shall cast the vote to which that public agency would otherwise be entitled as a unit and as a majority of the representatives present shall determine. The affirmative votes of members representing more than 50 percent of the total number of votes of all the members shall be necessary, and, except as otherwise herein provided, shall be sufficient to carry any order, resolution, or ordinance coming before the board of directors. However, any meeting may be adjourned or recessed from day to day or from time to time, by vote of the director or directors present, irrespective of the number of directors present or the number of votes represented at the meeting. For the purposes of this section, the term "major fractional part" means a fractional part larger than one-half.

(e) Members of the first board of directors so constituted shall convene at the call of the clerk of the board of supervisors in the

meeting room of the board of supervisors at the county seat of the county, and immediately upon convening, the board of directors shall elect from its membership a chairperson, a vice chairperson, and a secretary, who shall serve for a period of two years, or until their respective successors are elected and qualified.

(f) A quorum necessary for the transaction of business at any meeting of the board of directors exists whenever there are present at the meeting a majority of the membership of the board of directors which includes at least one-half of the number of representatives of each public agency member having more than six representatives serving on the board of directors. However, any regular or special meeting of the board of directors at which a quorum is not present may be continued from time to time until a quorum is present to transact the business of the board of directors.

CHAPTER 273

An act to amend Section 7105 of the Health and Safety Code, relating to dead bodies.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 7105 of the Health and Safety Code is amended to read:

7105. (a) If the person vested with the duty of interment fails, refuses, or neglects, within a reasonable time after death of the decedent, to make the interment, a cemetery authority having possession of the remains, or any relative of the decedent, may file a petition in the superior court in the county in which the decedent resided at the time of his or her death, or in which the remains are located, naming as defendant the person vested with the duty of interment and seeking an order of the court directing the defendant to make interment of the remains.

(b) If no person residing in the state vested with the duty of making interment is known to the petitioner, or if no person vested with the duty of making interment after reasonable diligence can be found within the state, and that fact appears from the petition, the petitioner may make the coroner of the county in which the petition is filed the party defendant.

(c) If the person vested with the duty of interment has criminal charges pending against him or her for the unlawful killing of the decedent, in violation of Section 187 of, or subdivision (a) or (b) of Section 192 of, the Penal Code, the person or persons with the next highest priority prescribed by Section 7100 may petition a court of competent jurisdiction for an order for control of the disposition of

the decedent's remains. For this purpose, it shall be conclusively presumed that the petitioner is the person entitled to control the disposition of the remains if the petitioner is next in the order of priority specified in Section 7100.

CHAPTER 274

An act to amend Section 4351 of the Food and Agricultural Code, relating to district agricultural associations.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 4351 of the Food and Agricultural Code is amended to read:

4351. There is hereby created the State Race Track Leasing Commission which shall be composed of the Director of Food and Agriculture, the Director of Finance, and the Director of General Services and three individuals, appointed by the Governor, who are members of the Board of Directors of the 22nd District Agricultural Association. The Director of Finance shall serve as chairperson of the commission. All meetings of the commission shall be open and public.

CHAPTER 275

An act to amend Section 75.70 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 75.70 of the Revenue and Taxation Code is amended to read:

75.70. (a) Notwithstanding any other provision of law, for the 1983–84 fiscal year, each county auditor shall allocate to all elementary, high school, and unified school districts within the county in proportion to each district's average daily attendance, as certified by the Superintendent of Public Instruction for purposes of the advance apportionment of state aid in the then current fiscal year, without respect to the allocation of property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5, and without respect to allocation and payment of funds as provided for

in subdivision (b) of Section 33670 of the Health and Safety Code, an amount equal to the additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments for the current roll under this chapter. Additional revenues generated by a rate or rates levied in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the California Constitution shall be allocated to the fund for which the tax rate or rates were levied.

(b) For the 1984–85 fiscal year, the county auditor shall, without respect to the allocation of property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5, do all of the following:

(1) Make the allocation and payment of funds as provided in Section 33670 of the Health and Safety Code.

(2) Allocate to the county the amount determined pursuant to Section 75.60.

(3) Allocate to the county an amount equal to the total amount of additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraphs (1) and (2), the remainder multiplied by the county's property tax apportionment factor determined pursuant to Section 97.5.

(4) Allocate to each community college district and county superintendent of schools within the county an amount equal to the total amount of additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraphs (1) and (2), the remainder multiplied by each county superintendent of schools' and community college district's property tax apportionment factor determined pursuant to Section 97.5.

(5) Allocate to each city within the county an amount equal to the total amount of additional revenue generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraphs (1) and (2), the remainder multiplied by each city's property tax apportionment factor determined pursuant to Section 97.5.

(6) Allocate to each special district within the county an amount equal to the total amount of additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraphs (1) and (2), the remainder multiplied by each special district's property tax apportionment factor determined pursuant to Section 97.5. The amount allocated to each special district which is governed by the board of supervisors of a county or whose governing

board is the same as the board of supervisors of a county, shall be subject to Section 98.6.

(7) Allocate the remaining revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter to all elementary, high school, and unified school districts within the county in proportion to each district's average daily attendance, as certified by the Superintendent of Public Instruction for purposes of the advance apportionment of state aid in the then current fiscal year.

(8) Allocate additional revenues generated by a rate levied in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the California Constitution to the fund or funds for which the tax rate or rates were levied.

These allocations shall be made on a timely basis but no later than 30 calendar days after the close of the preceding monthly or four-weekly accounting period.

(c) For the 1985–86 fiscal year, and each fiscal year thereafter, the county auditor shall, without respect to the allocation of property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5, do all of the following:

(1) Make the allocation and payment of funds as provided in Section 33670 of the Health and Safety Code.

(2) Allocate and pay to the county an amount equal to the total amount of additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraph (1), the remainder multiplied by the county's property tax apportionment factor determined pursuant to Section 97.5.

(3) Allocate and pay to each county superintendent of schools and community college district within the county an amount equal to the total amount of additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraph (1), the remainder multiplied by each county superintendent of schools' and community college district's property tax apportionment factor determined pursuant to Section 97.5.

(4) Allocate and pay to each city within the county an amount equal to the total amount of additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraph (1), the remainder multiplied by each city's property tax apportionment factor determined pursuant to Section 97.5.

(5) Allocate and pay to each special district within the county an amount equal to the total amount of additional revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article

XIII A of the California Constitution applied to the increased assessments under this chapter, less the amount determined pursuant to paragraph (1), the remainder multiplied by each special district's property tax apportionment factor determined pursuant to Section 97.5. The amount allocated to each special district which is governed by the board of supervisors of a county or whose governing body is the same as the board of supervisors of a county, shall be subject to Section 98.6.

(6) Allocate and pay the remaining revenues generated by the rate levied pursuant to subdivision (a) of Section 1 of Article XIII A of the California Constitution applied to the increased assessments under this chapter to all elementary, high school, and unified school districts within the county in proportion to each district's average daily attendance, as certified by the Superintendent of Public Instruction for the purposes of the advance apportionment of state aid in the then current fiscal year.

(7) Allocate and pay additional revenues generated by a rate levied in excess of the limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the California Constitution to the fund or funds for which the tax rate or rates were levied.

These allocations and payments shall be made on a timely basis but no later than 30 calendar days after the close of the monthly or four-weekly preceding accounting period.

(d) For purposes of the certification made by the Superintendent of Public Instruction pursuant to subdivision (a), the average daily attendance of the following districts shall be deemed to be zero:

(1) In the case of multicounty districts, the portions of the districts located other than in the county of control.

(2) Any district which received two thousand four hundred dollars ($2,400) or one hundred twenty dollars ($120) per average daily attendance, whichever is greater, in the prior fiscal year.

(e) The Superintendent of Public Instruction shall certify the appropriate counts of average daily attendance pursuant to subdivision (a) to each county auditor no later than July 15 of each applicable fiscal year.

(f) On or before November 15 and April 15, the auditor of each county shall furnish to the Superintendent of Public Instruction the estimated amount of tax receipts pursuant to this section of each school district situated within his or her county.

(g) In the event property tax revenues under this chapter are generated by a change in ownership or completed new construction which occurred on or before May 31, 1984, but are collected subsequent to the 1983–84 fiscal year, the revenues for the current roll shall be allocated to school districts as if they had been collected and allocated during this 1983–84 fiscal year. Any of the aforementioned revenues which are collected in the 1984–85 fiscal year shall be applied to school apportionments for the 1984–85 fiscal year.

CHAPTER 276

An act to amend Section 1241 of the Insurance Code, relating to insurance.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 1241 of the Insurance Code is amended to read:

1241. In addition to the permission granted by Section 1240, an insurer, whether or not it is authorized to do business in, or has outstanding insurance contracts on lives or risks in any foreign country, may invest in or otherwise acquire or loan upon securities and investments in that foreign country which are substantially of the same kinds, classes and investment grades as those eligible for investment under this code, subject to the following conditions:

(a) Such investments shall not exceed in the aggregate 4 percent of the capital and surplus or 2 percent of the total admitted assets of such insurer, whichever is less.

(b) Notwithstanding subdivision (a), for a life insurer having admitted assets of not less than one hundred million dollars ($100,000,000) as of the December 31, preceding, the investment shall not exceed in the aggregate 4 percent of the total admitted assets of the life insurer as of the preceding December 31. Those insurers shall also comply with all other applicable state and federal laws relating to loans and investments.

(c) Such investments are to be classified as excess investments.

(d) Only those of such investments as are listed and traded on a securities exchange subject to regulation, supervision, or control under a statute of the United States of America, or if such securities shall be subject to an annual evaluation by the National Association of Insurance Commissioners' Evaluation Committee, shall be allowed as admitted assets. The expense of an evaluation by such committee shall be borne by the insurer making such investments.

CHAPTER 277

An act to amend Section 39005 of the Education Code, relating to school sites.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 39005 of the Education Code is amended to read:

39005. Before acquiring title to property for a new school site or for an addition to a present site; the governing board of each school district, including districts governed by a city board of education, in order to promote the safety of pupils, comprehensive community planning, and greater educational usefulness of school sites, shall give the State Department of Education notice in writing of the proposed acquisition and shall submit any information required by the State Department of Education, if the proposed site is within two miles, measured by air line, of that point on an airport boundary which is nearest the site and excluding them if the property is not so located.

Immediately after receiving notice of the proposed acquisition of property which is within two miles, measured by air line, of that point on an airport boundary which is nearest the site, the State Department of Education shall notify the State Department of Transportation, in writing, of the proposed acquisition. The State Department of Transportation shall conduct an investigation and prepare and submit a report concerning the proposed acquisition to the State Department of Education within 30 working days after receipt of the notice. If the State Department of Transportation is no longer in operation, the State Department of Education shall, in lieu of notifying the State Department of Transportation, notify the United States Department of Transportation or any other appropriate agency, in writing, of the proposed acquisition for the purpose of obtaining from the department or other agency any information or assistance that it may desire to provide.

The State Department of Education shall investigate the proposed site and, within 35 working days after receipt of the notice, shall submit to the governing board a written report, including its recommendations, concerning acquisition of the site. The governing board shall not acquire title to the property until the report of the State Department of Education has been received. If this report does not recommend the acquisition of the property for a school site or an addition to a present school site, the governing board shall not acquire title to the property until at least 30 days after the department's report is received and until the department's report has been read at a public hearing duly called after 10 days' notice published once in a newspaper of general circulation within the

school district or, if there is no such newspaper, in a newspaper of general circulation within the county in which the property is located.

CHAPTER 278

An act to amend Section 6363.6 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 6363.6 of the Revenue and Taxation Code is amended to read:

6363.6. There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage, use or other consumption in this state of, meals and food products for human consumption furnished or served to and consumed by residents or patients of:

(a) A health facility as defined in Section 1250 of the Health and Safety Code, which holds the license required pursuant to Section 1253, or is exempt from the license requirement pursuant to subdivision (a) of Section 1270, or is operated by the United States.

(b) A community care facility as defined in Section 1502 of the Health and Safety Code, which holds the license required by Section 1508, or is a residential facility selected by a licensee pursuant to Section 1506 and exclusively used for the reception and care of persons placed by such licensee, or is exempt from the license requirement pursuant to subdivision (f) of Section 1505, or is operated by the United States.

(c) Any house or institution supplying board and room for a flat monthly rate and serving as a principal residence exclusively for persons 62 years of age or older.

(d) An alcoholism recovery facility, as defined in Section 11834.11 of the Health and Safety Code, which holds the license required by Section 11834.12 of the Health and Safety Code. This subdivision shall apply to meals served by such a facility on or after January 1, 1985.

SEC. 2. The Legislature finds and declares that the retroactive operation of the amendment to Section 6363.6 of the Revenue and Taxation Code made by this act serves a public purpose inasmuch as the affected sales and transactions were exempt from the Sales and Use Tax Law prior to January 1, 1985, and after that date the continued applicability of the exemption to an alcoholism recovery facility became unclear only because of changes in the law relating to the licensing authority of those facilities which are referenced to in the sales and use tax laws, and not as a result of intended changes

to the continued application of that sales and use tax exemption to those facilities.

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 279

An act to add Section 22651.7 to the Vehicle Code, relating to vehicles.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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. Any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, pursuing a fleeing or evading person in a motor vehicle may remove and store, or cause to be removed and stored, any vehicle used in violation of Section 2800.1 or 2800.2 from property other than that of the registered owner of the vehicle for the purposes of investigation, identification, or apprehension of the driver if the driver of the vehicle abandons the vehicle and leaves it unattended. All towing and storage fees for a vehicle removed under this section shall be paid by the owner, unless the vehicle was stolen or taken without permission.

No vehicle shall be impounded under this section if the driver is arrested before arrival of the towing equipment or if the registered owner is in the vehicle.

As used in this section, "remove and store a vehicle" means that the peace officer may cause the removal of a vehicle to, and storage of a vehicle in, a private lot where the vehicle may be secured by the owner of the facility or by the owner's representative.

Nothing in this section is intended to change current statute and case law governing searches and seizures.

CHAPTER 280

An act to amend Section 5004.1 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 5004.1 of the Vehicle Code is amended to read:

5004.1. (a) An owner of any vehicle eligible for registration pursuant to Section 5004 may, after the requirements for the registration of the vehicle have been complied with and with the approval of the department, utilize license plates of this state with the date of year corresponding to the model year date when the vehicle was manufactured, if the model year date license plate is legible and serviceable, as determined by the department, in lieu of the license plates otherwise required by this code. The department may consult with an organization of old car hobbyists in determining whether the date of year of the license plate to be used corresponds to the model year date when the vehicle was manufactured.

Vehicles subject to this section shall display evidence of current registration.

(b) A fee of thirty-five dollars ($35) shall be charged for the application for use of the special plates.

(c) In addition to the regular renewal fee for the vehicle for which the plates are authorized, the applicant for a renewal of the plates shall be charged an additional fee of ten dollars ($10).

(d) Whenever any person who has been authorized to utilize the special license plates applies to the department for transfer of the plates to another vehicle, a transfer fee of twelve dollars ($12) shall be charged in addition to all other appropriate fees.

CHAPTER 281

An act to amend Sections 25135.6 and 25135.9 of the Health and Safety Code, relating to hazardous waste.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 25135.6 of the Health and Safety Code is amended to read:

25135.6. (a) A county shall prepare, review, and adopt the

county hazardous waste management plan pursuant to the schedule specified in this section.

(b) On or before December 31, 1987, each county, with the cooperation of affected local jurisdictions and the advisory committee established pursuant to Section 25135.2, shall prepare a draft county hazardous waste management plan and submit the draft plan to the department. If a county shows to the department that the county has made substantial compliance towards completing the draft county hazardous waste management plan and needs additional time to complete the draft plan, the department may extend to March 31, 1988, the date by which the draft plan is required to be submitted. The county shall involve the public with the preparation of the draft plan, to the fullest extent possible, by public hearings, informational meetings, and other appropriate forums that offer the public the opportunity to respond to clearly defined alternative objectives, policies, and actions.

(c) On or before March 31, 1988, or, if the department has given the county a time extension pursuant to subdivision (b), on or before June 30, 1988, the county shall conduct hearings on the draft county hazardous waste management plan, in the number determined appropriate by the county. The county shall provide affected local jurisdictions, the public, industry, business organizations, and the hazardous waste management industry with the full opportunity to comment orally and in writing on the draft county hazardous waste management plan.

(d) On or before March 31, 1988, or, if the department has given the county a time extension pursuant to subdivision (b), on or before June 30, 1988, the department shall review the draft plan, and provide each county with comments which specify the changes or additions which are required to be made to the draft plan to result in a final plan which can be approved by the department pursuant to Section 25135.7.

(e) After conducting the review and comment period required by subdivision (c), each county shall revise, as appropriate, the draft county hazardous waste management plan.

(f) The revised county hazardous waste management plan shall be approved by a majority of the cities within the county which contain a majority of the population of the incorporated area of the county. On or before September 30, 1988, the county shall adopt the revised county hazardous waste management plan as the final county hazardous waste management plan.

SEC. 2. Section 25135.9 of the Health and Safety Code is amended to read:

25135.9. (a) The department shall, pursuant to this section and subdivision (c) of Section 25170, prepare and adopt a state hazardous waste management plan. The state hazardous waste management plan shall serve as a comprehensive planning document for the state and shall be prepared as a useful informational source for the public, local government, and regional councils of government. The state

hazardous waste management plan shall be prepared in conjunction with, and shall take into account, hazardous waste management plans and the hazardous waste portions of county solid waste management plans adopted by counties and regional councils of governments.

(b) The state hazardous waste management plan shall be prepared and adopted by the department on or before November 1, 1989, shall be reviewed annually, and shall be revised to reflect new information at least once every three years.

(c) In preparing and adopting the state hazardous waste management plan, and in revising the plan thereafter, the department shall do all of the following:

(1) Publish the draft plan or the revised plan and make it available to the public for review and comment at least three months before final adoption.

(2) Conduct workshops and at least two public hearings on the plan or the draft revised plan, one in the southern part of the state and one in the northern part of the state, to solicit the views of the public, local government, regional councils of governments, and interested parties.

(3) Include in the final state hazardous waste management plan and in revisions of the plan, a summary of the comments received and the department's responses to those comments.

(d) The state hazardous waste management plan, and each revision of the plan, shall include, but need not be limited to, all of the following elements:

(1) An analysis of the hazardous waste streams produced in the state, an accounting of the volumes of hazardous waste produced in each county and region of the state, by type of waste, and estimates of the expected rates of hazardous waste production, by type of waste, during the next five years.

(2) An inventory of existing and planned hazardous waste facilities which handle, treat, recycle, dispose, or otherwise manage hazardous wastes produced in the state. The inventory shall include a description of the facilities, a determination of the capacity of each existing or planned facility to handle, treat, recycle, dispose, or otherwise manage the waste streams it is authorized to handle, treat, recycle, dispose, or otherwise manage, and a description of the current progress and status of each planned facility in achieving operational status, including a timetable for becoming operational.

(3) An assessment of the need for additional hazardous waste facilities to manage the volumes of hazardous waste currently produced or which are expected to be produced during the next 20 years.

(4) An identification of the areas or regions of the state where new or expanded capacity to manage hazardous wastes are needed and the types of facilities that should be sited and constructed.

(5) A description of the policies, programs, incentives, requirements, prohibitions, or other measures which, if

implemented, would reduce or eliminate the need for new or expanded facilities.

(6) A statement of goals, objectives, and policies currently in effect, or in the process of development, for the siting of hazardous waste facilities and the management of hazardous wastes during the next five years.

(7) A schedule of recommended actions, including specific dates, for carrying out state, regional, and local actions to implement the state hazardous waste management plan.

CHAPTER 282

An act to amend Section 5204 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 5204 of the Vehicle Code is amended to read:

5204. (a) Except as provided by subdivision (b), a tab shall indicate the year number for which issued and a tab shall indicate the month of expiration, which tabs, stickers, or other suitable devices shall be attached to the rear license plate assigned to the vehicle for the last preceding registration year in which license plates were issued, and, when so attached, the license plate with the tabs, stickers, or other devices shall, for the purposes of this code, be deemed to be the license plate for the ensuing registration year, except that truck tractors, and commercial motor vehicles having an unladen weight of 10,000 pounds or more, shall display the tabs, stickers, or other devices upon the front license plate assigned to the truck tractor or commercial motor vehicle.

(b) The requirement of subdivision (a) that the tab indicate the year number for which issued and the month of expiration does not apply to fleet vehicles subject to Article 9.5 (commencing with Section 5300).

CHAPTER 283

An act to amend Section 3003 of the Penal Code, relating to parole.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 3003 of the Penal Code is amended to read:

3003. (a) An inmate who is released on parole shall be returned to the county from which he or she was committed.

For purposes of this subdivision, "county from which he or she was committed" means the county where the crime for which the inmate was committed occurred.

(b) Notwithstanding subdivision (a), an inmate may be returned to another county in a case where that would be in the best interests of the public and of the parolee. If the authority setting the conditions of parole decides on a return to another county, it shall place its reasons in writing in the parolee's permanent record. In making its decision, the authority may consider, among others, the following factors:

(1) The need to protect the life or safety of a victim, the parolee, a witness or any other person.

(2) Public concern that would reduce the chance that the inmate's parole would be successfully completed.

(3) The verified existence of a work offer, or an educational or vocational training program.

(4) The last legal residence of the inmate having been in another county.

(5) The existence of family in another county with whom the inmate has maintained strong ties and whose support would increase the chance that the inmate's parole would be successfully completed.

(6) The lack of necessary outpatient treatment programs for parolees receiving treatment pursuant to Section 2960.

(c) An inmate may be paroled to another state pursuant to any other provision of law.

CHAPTER 284

An act to amend Section 21804 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 21804 of the Vehicle Code is amended to read:

21804. (a) The driver of a vehicle about to enter or cross a highway from any public or private property, or from an alley, shall yield the right-of-way to all traffic, as defined in Section 620, approaching so closely on the highway as to constitute an immediate hazard and shall continue to yield the right-of-way to those approaching vehicles until such time as the driver can proceed with reasonable safety.

(b) A driver, having so yielded, if required pursuant to subdivision (a), may proceed to enter or cross the highway and the drivers of all other vehicles approaching on the highway shall then yield the right-of-way to that driver.

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 285

An act to amend Section 795 of the Evidence Code, relating to evidence.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 795 of the Evidence Code is amended to read:

795. (a) The testimony of a witness is not inadmissible in a criminal proceeding by reason of the fact that the witness has previously undergone hypnosis for the purpose of recalling events which are the subject of the witness' testimony, if all of the following conditions are met:

(1) The testimony is limited to those matters which the witness

recalled and related prior to the hypnosis.

(2) The substance of the prehypnotic memory was preserved in written, audiotape, or video tape form prior to the hypnosis.

(3) The hypnosis was conducted in accordance with all of the following procedures:

(A) A written record was made prior to hypnosis documenting the subject's description of the event, and information which was provided to the hypnotist concerning the subject matter of the hypnosis.

(B) The subject gave informed consent to the hypnosis.

(C) The hypnosis session, including the pre- and post-hypnosis interviews, was video tape recorded for subsequent review.

(D) The hypnosis was performed by a licensed medical doctor, psychologist, or licensed clinical social worker experienced in the use of hypnosis or a licensed marriage, family and child counselor certified in hypnosis by the Board of Behavioral Science Examiners and independent of and not in the presence of law enforcement, the prosecution, or the defense.

(4) Prior to admission of the testimony, the court holds a hearing pursuant to Section 402 of the Evidence Code at which the proponent of the evidence proves by clear and convincing evidence that the hypnosis did not so affect the witness as to render the witness' prehypnosis recollection unreliable or to substantially impair the ability to cross-examine the witness concerning the witness' prehypnosis recollection. At the hearing, each side shall have the right to present expert testimony and to cross-examine witnesses.

(b) Nothing in this section shall be construed to limit the ability of a party to attack the credibility of a witness who has undergone hypnosis, or to limit other legal grounds to admit or exclude the testimony of that witness.

CHAPTER 286

An act to amend Sections 2056, 2090, and 2097 of the Fish and Game Code, relating to endangered species.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 2056 of the Fish and Game Code is amended to read:

2056. The Legislature further finds and declares that the cooperation of the owners of land which is identified as habitat for endangered species and threatened species is essential for the conservation of those species and that it is the policy of this state to

foster and encourage that cooperation in furtherance of the purposes of this chapter. Therefore, a landowner of property on which an endangered, threatened, or candidate species lives shall not be liable for civil damages for injury to employees of, or persons under contract with, the department if the injury occurs while those persons are conducting survey, management, or recovery efforts with respect to those species.

SEC. 2. Section 2090 of the Fish and Game Code is amended to read:

2090. (a) Each state lead agency shall consult with the department, in accordance with guidelines developed by the department, to ensure that any action authorized, funded, or carried out by that state lead agency is not likely to jeopardize the continued existence of any endangered or threatened species.

(b) Whenever the department consults with a state lead agency pursuant to Section 21080.3, 21080.4, 21080.5, or 21104.2 of the Public Resources Code, the department shall issue a written finding based on its determination of whether a proposed project would jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat essential to the continued existence of the species. The written finding shall also include the department's determination of whether a proposed project would result in any taking of an endangered species or a threatened species incidental to the proposed project. The department shall base its determination on the best available scientific information.

SEC. 3. Section 2097 of the Fish and Game Code is amended to read:

2097. This article shall remain in effect only until July 1, 1990, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1990, deletes or extends that date.

CHAPTER 287

An act to amend Section 11217 of the Health and Safety Code, relating to drugs.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 11217 of the Health and Safety Code is amended to read:

11217. No person shall treat an addict for addiction to a narcotic drug except in one of the following:

(a) An institution approved by the State Department of Mental Health, and where the patient is at all times kept under restraint and

control.

(b) A city or county jail.

(c) A state prison.

(d) A facility designated by a county and approved by the State Department of Mental Health pursuant to Division 5 (commencing with Section 5000) of the Welfare and Institutions Code.

(e) A state hospital.

(f) A county hospital.

(g) A facility licensed by the State Department of Alcohol and Drug Programs pursuant to Division 10.5 (commencing with Section 11750).

Methadone in the continuing treatment of addiction to a controlled substance shall be used only in those programs licensed by the State Department of Alcohol and Drug Programs pursuant to Article 3 (commencing with Section 11875) of Chapter 1 of Part 3 of Division 10.5 on either an inpatient or outpatient basis, or both.

This section does not apply during emergency treatment, or where the patient's addiction is complicated by the presence of incurable disease, serious accident, or injury, or the infirmities of old age.

Neither this section nor any other provision of this division shall be construed to prohibit the maintenance of a place in which persons seeking to recover from addiction to a controlled substance reside and endeavor to aid one another and receive aid from others in recovering from such addiction, nor does this section or such division prohibit such aid, provided that no person is treated for addiction in such place by means of administering, furnishing, or prescribing of controlled substances. The preceding sentence is declaratory of preexisting law.

Neither this section or any other provision of this division shall be construed to prohibit short-term methadone detoxification treatment in a controlled setting approved by the director and pursuant to rules and regulations of the director. Facilities and treatment approved by the director under this paragraph shall not be subject to approval or inspection by the Board of Medical Quality Assurance, nor shall persons in such facilities be required to register with, or report the termination of residence with, the police department or sheriff's office.

CHAPTER 288

An act to add Section 25150.2 to the Health and Safety Code, relating to hazardous waste.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 25150.2 is added to the Health and Safety Code, to read:

25150.2. (a) The department shall adopt regulations, consistent with federal law, concerning the transportation of hazardous waste from this state across international boundaries. These regulations shall include, but are not limited to, both of the following:

(1) All applicable federal regulations adopted pursuant to the Resource Conservation and Recovery Act of 1976, as amended, (42 U.S.C. Sec. 6901 et seq.).

(2) Procedures to carry out Section 25160 for the purpose of monitoring international transboundary shipments of hazardous waste.

(b) The department shall adopt procedures for the purpose of receiving information collected by the Environmental Protection Agency pursuant to Section 262.50 of Title 40 of the Code of Federal Regulations concerning the transportation of hazardous waste across international boundaries.

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 289

An act to add Section 9757 to the Welfare and Institutions Code, relating to health insurance.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 9757 is added to the Welfare and Institutions Code, to read:

9757. The Department of Aging and the Department of Insurance shall jointly develop interagency procedures for referring

and investigating suspected instances of misrepresentation in advertising or sales of health and long-term care insurance policies.

CHAPTER 290

An act to amend Section 4003.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 4003.5 of the Vehicle Code is amended to read:

4003.5. (a) Upon payment of the fee specified in Section 9258.5, the department shall issue to a manufacturer or dealer a one-trip permit authorizing a new trailer, semitrailer, or auxiliary dolly which has never been registered in any state, or a used trailer, semitrailer, or auxiliary dolly which is not currently registered to be moved or operated laden within, entering, or leaving this state for not more than five days as part of one continuous trip from the place of manufacture for a new vehicle, or from the place of dispatch or entry into this state for a used vehicle, to a place where the vehicle will be offered for sale.

(b) Any permit issued pursuant to this section authorizes the operation of a single trailer, semitrailer, or auxiliary dolly, and the permit shall identify the trailer, semitrailer, or auxiliary dolly authorized by make, model, and vehicle identification number. The permit shall include the name and license number of the manufacturer from whom the new vehicle is sent, or the name and license number of the dealer from whom the used vehicle is sent, the name and address of the person or business receiving the load, a description of the load being carried, and the name and license number of the dealer who will be offering the trailer, semitrailer, or auxiliary dolly for sale. Each permit shall be completed prior to operation of the trailer or semitrailer or auxiliary dolly on a highway. The permit shall be carried on the trailer, semitrailer, or auxiliary dolly to which it applies in an appropriate receptacle inaccessible from the inside of the cab and shall be readily available for inspection by a peace officer. Each permit is valid at the time of inspection by a peace officer only if it has been completed as required by the department and has been placed in the appropriate receptacle as required by this section. The manufacturer or dealer issued the permit may allow a third party to move or operate the vehicle.

(c) The privilege of securing and displaying a permit authorized pursuant to this section shall not be extended to a manufacturer, carrier, or dealer located in a jurisdiction with which the state does

not have vehicle licensing reciprocity.

(d) The privilege of securing and displaying a permit authorized pursuant to this section shall not be granted more than once without the sale and registration of the trailer, semitrailer, or auxiliary dolly.

CHAPTER 291

An act to amend Section 830.31 of the Penal Code, relating to peace officers.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 830.31 of the Penal Code is amended to read:

830.31. The following persons are peace officers whose authority extends to any place in the state for the purpose of performing their primary duty or when making an arrest pursuant to Section 836 as to any public offense with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of that offense, or pursuant to Section 8597 or 8598 of the Government Code. Those peace officers may carry firearms only if authorized and under terms and conditions specified by their employing agency.

(a) (1) Members of an arson-investigating unit, regularly paid and employed in that position of a fire protection agency of the state, of a county, city, or district, if the primary duty of the arson investigators is the detection and apprehension of persons who have violated any fire law or committed insurance fraud.

(2) Members of a fire department or fire protection agency of the state, or a county, city, or district regularly paid and employed in that position if the primary duty of fire department or fire protection agency members other than arson investigators when acting as peace officers is the enforcement of laws relating to fire prevention and fire suppression.

(b) Persons designated by a local agency as park rangers, and regularly employed and paid as such, if the primary duty of the peace officer is the protection of park and other property of the agency and the preservation of the peace therein.

(c) Members of a community college police department appointed pursuant to Section 72330 of the Education Code, if the primary duty of the peace officer is the enforcement of the law as prescribed in Section 72330 of the Education Code.

(d) A welfare fraud investigator or inspector, regularly employed and paid as such by a county, if the primary duty of the peace officer is the enforcement of the provisions of the Welfare and Institutions Code.

(e) A child support investigator or inspector, regularly employed and paid as such by a district attorney's office, if the primary duty of the peace officer is the enforcement of the provisions of the Welfare and Institutions Code and Section 270.

(f) The coroner and deputy coroners, regularly employed and paid as such, of a county, if the primary duty of the peace officer are those duties set forth in Sections 27469 and 27491 to 27491.4, inclusive, of the Government Code.

(g) A member of the San Francisco Bay Area Rapid Transit District Police Department appointed pursuant to Section 28767.5 of the Public Utilities Code, if the primary duty of the peace officer is the enforcement of the law in or about properties owned, operated, or administered by the district or when performing necessary duties with respect to patrons, employees, and properties of the district.

(h) Harbor or port police regularly employed and paid as such by a county, city, or district other than peace officers authorized under Section 830.1, and the port warden and special officers of the Harbor Department of the City of Los Angeles, if the primary duty of the peace officer is the enforcement of the law in or about the properties owned, operated, or administered by the harbor or port or when performing necessary duties with respect to patrons, employees, and properties of the harbor or port.

(i) Persons designated as a security officer by a municipal utility district pursuant to Section 12820 of the Public Utilities Code, if the primary duty of the officer is the protection of the properties of the utility district and the protection of the persons thereon.

(j) Persons designated as a security officer by a county water district pursuant to Section 30547 of the Water Code, if the primary duty of the officer is the protection of the properties of the county water district and the protection of the persons thereon.

(k) The security director of the public utilities commission of a city and county, if the primary duty of the security director is the protection of the properties of the commission and the protection of persons thereon.

CHAPTER 292

An act to amend Sections 19230 and 19231 of the Government Code, relating to state employees.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 19230 of the Government Code is amended to read:

19230. The Legislature hereby declares that:

(a) It is the policy of this state to encourage and enable disabled persons to participate fully in the social and economic life of the state and to engage in remunerative employment.

(b) It is the policy of this state that qualified disabled persons shall be employed in the state service, the service of the political subdivisions of the state, in public schools, and in all other employment supported in whole or in part by public funds on the same terms and conditions as the nondisabled, unless it is shown that the particular disability is job related.

(c) It is the policy of this state that a department, agency, or commission shall make reasonable accommodation to the known physical or mental limitations of an otherwise qualified disabled applicant or employee, unless the hiring authority can demonstrate that the accommodation would impose an undue hardship on the operation of its program. A department shall not deny any employment opportunity to a qualified disabled applicant or employee if the basis for the denial is the need to make reasonable accommodation to the physical or mental limitations of the applicant or employee.

SEC. 2. Section 19231 of the Government Code is amended to read:

19231. (a) As used in this article, the following definitions apply:

(1) "Disabled person" means any person who (A) has a physical or mental impairment which substantially limits one or more of that person's major life activities, (B) has a record of the impairment, or (C) is regarded as having such an impairment.

A disabled individual is "substantially limited" if he or she is likely to experience difficulty in securing, retaining, or advancing in employment because of a disability.

(2) "Reasonable accommodation" means both of the following:

(A) Making facilities used by employees readily accessible to and usable by disabled persons.

(B) Job restructuring, part-time or modified work schedules, acquisition or modification of equipment or devices, provision of readers or interpreters, and other similar actions.

(b) Undue hardship on the operation of a department's program shall be judged on all of the following:

(1) The overall size of the department's program with respect to the number of employees, the number and type of facilities, and the size of the department's budget.

(2) The type of departmental operation, including composition and structure of the department workforce.

(3) The nature and cost of the accommodation needed.

CHAPTER 293

An act to amend Section 25123.3 of the Health and Safety Code, relating to hazardous waste.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 25123.3 of the Health and Safety Code is amended to read:

25123.3. (a) "Storage facility" means a hazardous waste facility at which the hazardous waste meets any of the following requirements:

(1) The hazardous waste is contained for periods greater than 90 days at an onsite facility.

(2) The hazardous waste is contained for any period of time and the quantities of the hazardous waste exceed 5,000 gallons or 45,000 pounds, whichever is greater. For purposes of this paragraph, these quantities do not include hazardous waste stored in a portable tank used for a period of not more than 60 calendar days at an onsite facility or hazardous waste accumulated onsite which has been generated from onsite maintenance operations which occur less frequently than annually.

(3) The hazardous waste is contained for any period of time at an offsite facility which is not a transfer facility.

(4) The hazardous waste is contained at a transfer facility for periods greater than 144 hours.

(b) The time period for calculating the 90-day period for purposes of paragraph (1) of subdivision (a) begins when the facility has accumulated 100 kilograms of hazardous waste or 1 kilogram of extremely hazardous waste, except that, if the facility generates more than 100 kilograms of hazardous waste or 1 kilogram of extremely hazardous waste during any calendar month, the time period begins when any amount of hazardous waste first begins to accumulate.

(c) For purposes of this section, "transfer facility" means any offsite facility which is related to the transportation of hazardous waste, including, but not limited to, loading docks, parking areas, storage areas, and other similar areas where shipments of hazardous waste are held during the normal course of transportation.

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 294

An act to amend Section 19995.4 of the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 19995.4 of the Government Code is amended to read:

19995.4. (a) The department shall devise plans for, and cooperate with appointing powers in the conduct of, supervisorial employee training programs so that the quality of supervisorial services rendered by persons in those positions may be continually improved.

(b) Each supervisorial employee, upon the employee's initial appointment to a designated supervisory position, shall be provided a minimum of 80 hours of training, at least 40 hours of which shall be structured and be provided by a qualified instructor. The training shall consist of the role of the supervisor, techniques of supervision, planning, organizing, staffing and controlling, performance standards, performance appraisal, affirmative action, discipline, labor relations, and grievances. The additional 40 hours of training may be provided on-the-job by a qualified higher level supervisor or manager.

(c) Training shall be completed within 12 months of appointment to a supervisorial classification, except that when the appointing power provides only 40 hours of structured training, on-the-job training shall be completed within six months.

(d) This section applies only to supervisorial employees appointed on or after January 1, 1984.

SEC. 2. The provisions of the following memoranda of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organizations on the dates listed below, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

(a) Unit 6–California Correctional Peace Officers Association, dated July 11, 1987.

(b) Unit 13–International Union of Operating Engineers, dated July 13, 1987.

(c) Unit 18–California Association of Psychiatric Technicians, dated July 9, 1987.

SEC. 3. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the

provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual 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 for the provisions of this act to be applicable for as much as possible of the 1987–88 fiscal year and so facilitate the orderly administration of the state service, it is necessary for this act to take effect immediately.

CHAPTER 295

An act to amend Section 1799.91 of the Civil Code, relating to consumer credit, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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.

(e) The word "your" in the last sentence of the third paragraph of the notice in English set forth in subdivision (a) shall be italicized.

SEC. 2. In the printed statute, the word "your" shall be printed in italics in the last sentence of the third paragraph of the notice in English set forth in subdivision (a) of Section 1799.91 of the Civil Code as amended by this act.

SEC. 3. From January 1, 1987, until January 1, 1989, a creditor will be deemed in compliance with Section 1799.91 of the Civil Code if the word "your" in the last sentence of the third paragraph of the notice in English required by Section 1799.91 of the Civil Code is printed in italic type as provided in this act or in upper case roman type as provided in Chapter 280 of the Statutes of 1986.

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 correct a printer's error in Chapter 280 of the Statutes of 1986, to conform state law to regulations promulgated by the Federal Trade Commission as intended by the 1986 Regular Session, and to avoid confusion and hardships to creditors, it is necessary that this act take effect immediately.

CHAPTER 296

An act to add Section 1005.5 to the Fish and Game Code, relating to the Department of Fish and Game.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 1005.5 is added to the Fish and Game Code, to read:

1005.5. Notwithstanding Section 11005 of the Government Code, the department may accept gifts of personal property if the donor is a county of the state and the gift is purchased with fine money derived from fish and game violations. The department shall notify the Department of Finance 30 days in advance of accepting these gifts.

CHAPTER 297

An act to add Section 391 to the Fish and Game Code, relating to fish and game.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 391 is added to the Fish and Game Code, to read:

391. The department, subject to the approval of the Attorney General, may enter into reciprocal agreements with any appropriate federal or county agencies, or agencies in other states, for purposes of exchanging information on fish and wildlife law enforcement, including, but not limited to, the records of any person or persons involved in, or suspected of any involvement in, a violation of this code or any regulation adopted pursuant thereto. This information shall be confidential, and the records shall not be public records, except when used for the purpose of prosecuting any person or persons for a violation of any fish and game law or regulation.

CHAPTER 298

An act to amend Sections 9850, 9853.4, and 9864 of, and to add Section 9845 to, the Vehicle Code, relating to vessels.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 9845 is added to the Vehicle Code, to read:

9845. The director, deputy director, registrar, deputy registrar, investigators of the department, and peace officers, as defined in Chapter 4.5 (commencing with Section 830) of the Penal Code, may inspect the hull identification number, certificate of number, and certificate of ownership of any vessel, as defined in Section 9840, when transported on a highway, or in any public garage, repair shop, public or private marina, dry storage facility, new or used vessel sales lot or boat yard, or other similar establishment for the purpose of investigating the ownership and registration of vessels, locating stolen vessels, and for inspection of wrecked, dismantled, or abandoned vessels. The authority to inspect pursuant to this section does not extend to any enclosed living area aboard a vessel.

SEC. 2. Section 9850 of the Vehicle Code is amended to read:

9850. Every undocumented vessel using the waters or on the

waters of this state shall be currently numbered. No person shall operate nor shall any county, city, or political subdivision give permission for the operation of any undocumented vessel on those waters unless the undocumented vessel is numbered in accordance with this chapter, or in accordance with applicable federal law, or in accordance with a federally approved numbering system of another state, and unless (1) the certificate of number issued to such undocumented vessel is in full force and effect, and (2) the identifying number set forth in the certificate of number is displayed on each side of the bow of the undocumented vessel for which the identifying number was issued.

SEC. 3. Section 9853.4 of the Vehicle Code is amended to read:

9853.4. (a) The department may issue one or more stickers, tabs, or other suitable devices to identify vessels as being currently registered. The size, shape, and color of the sticker, tab, or other device and the positioning of the sticker, tab, or other device on the vessel shall be as determined by the department after consultation with the Department of Boating and Waterways, such consultation to consider the responsibilities and duties of the Department of Boating and Waterways as prescribed in the Harbors and Navigation Code.

(b) Whenever the department issues a sticker, tab, or other device pursuant to subdivision (a), the sticker, tab, or device shall only be displayed on the vessel for which it was issued.

SEC. 4. Section 9864 of the Vehicle Code is amended to read:

9864. The owner shall furnish the department notice of the wrecking or dismantling, or the destruction or abandonment of an undocumented vessel within 15 days thereof. The wrecking, dismantling, destruction or abandonment shall terminate the certificate of ownership and certificate of number of such undocumented vessel which if in existence shall be surrendered to the department.

The department, upon receiving notice of the abandonment of an undocumented vessel, or upon an official determination that an undocumented vessel has been abandoned, may order the destruction of such vessel at the expiration of 30 days if an investigation by the department has disclosed that no owner, legal owner, or lienholder claims an interest in the vessel, or if those persons have waived their interest. Nothing in this section shall be construed to deny the legal rights, otherwise provided for by law, of any person claiming an interest in an abandoned vessel if that person notifies the department within the time specified therefor.

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.

CHAPTER 299

An act to amend Section 18210 of the Financial Code, relating to financial institutions.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 18210 of the Financial Code is amended to read:

18210. (a) Except as provided in Sections 18205.5 and 18209 and subject to subdivisions (b) and (d), an industrial loan company shall not make any loan or purchase or discount any note secured primarily by real property unless the loan or other obligation is repayable in substantially equal weekly, semimonthly, monthly, or quarterly installments during its term, which shall not exceed 30 years from the date the loan or other obligation is made or acquired by the company.

(b) Any consumer loan or any purchase or discount of any consumer obligation having a term in excess of three years from the date the loan or other obligation is made or acquired by the company shall be secured solely by real property or solely by personal property. However, if the original principal amount of the consumer loan or obligation is twenty thousand dollars ($20,000) or more, then the loan or obligation shall be secured solely by real property or solely by personal property, or by both real property and personal property. All loans and obligations made and purchased pursuant to this subdivision shall be repayable in installments and within a term not to exceed the limitations set forth in subdivision (a), except that consumer loans or obligations secured solely by personal property shall have a term not to exceed the term provided for in Section 18205 and except as otherwise may be provided for in Sections 18207, 18208, and 18209.

(c) Notwithstanding any other provision of this division, an industrial loan company may make loans and acquire or discount obligations having a term in excess of three years secured primarily by real property pursuant to subdivision (a) or secured solely or primarily by real property pursuant to subdivision (b), provided that all of the loans and obligations in excess of three years shall not in the aggregate exceed 70 percent of the industrial loan company's total assets.

(d) (1) In order to ensure the safety and soundness of industrial loan companies and to avoid an unreasonable concentration of loans and obligations that could result in balloon payments, all loans and obligations specified in subdivision (c) with a term in excess of 10 years shall be repaid in substantially equal weekly, semimonthly, monthly, or quarterly installments during their term.

(2) In the event paragraph (1) is held invalid by any court of competent jurisdiction as preempted by, or in violation of, any federal law, then the aggregate of all loans and obligations having a term in excess of 10 years secured solely or primarily by real property and having other than substantially equal weekly, semimonthly, monthly or quarterly installments during their term shall not exceed 1 percent of an industrial loan company's assets.

CHAPTER 300

An act to amend Section 76000 of, and to add and repeal Section 76008 of, the Government Code, relating to penalty assessments, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 76000 of the Government Code is amended to read:

76000. (a) In each county, provided that the board of supervisors has adopted a resolution stating that the provisions of this section and Section 76001, 76002, 76004, 76005, 76006, or 76008 are necessary to the establishment of adequate facilities in the county, the following surcharges and assessments shall be collected, except that a resolution adopted pursuant to Section 76004 may limit the collection to the assessments specified in paragraph (2) and a resolution adopted pursuant to Section 76005 or 76008 shall limit the collection to the assessments specified in paragraph (2):

(1) With respect to each fund established, for every parking offense where a fine or forfeiture is imposed, a surcharge of one dollar and fifty cents ($1.50) shall be included in the fine or forfeiture.

The judges of the county shall increase the bail schedule amounts as appropriate to reflect the surcharge provided for by this subdivision.

In those cities, districts, or other issuing agencies which elect to receive, deposit, accept forfeitures, and otherwise process the posting of bail for parking violations pursuant to subdivision (3) of Section 1463 of the Penal Code, that city, district, or issuing agency shall observe the increased bail amounts as established by the court reflecting the surcharge provided for by this paragraph.

(2) With respect to each fund established, there shall be levied an additional amount of one dollar ($1) for every ten dollars ($10) or fraction thereof which shall be collected together with and in the same manner as the assessment established by Section 1464 of the Penal Code, upon every fine, penalty, or forfeiture imposed and

collected by the courts for criminal offenses, including all offenses involving a violation of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to paragraph (iii) of subdivision (3) of Section 258 of the Welfare and Institutions Code. This amount shall be deposited with the county treasurer and placed in the fund established pursuant to Section 76001, 76002, 76004, 76005, 76006, or 76008.

(b) The surcharge and assessment increase imposed pursuant to this section shall continue so long as deposits to the funds are required pursuant to Section 76001, 76002, 76004, 76005, 76006, or 76008.

(c) No county, city and county, city, district or other issuing agency shall be required to contribute revenues to any fund in excess of those revenues generated from the surcharges and assessments established in the resolution adopted pursuant to this section.

SEC. 2. Section 76008 is added to the Government Code, to read:

76008. (a) Notwithstanding any other provision of law, to assist Solano County and Orange County in the funding of county criminal justice facility transition planning, the Board of Supervisors of Solano County or the Board of Supervisors of Orange County, or both, operative upon the adoption of a resolution stating that the provisions of this section and Section 76000 are necessary to county criminal justice facility transition planning, may establish in the respective county treasury a Solano County Transition Planning Trust Fund and an Orange County Transition Planning Trust Fund.

The county treasurer shall place all additional assessment amounts collected on nonparking offenses, pursuant to Section 76000, in the fund.

(b) The fund moneys, together with any interest earned thereon, shall be held by the treasurer separate from any funds subject to transfer or division pursuant to Section 1463 of the Penal Code. The moneys in the fund, together with any interest earned thereon, shall be payable only for county criminal justice facility transition planning. The money in the fund may be used through any public agency funding mechanism, including, but not limited to, retirement of bonded indebtedness, loan repayments, and monthly payments involving lease-purchase programs, which reduce an obligation incurred in reliance upon the authority granted by this section.

(c) For purposes of this section, "county criminal justice facilities" includes, but is not limited to, jails, women's centers, detention facilities, juvenile halls, and courtrooms.

(d) Deposits to the fund shall continue through and include the second year after the initial calendar year in which the assessment is collected.

(e) This section shall remain in effect only until July 1, 1990, and shall be repealed on that date, unless a later enacted statute which is chaptered before July 1, 1990, 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 provide needed funding for criminal justice facility transition planning in Solano County and Orange County, it is necessary that this act take effect immediately.

CHAPTER 301

An act to add Sections 11928 and 11929 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 11928 is added to the Revenue and Taxation Code, to read:

11928. Any tax imposed pursuant to this part shall not apply with respect to any deed, instrument, or other writing by which realty is conveyed by the State of California, any political subdivision thereof, or agency or instrumentality of either thereof, pursuant to an agreement whereby the purchaser agrees to immediately reconvey the realty to the exempt agency.

SEC. 2. Section 11929 is added to the Revenue and Taxation Code, to read:

11929. Any tax imposed pursuant to this part shall not apply with respect to any deed, instrument, or other writing by which the State of California, any political subdivision thereof, or agency or instrumentality of either thereof, conveys to a nonprofit corporation realty the acquisition, construction, or improvement of which was financed or refinanced by obligations issued by the nonprofit corporation on behalf of a governmental unit, within the meaning of Section 1.103-1 (b) of Title 26 of the Code of Federal Regulations.

CHAPTER 302

An act to add Section 9872.1 to the Vehicle Code, relating to vessels.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 9872.1 is added to the Vehicle Code, to read:

9872.1. (a) No person shall knowingly buy, sell, offer for sale, receive, or have in his or her possession any vessel, or component part thereof, from which the hull identification number has been removed, defaced, altered, or destroyed, unless the vessel or component part has attached thereto a hull identification number assigned or approved by the department in lieu of the manufacturer's number.

(b) Whenever a vessel, or component part thereof, from which the hull identification number has been removed, defaced, altered, or destroyed, and which does not have attached thereto an assigned or approved number as described in subdivision (a), comes into the custody of a peace officer, the seized vessel or component part is subject, in accordance with the procedures specified in this section, to impoundment and to such disposition as may be provided by order of a court having jurisdiction. This subdivision does not apply with respect to a seized vessel or component part used as evidence in any criminal action or proceeding.

(c) Whenever a vessel or component part described in subdivision (a) comes into the custody of a peace officer, any person from whom the property was seized, and all claimants to the property whose interest or title is on registration records in the department, shall be notified within five days, excluding Saturdays, Sundays, and holidays, after the seizure, of the date, time, and place of the hearing required in subdivision (e). The notice shall contain the information specified in subdivision (d).

(d) Whenever a peace officer seizes a vessel or component part as provided in subdivision (b), any person from whom the property was seized shall be provided a notice of impoundment of the vessel or component part which shall serve as a receipt and contain the following information:

(1) Name and address of person from whom the property was seized.

(2) A statement that the vessel or component part seized has been impounded for investigation of a violation of this section and that the property will be released upon a determination that the hull identification number has not been removed, defaced, altered, or destroyed, or upon the presentation of satisfactory evidence of ownership of the vessel or component part, provided that no other

person claims an interest in the property; otherwise, a hearing regarding the disposition of the vessel or component part shall take place in the proper court.

(3) A statement that any person from whom the property was seized, and all claimants to the property whose interest or title is on registration records in the department, will receive written notification of the date, time, and place of the hearing within five days, excluding Saturdays, Sundays, and holidays, after the seizure.

(4) Name and address of the law enforcement agency where evidence of ownership of the vessel or component part may be presented.

(5) A statement of the contents of this section.

(e) A hearing on the disposition of the property shall be held by the municipal or justice court within 60 days after the seizure. The hearing shall be before the court without a jury.

(1) If the evidence reveals either that the hull identification number has not been removed, altered, or destroyed or that the hull identification number has been removed, altered, or destroyed but satisfactory evidence of ownership has been presented to the seizing agency or court, the property shall be released to the person entitled thereto.

(2) If the evidence reveals that the hull identification number has been removed, altered, or destroyed, and satisfactory evidence of ownership has not been presented, the property shall be destroyed, sold, or otherwise disposed of as provided by court order.

(3) At the hearing, the seizing agency shall have the burden of establishing that the hull identification number has been removed, defaced, altered, or destroyed and that no satisfactory evidence of ownership has been presented.

(f) Nothing in this section precludes the return of a seized vessel or component part to the owner by the seizing agency following presentation of satisfactory evidence of ownership and, if determined necessary, upon the assignment of an identification number to the vessel or component part by the department.

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 303

An act to amend Section 25354 of the Health and Safety Code, relating to hazardous substances.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 25354 of the Health and Safety Code is amended to read:

25354. (a) There is hereby continuously appropriated from the state account to the department the sum of one million dollars ($1,000,000) for each fiscal year as a reserve account for emergencies, notwithstanding Section 13340 of the Government Code. The department shall expend moneys available in the reserve account only for the purpose of taking immediate corrective action necessary to remedy or prevent an emergency resulting from a fire or an explosion of, or human exposure to, hazardous substances caused by the release or threatened release of a hazardous substance.

(b) Notwithstanding any other provision of law, the department may enter into written contracts for corrective action taken or to be taken pursuant to subdivision (a), and may enter into oral contracts, not to exceed five thousand dollars ($5,000) in obligation, when, in the judgment of the department, immediate corrective action is necessary to remedy or prevent an emergency specified in subdivision (a). The contracts, whether written or oral, may include provisions for the rental of tools or equipment, either with or without operators furnished, and for the furnishing of labor and materials necessary to accomplish the work. If the department finds that the corrective action includes the relocation of individuals, the department may contract with those individuals for out-of-pocket expenses incurred in moving for an amount of not more than one thousand dollars ($1,000).

(c) Any disbursement made pursuant to subdivision (a) shall be reported to the Director of Finance within 72 hours of commencement of the corrective action taken.

(d) Once the appropriation made pursuant to subdivision (a) is fully expended, the director shall file a report with the Legislature if it is in session or, if it is not in session, with the Committee on Rules of the Assembly and the Senate as to the moneys expended pursuant to this section. The Legislature may appropriate moneys from the state account, in addition to those moneys appropriated pursuant to subdivision (a), to the department for the purpose of taking corrective action pursuant to subdivision (a).

(e) Except as provided in subdivision (d), the amount deposited in the reserve account and appropriated pursuant to this section shall not exceed one million dollars ($1,000,000) in any fiscal year. On June

30 of each year, the unencumbered balance of the reserve account shall revert to and be deposited in the state account.

CHAPTER 304

An act to add Section 20930.32 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 20930.32 is added to the Government Code, to read:

20930.32. "Public service" with respect to a local member also means service rendered to any California nonprofit corporation whose function is to serve firefighters employed by state and local agencies.

This section shall not apply to any contracting agency nor to the employees of any contracting agency unless and until the agency elects to be subject to the provisions of this section by contract or by amendment to its contract made in the manner prescribed for approval of contracts.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 305

An act to amend Section 11521 of the Government Code, and to amend Section 14172 of the Welfare and Institutions Code, relating to administrative procedure.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 11521 of the Government Code is amended to read:

11521. (a) The agency itself may order a reconsideration of all or part of the case on its own motion or on petition of any party. The power to order a reconsideration shall expire 30 days after the delivery or mailing of a decision to respondent, or on the date set by the agency itself as the effective date of the decision if that date occurs prior to the expiration of the 30-day period or at the termination of a stay of not to exceed 30 days which the agency may grant for the purpose of filing an application for reconsideration. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of any of the applicable periods, an agency may grant a stay of that expiration for no more than 10 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied.

(b) The case may be reconsidered by the agency itself on all the pertinent parts of the record and such additional evidence and argument as may be permitted, or may be assigned to an administrative law judge. A reconsideration assigned to an administrative law judge shall be subject to the procedure provided in Section 11517. If oral evidence is introduced before the agency itself, no agency member may vote unless he or she heard the evidence.

SEC. 2. Section 14172 of the Welfare and Institutions Code is amended to read:

14172. (a) Except as provided in subdivision (b), if any amount is due and payable and unpaid as the result of an overpayment to a provider for health care services identified through an audit or examination conducted by or on behalf of the director, and the findings of the audit or examination are completed and no appeal is taken or the director has issued a final decision on the appeal pursuant to Section 14171, and 90 days has elapsed from the completion of that audit or examination or issuance of that final decision on appeal, the director may, not later than three years after the payment became due and owing, file in the office of the County Clerk of Sacramento County, and with the county clerk of the county in which the provider has his principal place of business, a certificate containing the following:

(1) The amount due and owing and unpaid plus interest at the rate equal to the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding made pursuant to Sections 10722 and 14170 is mailed.

(2) A statement that the director has complied with this article prior to the filing of the certificate.

(3) A request that judgment be entered against the provider in the amount set forth in the certificate.

The county clerk immediately upon the filing of the certificate shall enter a judgment for the State of California against the provider in the amount set forth in the certificate. The judgment may be filed

by the county clerk in a looseleaf book entitled "Health Care Overpayment Recovery Judgments."

(b) If the provider seeks judicial review of the final decision of the director pursuant to subdivision (j) of Section 14171 and notice of that action is properly served on the director within 90 days of the issuance of the final decision of the director, the director shall not file any certificate as provided in subdivision (a).

If the provider does not seek judicial review of the final decision of the director pursuant to subdivision (j) of Section 14171 and does not properly serve notice within 90 days from the date of the final decision of the director, the director may file the certificate provided in subdivision (a). If the provider seeks judicial review of the final decision of the director more than 90 days from the date of the decision in accordance with subdivision (j) of Section 14171, the director shall within 10 days after receiving notice of that action release any lien imposed pursuant to this article and any judgment entered is for all purposes null and void.

CHAPTER 306

An act to amend Sections 13880 and 13881 of the Penal Code, relating to crimes.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 13880 of the Penal Code is amended to read:

13880. (a) The Legislature finds and declares that the production and sale of narcotics is an ever increasing problem because of the substantial illicit profits derived therefrom. The Legislature further finds and declares that a substantial and disproportionate amount of serious crime is associated with the cultivation, processing, manufacturing, and sale of narcotics.

(b) The Legislature finds and declares that the level of production, distribution, and sale of narcotics in small counties in this state threatens the well-being not only of citizens of those counties, but of the rest of the state as well. Since many of these counties have experienced less growth in their general purpose revenues than the rest of the state, and yet are required to bear the burden of funding disproportionate criminal justice costs associated with the production, distribution, and sale of narcotics, the Legislature recognizes the need to provide financial assistance for these counties.

(c) The Legislature intends to support intensified efforts by district attorneys' offices to prosecute drug producers and sellers through organizational and operational techniques that have been proven effective in selected jurisdictions in this and other states.

SEC. 2. Section 13881 of the Penal Code is amended to read:

13881. (a) There is hereby established in the Office of Criminal Justice Planning a program of financial and technical assistance for district attorneys' offices, designated the California Major Narcotic Vendors Prosecution Law. All funds appropriated to the Office of Criminal Justice Planning for the purposes of this chapter shall be administered and disbursed by the executive director of the office in consultation with the California Council on Criminal Justice, and shall to the greatest extent feasible be coordinated or consolidated with federal funds that may be made available for these purposes.

(b) The executive director is authorized to allocate and award funds to counties in which the California Major Narcotic Vendors Prosecution Law is implemented in substantial compliance with the policies and criteria set forth in this chapter.

(c) The allocation and award of funds shall be made upon application executed by the county's district attorney and approved by its board of supervisors. Funds disbursed under this chapter shall not supplant local funds that would, in the absence of the California Major Narcotic Vendors Prosecution Law, be made available to support the prosecution of felony drug cases. Funds available under this program shall not be subject to review, as specified in Section 14780 of the Government Code.

(d) The executive director shall prepare and issue written program and administrative guidelines and procedures for the California Major Narcotic Vendors Prosecution Program consistent with this chapter, which shall be submitted to the Chairpersons of the Assembly Public Safety Committee and the Senate Judiciary Committee. These guidelines shall permit the selection of a county for the allocation and award of funds only on a finding by the Office of Criminal Justice Planning that the county is experiencing a proportionately significant increase in major narcotic cases. Further, the guidelines shall provide for the allocation and award of funds to small county applicants, as designated by the executive director. The guidelines shall also provide that any funds received by a county under this chapter shall be used only for the prosecution of cases involving major narcotic dealers. For purposes of this subdivision, "small county" means a county having a population of 200,000 or less.

(e) Annually, commencing January 1, 1986, the executive director shall, in cooperation with public defender representatives, prepare a report to the Legislature describing the operation and results of the statewide program and assessing any and all fiscal and workload burdens imposed by the statewide program upon local public defender offices and assigned counsel, with recommendations where appropriate. The report shall include the impact of additional federal funds in this area.

CHAPTER 307

An act to amend Section 1185 of the Civil Code, relating to documents.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 1185 of the Civil Code is amended to read:

1185. (a) The acknowledgment of an instrument must not be taken unless the officer taking it personally knows, or has satisfactory evidence that the person making the acknowledgment is, the individual who is described in and who executed the instrument.

(b) For purposes of this article, "personally knows" means having an acquaintance, derived from association with the individual in relation to other people and based upon a chain of circumstances surrounding the individual, which establishes the individual's identity with at least reasonable certainty.

(c) For the purposes of this section "satisfactory evidence" means the absence of any information, evidence, or other circumstances which would lead a reasonable person to believe that the person making the acknowledgment is not the individual he or she claims to be and any one of the following:

(1) The oath or affirmation of a credible witness personally known to the officer that the person making the acknowledgment is personally known to the witness.

(2) Reasonable reliance on the presentation to the officer of any one of the following, if the document is current or has been issued within five years:

(A) An identification card or driver's license issued by the California Department of Motor Vehicles.

(B) A passport issued by the Department of State of the United States.

(3) Reasonable reliance on the presentation of any one of the following, provided that a document specified in subparagraphs (A) to (E), inclusive, shall either be current or have been issued within five years and shall contain a photograph and description of the person named on it, shall be signed by the person, shall bear a serial or other identifying number, and, in the event that the document is a passport, shall have been stamped by the United States Immigration and Naturalization Service:

(A) A passport issued by a foreign government.

(B) A driver's license issued by a state other than California or by a Canadian or Mexican public agency authorized to issue drivers' licenses.

(C) An identification card issued by a state other than California.

(D) An identification card issued by any branch of the armed

forces of the United States.

(E) An inmate identification card issued on or after January 1, 1988, by the Department of Corrections, if the inmate is in custody.

(F) An inmate identification card issued prior to January 1, 1988, by the Department of Corrections, if the inmate is in custody.

(d) An officer who has taken an acknowledgment pursuant to this section shall be presumed to have operated in accordance with the provisions of law.

(e) Any party who files an action for damages based on the failure of the officer to establish the proper identity of the person making the acknowledgment shall have the burden of proof in establishing the negligence or misconduct of the officer.

CHAPTER 308

An act to amend Section 7262 of, and to add Section 7274 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 7262 of the Revenue and Taxation Code, as added by Section 4 of Chapter 216 of the Statutes of 1986, is amended 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.

The following additional provisions shall be included:

(A) Except as provided in subparagraph (B), 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.

(B) "A retailer engaged in business in the district" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Article 2 (commencing with Section 680) of Chapter 5 of Division 3 of the Harbors and Navigation Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the district.

(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. 2. Section 7274 is added to the Revenue and Taxation Code, to read:

7274. The board shall make available to all licensed vehicle, vessel, and aircraft dealers who hold seller's permits in this state information concerning the cities and counties located within districts which impose transactions and use tax ordinances and the applicable tax rates in those cities and counties.

CHAPTER 309

An act to amend Sections 13350.5 and 23156 of the Vehicle Code, relating to driving offenses.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 13350.5 of the Vehicle Code is amended to read:

13350.5. Notwithstanding Section 13350, for the purposes of this article, conviction of a violation of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code is a conviction of a violation of Section 23153.

SEC. 2. Section 23156 of the Vehicle Code is amended to read:

23156. For the purposes of this article, a separate offense which resulted in a conviction of a violation of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code is a separate offense of a violation of Section 23153.

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 310

An act relating to lands granted in trust to the City and County of San Francisco, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. The Legislature hereby finds and declares as follows:

(a) Pursuant to the Burton Act (Chapter 1333 of the Statutes of 1968) the state conveyed by transfer agreement certain tide and submerged lands to the City and County of San Francisco, in trust for purposes of commerce, navigation, and fisheries, and subject to the terms and conditions specified in that act.

(b) Certain portions of the tide and submerged lands, being Seawall Lots 331, 332, and 333, including Fremont Street between the southeasterly line of Brannan Street and the westerly line of the Embarcadero, as shown on the map of the lands transferred in trust to the City and County of San Francisco, which was recorded May 14, 1976, in Book W of official records at pages 66 to 72, inclusive, in the Office of the Recorder of the City and County of San Francisco, have been filled and reclaimed as a result of a plan of improvement for harbor development. The lots are irregular in shape, are cut off from access to waters of San Francisco Bay, constitute a relatively small portion of the granted tide and submerged lands, and, except for the production of revenue to support the statutory trust purposes in furtherance of which the tide and submerged lands are held by the city and county, are no longer needed or required for the promotion of the public trust for commerce, navigation, and fisheries or the statutory trusts.

(c) The city and county has approved the Rincon Point-South Beach Redevelopment Project, which is to be undertaken by the San Francisco Redevelopment Agency. Certain of the lands included within the project area are tide and submerged lands, both filled and unfilled, held by the city and county under its grant from the state. These granted lands will be leased to the redevelopment agency for purposes of undertaking and completing the project. Upon completion of the Rincon Point-South Beach Redevelopment Project improvements, it is contemplated that the leasehold interest of the redevelopment agency will be terminated, and that the San Francisco Port Commission, which administers the granted lands on behalf of the city and county, will either reassume the direct administration of the granted lands, or succeed to the sublessor status of the redevelopment agency with regard to certain subleases executed in furtherance of the project. Among the project

improvements to the granted lands are a 683-berth marina and harbor complex, two major shoreline parks, and transportation improvements to the Embarcadero and other streets serving the granted lands. In addition, housing and commercial development is to take place within the project area as a whole, and portions of this development will be constructed on Seawall Lots 331, 332, and 333, including Fremont Street between the southeasterly line of Brannan Street and the westerly line of the Embarcadero. By reason of its superior financing methods, the redevelopment agency can immediately undertake and complete the marina and harbor complex, the shoreline parks, and the transportation improvements on the granted lands. It is unlikely that the port itself would be able to construct the improvements within a similar time period, given certain financial constraints and competing priorities regarding development of maritime port facilities. Upon completion of the project, the purposes of the Burton Act and the public trust will have been furthered to an extent beyond what could have been achieved absent implementation of the redevelopment project.

(d) Seawall Lots 331, 332, and 333, including Fremont Street between the southeasterly line of Brannan Street and the westerly line of the Embarcadero, should be freed of the public trust for commerce, navigation, and fisheries, but should continue to be held by the City and County of San Francisco in trust subject to the terms and conditions specified in the Burton Act, as amended, and subject to the terms and conditions of the transfer agreement executed pursuant to that act, except that there should be no restrictions on use, other than the use restrictions of the Rincon Point-South Beach Redevelopment Plan as long as applicable, and the requirement that the revenue derived from the leasing or administration of those seawall lots, including Fremont Street between the southeasterly line of Brannan Street and the westerly line of the Embarcadero, be deposited in a trust fund or funds created pursuant to Section 4 of the Burton Act, to be used solely for the furtherance of the purposes specifically authorized in that act.

(e) The release of the seawall lots, including Fremont Street between the southeasterly line of Brannan Street and the westerly line of the Embarcadero, from the public trust for commerce, navigation, and fisheries to the extent set forth in subdivision (d) is in the best interests of the people of this state.

SEC. 2. Seawall Lots 331, 332, and 333, including Fremont Street between the southeasterly line of Brannan Street and the westerly line of the Embarcadero, as shown on the map of the lands transferred in trust to the City and County of San Francisco, which was recorded May 14, 1976, in Book W of official records at pages 66 to 72, inclusive, in the Office of the Recorder of the City and County of San Francisco, being a portion of land conveyed in trust to the City and County of San Francisco pursuant to the Burton Act (Chapter 1333 of the Statutes of 1968), are hereby declared to be free from the public trust for commerce, navigation, and fisheries, but shall

continue to be held in trust by the city and county subject to the terms and conditions specified in the Burton Act, as amended, and subject to the terms and conditions of the transfer agreement executed pursuant to that act, except that there shall be no restrictions on use, other than the use restrictions of the Rincon Point-South Beach Redevelopment Plan as long as applicable, and other than the following:

(a) The revenues derived from leasing or administration of the described property shall be deposited in a trust fund or funds created pursuant to Section 4 of the Burton Act, and shall be used solely for the furtherance of the purposes specifically authorized in that act.

(b) Leases of the described property shall terminate not later than September 26, 2050, in accordance with the limitations of the Burton Act. The San Francisco Port Commission may release the property for additional periods, but is not required to do so.

(c) All leases, contracts, or other instruments entered into after May 1, 1987, between the San Francisco Port Commission and the redevelopment agency, the redevelopment agency and any other person or entity, or the San Francisco Port Commission and any other person or entity, conferring the right to use all or some portion of the described property shall be subject to the approval of the State Lands Commission in order to assure that the consideration received is consistent with prudent land management practices. For as long as the Rincon Point-South Beach Redevelopment Plan is applicable, this review shall take into consideration the use restrictions of the redevelopment plan. In reviewing those instruments, the State Lands Commission shall not substitute its judgment for that of the redevelopment agency, but shall approve the instrument unless it determines within 45 days after receipt of the instrument, that the instrument does not fall within the range of reasonable business judgments that conform to the standard set forth in this subdivision.

SEC. 3. Not later than the date of completion of the last of the improvements that are proposed by the Rincon Point-South Beach Redevelopment Project, the San Francisco Redevelopment Agency shall offer to terminate its master lease with the San Francisco Port Commission. The San Francisco Port Commission shall accept that offer to terminate the master lease unless to do so would not be in the best interests of the trust in furtherance of which the lands were granted to the city and county. If it desires to reject the offer to terminate, the San Francisco Port Commission shall first obtain the concurrence of the State Lands Commission that the acceptance would not be in the best interest of the trust. Nothing in this section shall prohibit the earlier termination of the master lease as to all or some portion of the property that is subject to the master lease, except that the San Francisco Port Commission shall not agree to an earlier termination of the master lease without first obtaining the concurrence of the State Lands Commission that the termination is in the best interest of the trust in furtherance of which the lands were granted to the city and county.

SEC. 4. Notwithstanding Sections 6701 and 6702 of the Public Resources Code, no amendment, modification, or revocation, in whole or in part, of the grant made to the City and County of San Francisco pursuant to the Burton Act shall impair or affect the rights or obligations of third parties, including lessees and lenders for value, under leases, contracts, or other instruments previously approved by the State Lands Commission pursuant to subdivision (c) of Section 2.

SEC. 5. (a) Subject to the requirements for state approval specified in subdivision (b), whenever it is determined by the City and County of San Francisco that there are other portions of the granted lands that have been filled and reclaimed, that are cut off from access to the waters of San Francisco Bay, that constitute a relatively small portion of the granted tide and submerged lands, and that are no longer needed or required for the promotion of the public trust for commerce, navigation, and fisheries or the statutory trust, and when it is further determined that no substantial interference with the trust uses and purposes will ensue, the city and county may exchange those lands with any state agency, political subdivision, person, entity, or corporation, or the United States, or any agency thereof, for lands of equal or greater value that are useful for the particular trust purposes specifically authorized in the Burton Act.

(b) No such exchange shall be effective unless and until the State Lands Commission does both of the following:

(1) Finds that the lands to be acquired by the City and County of San Francisco have a value equal to or greater than the value of the lands for which they are to be exchanged.

(2) Adopts a resolution of approval which finds and declares that the granted lands have been filled and reclaimed, are cut off from access to the waters of San Francisco Bay, constitute a relatively small portion of the lands granted to the city and county, and are no longer needed or required for the promotion of the public trust for commerce, navigation, and fisheries or the statutory trust, and further, that no substantial interference with the trust uses and purposes will ensue by virtue of the exchange. Upon adoption of the resolution, the granted land shall thereupon be free from the public trust for commerce, navigation, and fisheries, and the lands received in exchange shall be held subject to the public trust and to the terms of the Burton Act.

(c) Exchanges made pursuant to this section are hereby found to be of statewide significance and importance, and, therefore, any ordinance, charter provision, or other provision of local law inconsistent with this section shall not be applicable to the exchange.

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:

Certain of the lands granted by the state pursuant to the Burton Act are proposed to be more fully used by the City and County of

San Francisco as part of a redevelopment project that will maximize benefit to the trust purposes in furtherance of which the granted lands are held. The project will substantially and immediately further those trust purposes to an extent that would not be possible in the absence of the project. Procedures leading to the execution of the leases are rapidly approaching completion, thus necessitating an immediate clarification of the uses to be made of the land under the Burton Act in order to avoid prolonged delays in realizing the fullest use of those lands for the maximum benefit of the statutory trust purposes. It is necessary, therefore, that this act take effect immediately.

CHAPTER 311

An act to amend Section 56221 of, to amend, add, and repeal Sections 56001 and 56026 of, and to add and repeal Chapter 4.45 (commencing with Section 56440) to Part 30 of, the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) That approximately 18,000 handicapped children in California between the ages of three and five years, inclusive, would benefit from special education and services under Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413, and 1419) over the next four years.

(b) That preschool services for individuals with exceptional needs help enhance intelligence in children; produce substantial gains in physical development, cognitive development, language and speech development, psychosocial development, and self-help skills development; help prevent the development of secondary handicapping conditions; reduce family stress; reduce societal dependency and institutionalization; reduce the need for special class placement in special education programs once the children reach school age; and save substantial costs to society and our schools.

(c) That California will lose substantial federal funding if the state does not participate in Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413, and 1419), and stands to gain a minimum of twenty-two million dollars ($22,000,000) in the 1987–88 school year in new federal funds if California participates in the new handicapped preschool grant program.

(d) That by serving an additional 18,000 handicapped preschoolers over the next four years, the early intervention investment would result in a significant cost avoidance for the state over the educational years of these children.

SEC. 2. Section 56001 of the Education Code is amended to read:

56001. It is the intent of the Legislature that special education programs provide all of the following:

(a) Each individual with exceptional needs is assured an education appropriate to his or her needs in publicly supported programs through completion of his or her prescribed course of study or until the time that he or she has met proficiency standards prescribed pursuant to Sections 51215 and 51216.

(b) By June 30, 1991, early educational opportunities shall be available to all children between the ages of three and five years, inclusive, who require special education and services.

(c) Early educational opportunities may be made available to children younger than three years of age who require intensive special education and services and their parents.

(d) Any child younger than five years, potentially eligible for special education shall be afforded the protections provided by this part and by federal law commencing with his or her referral for special education instruction and services.

(e) Each individual with exceptional needs shall have his or her educational goals, objectives, and special education and related services specified in a written individualized education program.

(f) Education programs are provided under an approved local plan for special education that sets forth the elements of the programs in accordance with this part. This plan for special education shall be developed cooperatively with input from the community advisory committee and appropriate representation from special and regular teachers and administrators selected by the groups they represent to ensure effective participation and communications.

(g) Individuals with exceptional needs are offered special assistance programs that promote maximum interaction with the general school population in a manner that is appropriate to the needs of both.

(h) Pupils be transferred out of special education programs when special education services are no longer needed.

(i) The unnecessary use of labels is avoided in providing special education and related services for individuals with exceptional needs.

(j) Procedures and materials for assessment and placement of individuals with exceptional needs shall be selected and administered so as not to be racially, culturally, or sexually discriminatory. No single assessment instrument shall be the sole criterion for determining placement of a pupil. The procedures and materials for assessment and placement shall be in the individual's mode of communication. Procedures and materials for use with

pupils of limited English proficiency as defined in subdivision (m) of Section 52163, shall be in the individual's primary language. All assessment materials and procedures shall be selected and administered pursuant to Section 56320.

(k) Educational programs are coordinated with other public and private agencies, including preschools, child development programs, nonpublic, nonsectarian schools, regional occupational centers and programs and postsecondary and adult programs for individuals with exceptional needs.

(*l*) Psychological and health services for individuals with exceptional needs shall be available to each school site.

(m) Continuous evaluation of the effectiveness of these special education programs by the school district, special education local plan area, or county office shall be made to ensure the highest quality educational offerings.

(n) Appropriate qualified staff are employed, consistent with credentialing requirements, to fulfill the responsibilities of the local plan and that positive efforts to employ qualified handicapped individuals are made.

(o) Regular and special education personnel are adequately prepared to provide educational instruction and services to individuals with exceptional needs.

(p) This section shall remain in effect only until California terminates its participation in special education programs for individuals with exceptional needs between the ages of three and five years, pursuant to Section 56448, and as of that date is repealed.

SEC. 3. Section 56001 is added to the Education Code, to read:

56001. It is the intent of the Legislature that special education programs provide all of the following:

(a) Each individual with exceptional needs is assured an education appropriate to his or her needs in publicly supported programs through completion of his or her prescribed course of study or until the time that he or she has met proficiency standards prescribed pursuant to Sections 51215 and 51216.

(b) Early educational opportunities are available to all children between the ages of three and four years and nine months who require intensive special education and services.

(c) Early educational opportunities may be made available to children younger than three years of age who require intensive special education and services and their parents.

(d) Any child younger than four years and nine months, potentially eligible for special education shall be afforded the protections provided by this part and by federal law commencing with his or her referral for special education instruction and services.

(e) Each individual with exceptional needs shall have his or her educational goals, objectives, and special education and related services specified in a written individualized education program.

(f) Education programs are provided under an approved local plan for special education that sets forth the elements of the

programs in accordance with the provisions of this part. This plan for special education shall be developed cooperatively with input from the community advisory committee and appropriate representation from special and regular teachers and administrators selected by the groups they represent to ensure effective participation and communications.

(g) Individuals with exceptional needs are offered special assistance programs that promote maximum interaction with the general school population in a manner which is appropriate to the needs of both.

(h) Pupils be transferred out of special education programs when special education services are no longer needed.

(i) The unnecessary use of labels is avoided in providing special education and related services for individuals with exceptional needs.

(j) Procedures and materials for assessment and placement of individuals with exceptional needs shall be selected and administered so as not to be racially, culturally, or sexually discriminatory. No single assessment instrument shall be the sole criterion for determining placement of a pupil. The procedures and materials for assessment and placement shall be in the individual's mode of communication. Procedures and materials for use with pupils of limited-English proficiency as defined in subdivision (m) of Section 52163, shall be in the individual's primary language. All assessment materials and procedures shall be selected and administered pursuant to Section 56320.

(k) Educational programs are coordinated with other public and private agencies, including preschools, child development programs, nonpublic, nonsectarian schools, regional occupational centers and programs, and postsecondary and adult programs for individuals with exceptional needs.

(*l*) Psychological and health services for individuals with exceptional needs shall be available to each school site.

(m) Continuous evaluation of the effectiveness of these special education programs by the school district, special education local plan area, or county office shall be made to ensure the highest quality educational offerings.

(n) Appropriate qualified staff are employed, consistent with credentialing requirements, to fulfill the responsibilities of the local plan and that positive efforts to employ qualified handicapped individuals are made.

(o) Regular and special education personnel are adequately prepared to provide educational instruction and services to individuals with exceptional needs.

(p) This section shall become operative on the date that California terminates its participation in special education programs for individuals with exceptional needs between the ages of three and five years, pursuant to Section 56448.

SEC. 4. Section 56026 of the Education Code is amended to read:

56026. "Individuals with exceptional needs" means those persons who satisfy all the following:

(a) Identified by an individualized education program team as a handicapped child as that term was defined in subsection (1) of Section 1401 of Title 20 of the United States Code as it read July 1, 1980.

(b) Their impairment, as described by subdivision (a), requires instruction, services, or both which cannot be provided with modification of the regular school program.

(c) Come within one of the following age categories:

(1) Younger than three years of age and identified by the district, the special education local plan area, or the county office as requiring intensive special education and services, as defined by the State Board of Education.

(2) Between the ages of three and five years, inclusive, and identified by the district, the special education local plan area, or the county office as requiring intensive special education and services, as defined by the State Board of Education; or between the ages of three and five years, inclusive, and identified by the district, special education local plan area, or county office pursuant to Section 56441.11.

(3) Between the ages of five years and 18 years, inclusive.

(4) Between the ages of 19 and 21, inclusive; enrolled in or eligible for a program under this part or other special education program prior to his or her 19th birthday; and has not yet completed his or her prescribed course of study or who has not met proficiency standards prescribed pursuant to Sections 51215 and 51216. Any person who becomes 22 years of age while participating in a program under this part may continue his or her participation in the program for the remainder of the then current school year.

(d) Meet eligibility criteria set forth in regulations adopted by the board, including, but not limited to, those adopted pursuant to Article 2.5 (commencing with Section 56333) of Chapter 4.

(e) Unless handicapped within the meaning of subdivisions (a) to (d), inclusive, pupils whose educational needs are due primarily to unfamiliarity with the English language; temporary physical disabilities; social maladjustment; or environmental, cultural, or economic factors are not individuals with exceptional needs.

(f) This section shall remain in effect only until California terminates its participation in special education programs for individuals with exceptional needs between the ages of three and five years, pursuant to Section 56448, and as of that date is repealed.

SEC. 5. Section 56026 is added to the Education Code, to read:

56026. "Individuals with exceptional needs" means those persons who satisfy all the following:

(a) Identified by an individualized education program team as a handicapped child as that term was defined in subsection (1) of Section 1401 of Title 20 of the United States Code as it read July 1, 1980.

(b) Their impairment, as described by subdivision (a), requires instruction, services, or both which cannot be provided with modification of the regular school program.

(c) Come within one of the following age categories:

(1) Younger than three years of age and identified by the district, the special education local plan area, or the county office as requiring intensive special education and services, as defined by the State Board of Education.

(2) Between the ages of three and four years and nine months, inclusive, and identified by the district, the special education local plan area, or the county office as requiring intensive special education and services, as defined by the State Board of Education.

(3) Between the ages of four years and nine months and 18 years, inclusive.

(4) Between the ages of 19 and 21, inclusive; enrolled in or eligible for a program under this part or other special education program prior to his or her 19th birthday; and has not yet completed his or her prescribed course of study or who has not met proficiency standards prescribed pursuant to Sections 51215 and 51216. Any person who becomes 22 years of age while participating in a program under this part may continue his or her participation in the program for the remainder of the then current school year.

(d) Meet eligibility criteria set forth in regulations adopted by the board, including, but not limited to, those adopted pursuant to Article 2.5 (commencing with Section 56333) of Chapter 4.

(e) Unless handicapped within the meaning of subdivisions (a) to (d), inclusive, pupils whose educational needs are due primarily to unfamiliarity with the English language; temporary physical disabilities; social maladjustment; or environmental, cultural, or economic factors are not individuals with exceptional needs.

(f) This section shall become operative on the date that California terminates its participation in special education programs for individuals with exceptional needs between the ages of three and five years, pursuant to Section 56448.

SEC. 6. Section 56221 of the Education Code is amended to read:

56221. (a) Each entity providing special education under this part shall adopt policies for the programs and services it operates, consistent with agreements adopted pursuant to subdivision (b) or (c) of Section 56170, or Section 56220. The policies need not be submitted to the superintendent.

(b) The policies shall include, but not be limited to, all of the following:

(1) Nonpublic, nonsectarian services, including those provided pursuant to Sections 56365 and 56366.

(2) Review, at a regular education or special education teacher's request, of the assignment of an individual with exceptional needs to his or her class and a mandatory meeting of the individualized education program team if the review indicates a change in the pupil's placement, instruction, related services, or any combination

thereof. The procedures shall indicate which personnel are responsible for the reviews and a timetable for completion of the review.

(3) Procedural safeguards pursuant to Chapter 5 (commencing with Section 56500).

(4) Resource specialists pursuant to Section 56362.

(5) Transportation, where appropriate, which describes how special education transportation is coordinated with regular home-to-school transportation. The policy shall set forth criteria for meeting the transportation needs of special education pupils.

(6) Caseloads pursuant to Chapter 4.45 (commencing with Section 56440) of Part 30. The policies, with respect to caseloads, shall not be developed until guidelines or proposed regulations are issued pursuant to Section 56441.7. The guidelines or proposed regulations shall be considered when developing the caseload policy. A statement of justification shall be attached if the local caseload policy exceeds state guidelines or proposed regulations.

(c) The policies may include, but are not limited to, provisions for involvement of district and county governing board members in any due process hearing procedure activities conducted pursuant to, and consistent with, state and federal law.

SEC. 6.5. Chapter 4.45 (commencing with Section 56440) is added to Part 30 of the Education Code, to read:

CHAPTER 4.45. SPECIAL EDUCATION PROGRAMS FOR INDIVIDUALS WITH EXCEPTIONAL NEEDS BETWEEN THE AGES OF THREE AND FIVE YEARS, INCLUSIVE

56440. (a) Each special education local plan area shall submit a plan to the superintendent by September 1, 1987, for providing special education and services to individuals with exceptional needs, as defined by the State Board of Education, who are between the ages of three and five years, inclusive, who do not require intensive special education and services but who would be eligible for special education and services under Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413, and 1419).

(b) The superintendent shall provide for a four-year phase-in of the individuals with exceptional needs qualifying for special education and services under Public Law 99-457, who do not require intensive special education and services, through an application process to be developed by the superintendent.

(c) All individuals with exceptional needs between the ages of three and five years, inclusive, identified in subdivision (a) shall be served by the districts and county offices within each special education local plan area by June 30, 1991, to the extent required under federal law and pursuant to the local plan and application approved by the superintendent.

(d) Individuals with exceptional needs between the ages of three

and five years, inclusive, who are identified by the district, special education local plan area, or county office as requiring intensive special education and services, as defined by the State Board of Education, shall be eligible for special education and services pursuant to this part and shall not be subject to any phase-in plan.

(e) In special education local plan areas where individuals with exceptional needs between the ages of three and five, inclusive, who do not require intensive special education and services, are expected to have an increased demand on school facilities as a result of projected growth, pursuant to this chapter, the special education local plan area director shall submit a written report on the impacted local educational agencies to the State Allocation Board by December 1, 1987. The State Allocation Board shall assess the situation and explore ways of resolving the school facilities impaction situation.

(f) The superintendent shall provide technical assistance to local educational agencies in order to help identify suitable alternative instructional settings to alleviate the school facilities impact situation. Alternative instructional settings may include, but are not limited to, state preschool programs, or the child's home. Nothing in this chapter shall cause the displacement of children currently enrolled in these settings.

56441. The Legislature hereby finds and declares that early education programs for individuals with exceptional needs between the ages of three and five years, inclusive, which provide special education and related services within the typical environment appropriate for young children, and include active parent involvement, may:

(a) Significantly reduce the potential impact of any handicapping conditions.

(b) Produce substantial gains in physical development, cognitive development, language and speech development, psychosocial development, and self-help skills development.

(c) Help prevent the development of secondary handicapping conditions.

(d) Reduce family stresses.

(e) Reduce societal dependency and institutionalization.

(f) Reduce the need for special class placement in special education programs once the children reach school age.

(g) Save substantial costs to society and our schools.

56441.1. (a) Services rendered by state and local agencies serving preschool children with exceptional needs and their families shall be provided in coordination with other state and local agencies. Educational agencies offering similar educational services shall coordinate and not duplicate these services. The Superintendent of Public Instruction shall identify similar services by other state and local agencies. Any child identified as currently being served and qualified as an individual with exceptional needs as defined in Section 56026, and who meets the eligibility criteria of Section

56441.11 shall be counted as an individual under the funding cap prescribed by Section 56447.

(b) As the preschool child approaches the age to enter an elementary school environment, the child's preparation shall be geared toward a readiness for kindergarten and later school success.

56441.2. An early education program for individuals with exceptional needs between the ages of three and five, inclusive, shall include specially designed services to meet the unique needs of preschool children and their families. To meet this purpose, the program focus is on the young child and his or her family and shall include both individual and small group services which shall be available in a variety of typical age-appropriate environments for young children, including the home, and shall include opportunities for active parent involvement.

56441.3. (a) Early education services for preschool children may be provided to individuals or small groups and shall include:

(1) Observing and monitoring the child's behavior and development in his or her environment.

(2) Presenting activities that are developmentally appropriate for the preschool child and are specially designed, based on the child's exceptional needs, to enhance the child's development. Those activities shall be developed to conform with the child's individualized education program and shall be developed so that they do not conflict with his or her medical needs.

(3) Interacting and consulting with the family members, regular preschool teachers, and other service providers, as needed, to demonstrate developmentally appropriate activities necessary to implement the child's individualized education program in the appropriate setting pursuant to Section 56441.4 and necessary to reinforce the expansion of his or her skills in order to promote the child's educational development. These interactions and consultations may include family involvement activities.

(4) Assisting parents to seek and coordinate other services in their community that may be provided to their child by various agencies.

(5) Providing opportunities for young children to participate in play and exploration activities, to develop self-esteem, and to develop preacademic skills.

(6) Providing access to various developmentally appropriate equipment and specialized materials.

(7) Providing related services as defined in Section 300.13 of Title 34 of the Code of Federal Regulations, that include parent counseling and training to help parents understand the special needs of their children and their children's development, as that section read on May 1, 1987.

(b) The duration of group services shall not exceed four hours per day unless determined otherwise by the individualized education program team.

56441.4. Appropriate settings for these services include:

(a) The regular public or private nonsectarian preschool

program.

(b) The child development center or family day care home.

(c) The child's regular environment, which may include the home.

(d) A special site where preschool programs for both handicapped and nonhandicapped children are located close to each other and have an opportunity to share resources and programming.

(e) A special education preschool program with nonhandicapped children attending and participating for all or part of the program.

(f) A public school setting which provides an age-appropriate environment, materials, and services, as defined by the superintendent.

56441.5. Appropriate instructional adult-to-child ratios for group services shall be dependent on the needs of the child, however, because of the unique needs of individuals with exceptional needs between the ages of three and five years, inclusive, who require special education and related services, the number of children per instructional adult shall be less than ratios set forth in subdivision (b) of Section 18204 of Title 5 of the California Administrative Code as it read on May 1, 1987, for young children in a regular preschool program. Group services provided to individuals with exceptional needs between the ages of three and five years, inclusive, identified as severely handicapped pursuant to Section 56030.5 shall not exceed an instructional adult-to-child ratio of one to five.

56441.6. Early education services for preschool children shall be provided through a transdisciplinary team approach of professionals as described in Section 56426.6. Responsibilities of early education program staff shall include consultation with regular preschool program providers, consultation with other specialists, assessment services, and direct services.

56441.7. (a) The maximum caseload for a speech and language specialist providing services exclusively to individuals with exceptional needs, between the ages of three and five years, inclusive, as defined in Section 56441.11 or 56026, shall not exceed a count of 40.

(b) The superintendent shall issue caseload guidelines or proposed regulations to local educational agencies for individuals with exceptional needs between the ages of three and five years, inclusive, by January 1, 1988.

56441.8. Early education services for preschoolers may be provided by any of the following methods:

(a) Directly by a local educational agency.

(b) Through an interagency agreement between a local educational agency and another public agency.

(c) Through a contract with another public agency pursuant to Section 56369.

(d) Through a contract with a certified nonpublic, nonsectarian school; or nonpublic, nonprofit agency pursuant to Section 56366.

(e) Through a contract with a nonsectarian hospital in accordance

with Section 56361.5.

56441.9. Contracts or agreements with agencies identified in Section 56441.8 are strongly encouraged when these services are currently provided by another agency, and when found to be a cost-effective means of providing the services. The placement of an individual preschool child under any of these contracts shall not require specific approval by the governing board of the school district or the county superintendent of schools.

56441.10. Early education services for preschoolers provided under this chapter shall not be funded pursuant to any of Sections 56740 to 56743, inclusive, unless a waiver of this section is approved by the superintendent.

56441.11. Individuals with exceptional needs between the ages of three and five years, inclusive, shall meet the requirements of Section 56026 or shall satisfy all of the following:

(a) They shall be identified by an individualized education program team as a handicapped child as that term was defined in subsection (1) of Section 1401 of Title 20 of the United States Code as it read July 1, 1980.

(b) Their impairment, as described by subdivision (a), requires instruction or services, or both, which cannot be provided with modification of a regular preschool program or of a child's home environment, or both.

(c) They shall fall within one of the following:

(1) They meet eligibility criteria set forth in subdivisions (a) and (b), paragraphs (2) and (3) of subdivision (c), and subdivisions (d) to (i), inclusive, of Section 3030 of Title 5 of the California Administrative Code as it read on May 1, 1987.

(2) They have a disorder in one or more basic psychological processes involved in understanding or using language as defined in paragraph (1) of subdivision (j) of Section 3030 of Title 5 of the California Administrative Code as it read on May 1, 1987, which may manifest itself in an impaired ability to listen, think, speak, or develop preacademic skills. They have a discrepancy of at least 25 percent between their cognitive development and their development in one or more of the following areas: gross or fine motor, receptive language, expressive language, and school readiness. School readiness includes those skills that lead to the ability to read, write, spell, do mathematical calculations, and understand or use spoken language. The decision as to whether or not a discrepancy exists shall be made by the individualized education program team.

(3) They have an articulation disorder displaying reduced intelligibility or an inability to use the speech mechanism that significantly interferes with communication and attracts adverse attention. Significant interference occurs when the child's developmental scale of articulation competency is six months or more below that expected for his or her chronological age or developmental level.

(4) They have a language disorder that results in a significant delay in their language development. A significant delay occurs when one area of the child's language development is at least 25 percent below his or her chronological age or developmental level. Areas of language development include receptive and expressive language in the areas of phonology, morphology, syntax, semantics, and pragmatics.

(d) Unless handicapped within the meaning of subdivisions (a) to (c), inclusive, children whose educational needs are due primarily to unfamiliarity with the English language; temporary physical disabilities; social maladjustment; or maturational, environmental, cultural, or economic factors are not individuals with exceptional needs.

(e) When standardized tests are considered invalid for children ages three and five years, inclusive, alternative means, such as scales, instruments, observations, and interviews shall be used as specified in the assessment plan.

56441.12. By June 30, 1989, the superintendent shall evaluate the effectiveness of Section 56441.11 for identification of preschool children with exceptional needs and recommend legislative changes as needed.

56441.13. The superintendent shall provide training and technical assistance for the implementation of early education programs for preschool children with exceptional needs, and shall develop:

(a) Methods and models for modifications to the regular program prior to referral.

(b) Guidelines for program providers.

(c) Curriculum and content for programs.

(d) Personnel standards for program providers.

(e) A plan to meet the unique needs of preschool children who require special education services and who are limited-English proficient and of diverse cultural backgrounds.

56441.14. Criteria and options for meeting the special education transportation needs of individuals with exceptional needs between the ages of three and five, inclusive, shall be included in the local transportation policy required pursuant to paragraph (5) of subdivision (b) of Section 56221.

56442. The superintendent shall ensure that state preschool programs and programs for individuals with exceptional needs between the ages of three and five years, inclusive, provided pursuant to this part, are coordinated at the state and local levels.

56443. (a) The State Department of Education shall amend its interagency agreement with the Administration for Children, Youth, and Families, Region IX, Head Start, United States Department of Health and Human Services, to permit a district, special education local plan area, or county office to contract with a Head Start program for special education and services for individuals with exceptional needs between the ages of three and five years pursuant

to this part.

(b) Apportionments allocated to Head Start programs for special education and services to individuals with exceptional needs between the ages of three and five years shall supplement and not supplant funds for which the Head Start programs are eligible, or are already receiving, from other funding sources.

56444. As part of the annual evaluation of special education programs pursuant to Section 56602, the superintendent shall conduct an evaluation of the effectiveness of the expanded preschool programs for individuals with exceptional needs between the ages of three and five years, inclusive, who do not require intensive special education and services. The evaluation shall be conducted over a five-year period, from the 1987–88 school year through the 1991–92 school year. The evaluation shall contain, but not be limited to, data on numbers and types of pupils who do not enter special education programs at kindergarten, or first grade as the case may be, but who received special education and services pursuant to this part, in a preschool program.

56445. (a) Prior to transitioning an individual with exceptional needs from a preschool program to kindergarten, or first grade as the case may be, an appropriate reassessment of the individual shall be conducted pursuant to Article 2 (commencing with Section 56320) of Chapter 4 to determine if the individual is still in need of special education and services.

(b) It is the intent of the Legislature that gains made in the special education program for individuals who received special education and services, in accordance with this chapter, are not lost by too rapid a removal of individualized programs and supports for these individuals.

(c) As part of the transitioning process, a means of monitoring continued success of the child shall be identified by the individualized education program team for those children of kindergarten or first grade equivalency who are determined to be eligible for less intensive special education programs.

(d) As part of the exit process from special education, the present performance levels and learning style shall be noted by the individualized education program team. This information shall be made available to the assigned regular education teacher upon the child's enrollment in kindergarten or first grade as the case may be.

56446. (a) The superintendent shall develop a funding formula for the distribution of federal funds under Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413, and 1419) to local providers. The funding formula shall be developed in consultation with the Legislative Analyst and the Director of Finance. The funding formula shall include a provision to address planning and development, program startup costs, including asessments and equipment, staff development, rental or leasing of facilities, and transportation. The funding formula shall also allow federal incentive

funds generated under Title II of Public Law 99-457 to be carried over by the local educational agencies from year to year during the phase-in fiscal years of 1987–88 to 1990–91, inclusive. Any carry over funds shall be reported to the superintendent. The federal incentive funds for this program received for individuals with exceptional needs between the ages of three and five years, inclusive, who are not identified as having intensive needs, shall not be included for purposes of subdivision (a) of Section 56712, including additional funds received for these children under Public Law 94-142 (20 U.S.C. Secs. 1232, 1401, 1405, 1406, 1411–1420, incl., and 1453). These individuals shall not be included in the enrollment counts or computations prescribed by Section 56728.6.

(b) The superintendent shall report to the Joint Legislative Budget Committee and the Department of Finance annually on or before October 15 on the implementation of Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413 and 1419). The report shall include, but not be limited to, the status of the phase-in plan, number of children being served, projected number of children to be served in the next school year, and anticipated federal funding for the next school year. This subdivision shall remain operative only until January 1, 1992, unless a later enacted statute, which is chaptered on or before January 1, 1992, deletes or extends that date.

(c) Public special education funding shall not be used to purchase regular preschool services or to purchase any instructional service other than special education and services permitted by this chapter.

56447. (a) The superintendent shall adopt rules and regulations to ensure that apportionments, inclusive of federal funds, for all individuals with exceptional needs between the ages of three and five years, inclusive, shall be paid to the extent permitted by federal law for no more than 3 percent of the statewide population of all children between the ages of three and five years, inclusive, as determined in the demographics prepared by the Department of Finance in the 1990–91 fiscal year.

(b) Individuals with exceptional needs served under this chapter shall not be subject to subdivision (a) of Section 56760. However, individuals with intensive needs and appropriate instructional personnel service units required to provide educational services to individuals with exceptional needs shall be included in the computations prescribed in Section 56728.6.

56447.1. (a) Nothing in this chapter shall be construed to limit the responsibility of noneducational public agencies in the State of California from providing or paying for some or all of the costs of a free appropriate public education for individuals with exceptional needs between the ages of three and five years, inclusive.

(b) Nothing in this chapter shall be construed to permit a noneducational public agency to reduce medical and other assistance available or to alter eligibility under Titles V and XIX of the Social Security Act (Subchapter V (commencing with Section 701) and

Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code) with respect to the provision of a free appropriate public education for individuals with exceptional needs between the ages of three and five years, inclusive, within the State of California.

56448. If the federal government fails to fund the authorized level of Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413, and 1419) during the federal fiscal year of 1988, or any fiscal year thereafter, California shall terminate its participation in this program.

56449. This chapter shall remain in effect only until California terminates its participation in special education programs for individuals with exceptional needs between the ages of three and five years, pursuant to Section 56448, and as of that date is repealed.

SEC. 7. Within 30 days of the termination of California's participation in special education programs for individuals with exceptional needs between the ages of three and five years, pursuant to Section 56448 of the Education Code, the Superintendent of Public Instruction shall transmit a written notice certifying this fact to the Legislature and to the Secretary of State.

SEC. 8. For the 1987–88 fiscal year, funds shall be allocated from the money received under Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413, and 1419) appropriated by Item 6100-161-890 of Section 2.00 of the Budget Act of 1987, for local assistance, payable from the Federal Trust Fund, Program 10.60.050.030-Special Education Programs for Exceptional Children, to cover the first year of implementation of this act. For the 1988–89 fiscal year and each fiscal year thereafter, funding shall be determined annually in the Budget Act.

SEC. 9. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

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 permit California to receive federal funding in July 1987 under the new handicapped preschool grants program for the 1987–88 school year authorized under Title II of the Education of the Handicapped Act Amendments of 1986, Public Law 99-457 (20 U.S.C. Secs. 1411, 1412, 1413, and 1419), it is necessary for this act to take effect immediately.

CHAPTER 312

An act to amend Section 8901 of the Government Code, relating to the Legislature, and making an appropriation therefor.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 8901 of the Government Code is amended to read:

8901. Commencing at noon on January 2, 1967, each Member of the Legislature shall receive, as a salary for his or her services, the amount of sixteen thousand dollars ($16,000) per year, during the term for which he or she was elected, payable in equal monthly amounts.

Commencing at noon on January 4, 1971, the annual salary provided by this section shall be increased to nineteen thousand two hundred dollars ($19,200).

Commencing at noon on December 2, 1974, the annual salary provided by this section shall be increased to twenty-one thousand one hundred twenty dollars ($21,120).

Commencing at noon on December 6, 1976, the annual salary provided by this section shall be increased to twenty-three thousand two hundred thirty-two dollars ($23,232).

Commencing at noon on December 4, 1978, the annual salary provided by this section shall be increased to twenty-five thousand five hundred fifty-five dollars ($25,555).

Commencing at noon on December 1, 1980, the annual salary provided by this section shall be increased to twenty-eight thousand one hundred ten dollars ($28,110).

Commencing at noon on December 3, 1984, the annual salary provided by this section shall be increased to thirty-three thousand seven hundred thirty-two dollars ($33,732).

Commencing at noon on December 1, 1986, the annual salary provided by this section shall be increased to thirty-seven thousand one hundred five dollars ($37,105).

Commencing at noon on December 5, 1988, the annual salary provided by this section shall be increased to forty thousand eight hundred sixteen dollars ($40,816).

CHAPTER 313

An act to add Chapter 11 (commencing with Section 5850) to Division 5 of the Public Resources Code, and to amend Section 99234 of the Public Utilities Code, relating to recreation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Chapter 11 (commencing with Section 5850) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 11. SAN FRANCISCO BAY AREA BIKEWAY SYSTEM

5850. The Association of Bay Area Governments shall develop and adopt a plan and implementation program, including a financing plan, for a continuous recreational corridor which will extend around the perimeter of San Francisco and San Pablo Bays. The plan shall include a specific route of a bicycling and hiking trail, the relationship of the route to existing park and recreational facilities, and links to existing and proposed public transportation facilities.

The plan shall do all of the following:

(a) Provide that designated environmentally sensitive areas, including wildlife habitats and wetlands, shall not be adversely affected by the trail.

(b) Provide for appropriate buffer zones along those portions of the bikeway system adjacent to designated environmentally sensitive areas.

(c) Provide that the land and funds used for trail construction and planning are not considered mitigation for wetlands losses.

(d) Provide alternative routes to avoid impingement on environmentally sensitive areas.

(e) Provide that no motorized vehicles, except to the extent necessary for emergency services, be allowed on the trail.

The association shall submit the plan to the Legislature not later than January 1, 1989.

5851. The Association of Bay Area Governments shall establish a policy committee, which includes members of appropriate environmental organizations, to oversee development and implementation of the trail.

A cooperative working relationship shall be established with the San Francisco Bay Conservation and Development Commission, the Metropolitan Transportation Commission, state and federal agencies, and all other cities, counties, and districts, including school districts, which are affected by the proposed trail.

The association shall establish an advisory committee representing

groups concerned with environmental and ecological protection of the bay and groups representing bicycling and other relevant recreational activities.

SEC. 2. Section 99234 of the Public Utilities Code is amended to read:

99234. (a) Claims for facilities provided for the exclusive use of pedestrians and bicycles or for bicycle safety education programs shall be filed according to the rules and regulations adopted by the transportation planning agency.

(b) The money shall be allocated for the construction, including related engineering expenses, of those facilities pursuant to procedures or criteria established by the transportation planning agency for the area within its jurisdiction, or for bicycle safety education programs.

(c) The money may be allocated for the maintenance of bicycling trails which are closed to motorized traffic pursuant to procedures or criteria established by the transportation planning agency for the area within its jurisdiction.

(d) The money may be allocated without respect to Section 99231 and shall not be included in determining the apportionments to a city or county for purposes of Sections 99233.7 to 99233.9, inclusive.

(e) Facilities provided for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable.

(f) Notwithstanding any other provision of this section, a planning agency established in Title 7.1 (commencing with Section 66500) of the Government Code may allocate the money to the Association of Bay Area Governments for activities required by Chapter 11 (commencing with Section 5850) of Division 5 of the Public Resources Code.

(g) Within 30 days after receiving a request for a review from any city or county, the transportation planning agency shall review its allocations made pursuant to Section 99233.3.

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.

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 permit the development of a continuous recreational corridor around the perimeter of San Francisco and San Pablo Bays and to thereby provide urgently needed recreational facilities at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 314

An act to amend Sections 22507.8, 22511.7, and 22511.8 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 22507.8 of the Vehicle Code is amended to read:

22507.8. (a) It is unlawful for any person to park or leave standing any vehicle in a stall or space designated for disabled persons and disabled veterans pursuant to Section 22511.7 or 22511.8, unless the vehicle displays either a distinguishing license plate or a placard issued pursuant to Section 22511.5 or 22511.9.

(b) It is unlawful for any person to obstruct, block, or otherwise bar access to those parking stalls or spaces except as provided in subdivision (a).

(c) Subdivisions (a) and (b) apply to all offstreet parking facilities owned or operated by the state, and to all offstreet parking facilities owned or operated by a local authority. Subdivisions (a) and (b) also apply to any privately owned and maintained offstreet parking facility.

SEC. 2. Section 22511.7 of the Vehicle Code is amended to read:

22511.7. In addition to Section 22511.8 for offstreet parking, a local authority may, by ordinance or resolution, designate parking spaces for the exclusive use of any vehicle which displays either a distinguishing license plate or a placard issued pursuant to Section 22511.5 or 22511.9. Whenever a local authority so designates a parking space, it shall be indicated by blue paint on the curb or edge of the paved portion of the street adjacent to the space. In addition to blue paint, the space shall also be indicated by signs or other suitable means.

This section does not restrict the privilege granted to disabled persons by Section 22511.5 and to disabled veterans by Section 22511.9.

SEC. 3. Section 22511.8 of the Vehicle Code is amended to read:

22511.8. (a) Any local authority, by ordinance or resolution, and any person in lawful possession of an offstreet parking facility may designate stalls or spaces in an offstreet parking facility owned or operated by the local authority or person for the exclusive use of any vehicle which displays either a distinguishing license plate or a placard issued pursuant to Section 22511.5 or 22511.9. The designation shall be made by posting a sign as described in paragraph (1), and by either of the markings described in paragraph (2) or (3):

(1) By posting immediately adjacent to, and visible from, each stall or space, a sign consisting of a profile view of a wheelchair with

occupant in white on a blue background.

(2) By outlining or painting the stall or space in blue and outlining on the ground in the stall or space in white or suitable contrasting color a profile view depicting a wheelchair with occupant.

(3) By outlining a profile view of a wheelchair with occupant in white on a blue background, of the same dimensions as in paragraph (2). The profile view shall be located so that it is visible to a traffic enforcement officer when a vehicle is properly parked in the space.

(b) If posted in accordance with subdivision (d) or (e), the owner or person in lawful possession of a privately owned or operated offstreet parking facility, after notifying the police or sheriff's department, may cause the removal of a vehicle from a stall or space designated pursuant to subdivision (a) in the facility to the nearest public garage unless a distinguishing license plate or placard issued pursuant to Section 22511.5 or 22511.9 is displayed on the vehicle.

(c) If posted in accordance with subdivision (d), the local authority owning or operating an offstreet parking facility, after notifying the police or sheriff's department, may cause the removal of a vehicle from a stall or space designated pursuant to subdivision (a) in the facility to the nearest public garage unless the a distinguishing license plate or placard issued pursuant to Section 22511.5 or 22511.9 is displayed on the vehicle.

(d) The posting required for an offstreet parking facility owned or operated either privately or by a local authority shall consist of a sign not less than 17 by 22 inches in size with lettering not less than one inch in height which clearly and conspicuously states the following: "Unauthorized vehicles not displaying distinguishing placards or license plates issued for physically handicapped persons will be towed away at owner's expense. Towed vehicles may be reclaimed at

_____ or by telephoning
(Address)

_____."
(Telephone number of local law enforcement agency)

The sign shall be posted in either of the following locations:

(1) Immediately adjacent to, and visible from, the stall or space.

(2) In a conspicuous place at each entrance to the offstreet parking facility.

(e) If the parking facility is privately owned and public parking is prohibited by the posting of a sign meeting the requirements of paragraph (1) of subdivision (a) of Section 22658, the requirements of subdivision (b) may be met by the posting of a sign immediately adjacent to, and visible from, each stall or space indicating that a vehicle not meeting the requirements of subdivision (a) will be removed at the owner's expense and containing the telephone number of the local traffic law enforcement agency.

(f) This section does not restrict the privilege granted to disabled persons by Section 22511.5 and to disabled veterans by Section 22511.9.

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 315

An act to amend Section 4730.6 of the Health and Safety Code, relating to districts.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 4730.6 of the Health and Safety Code is amended to read:

4730.6. (a) Notwithstanding Sections 4730, 4730.1, and 4730.2 or any other provision of law, the governing board of the Ventura Regional Sanitation District shall be a board of directors appointed in accordance with this section. Unless the context otherwise indicates, as used in this section, "district" means the Ventura Regional Sanitation District.

(b) The legislative body of each city located wholly or partially within the district's boundaries shall designate one of its members to be a member of the district's board of directors. Each legislative body may designate one of its members as an alternate to act in the place of its regular member in the case of the absence or disqualification of the regular member. An alternate member shall have the full voting rights of the regular member.

(c) The independent special district committee, which shall consist of the presiding officers of all independent special districts which have a governing board separately elected from any board of supervisors or city council and which would be entitled to representation on the Ventura Regional Sanitation District Board of Directors under Section 4730.1, if that section were applicable to the Ventura Regional Sanitation District, shall designate one elected member of a board of directors of an independent special district represented on the committee to be a member of the district's board of directors. The independent special district committee may designate one such elected member as an alternate to act in the place of the regular member in the case of the absence or disqualification of the regular member. An alternate member shall have the full voting rights of the regular member.

(d) Each member of the district's board of directors shall have one vote.

(e) No action shall be taken at any meeting of the district's board of directors unless a majority of all authorized members of the board of directors is in attendance.

(f) A majority of the members of the board of directors present shall be required to approve or otherwise act on any matter except as otherwise required by law.

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 316

An act to amend Sections 19140, 19994, and 19994.1 of, to amend and renumber Sections 19994.5, 19994.6, 19994.7, 19994.8, 19994.9, and 19994.10 of, and to add Sections 19050.2 and 19050.5 to, the Government Code, relating to state employees.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 19050.2 is added to the Government Code, to read:

19050.2. Subject to the approval of the board, the appointing authority may enter into arrangements with personnel agencies in other jurisdictions for the purpose of exchanging services and effecting transfers of employees.

SEC. 2. Section 19050.5 is added to the Government Code, to read:

19050.5. Notwithstanding Section 3517.6, an appointing power may transfer any employee under his or her jurisdiction to another position in a different class designated as appropriate by the board.

SEC. 3. Section 19140 of the Government Code is amended to read:

19140. (a) In addition to reinstatement required under any other section, an appointing power may, in his or her discretion, reinstate any person having probationary or permanent status who was separated from his or her position (1) by resignation, (2) by service retirement, (3) by termination from limited-term, temporary, career executive assignment, or exempt appointment, (4) under Section 19996.2, or (5) without a break in continuity of state service to accept another civil service or exempt appointment. In addition, when an employee who was separated from his or her position under Section 19585 again meets the requirements for continuing employment in that position, the employee shall have

permissive reinstatement eligibility under this section.

(b) Reinstatement shall be undertaken subject to board rule.

(c) Reinstatement shall be undertaken within three years if the employee, at the time of separation, was a member of the California Highway Patrol.

(d) For reinstatement after separation, for members of the California Highway Patrol, the time spent in any of the following positions shall not be considered in computing the three-year period:

(1) In a position which is exempt from civil service.

(2) As a temporary employee in another governmental agency engaged in a technical cooperation program under an agreement approved by the state.

(3) In a recognized military service.

(e) A member of the California Highway Patrol separated from state service may be reinstated to an otherwise appropriate nonmember class even if the separation exceeds three years.

(f) Reinstatment shall be made to any of the following vacant positions:

(1) The class vacated or from which separated.

(2) A lower class in the same series.

(3) Another class to which the employee could transfer or demote in accordance with board rule.

An employee, including a member of the California Highway Patrol, separated from his or her former position in state service by layoff, or by resignation or demotion in lieu of layoff, may be reinstated at the discretion of the appointing power. However, the reinstatement is subject to the requirements of this section and shall not be to a position that is specifically subject to the employee's reemployment list eligibility.

SEC. 4. Section 19994 of the Government Code is amended to read:

19994. When the state takes over and there is transferred to it a function from any other public agency, the department may determine the extent, if any, to which the employees employed by the other public agency on the date of transfer are entitled to have credited to them in the state civil service, seniority credits, accumulated sick leave and accumulated vacation because of service with the former agency. Granting of seniority credit under this section is subject to review by the State Personnel Board pursuant to Section 19816.5. The department shall limit that determination to the time any transferred employees were employed in the specific function or a function substantially similar while in the former agency and the seniority credits and accumulated sick leave and accumulated vacation shall not exceed that to which each employee would be entitled if he or she had been continuously employed by the State of California. This section is applicable to any function heretofore transferred to the state whether by state action or otherwise as well as to any future transfers of a function to the state whether by state action or otherwise.

SEC. 5. Section 19994.1 of the Government Code is amended to read:

19994.1. An appointing power may transfer any employee under his or her jurisdiction: (a) to another position in the same class; or (b) from one location to another whether in the same position, or in a different position as specified above in (a) or in Section 19050.5. When a transfer under this section or Section 19050.5 reasonably requires an employee to change his or her place of residence, the appointing power shall give the employee, unless the employee waives this right, a written notice of transfer 60 days in advance of the effective date of the transfer. Unless the employee waives this right, the appointing power shall provide to the employee 60 days prior to the effective date of the transfer a written notice setting forth in clear and concise language the reasons why the employee is being transferred.

If this section is in conflict with a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the memorandum of understanding requires the expenditure of funds, it shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 6. Section 19994.5 of the Government Code is amended and renumbered to read:

19050.3. Transfer of an employee from a position under one appointing power to a position under another appointing power may be made, subject to board rule.

SEC. 7. Section 19994.6 of the Government Code is amended and renumbered to read:

19050.4. With the approval of the board, an employee may be transferred from a position in one class to a position in another class involving substantially the same level of duties, responsibility and salary but requiring additional or different special requirements. The board may require the employee to demonstrate in an examination conducted by the board that he or she possesses the additional or different requirements.

SEC. 8. Section 19994.7 of the Government Code is amended and renumbered to read:

19050.6. Any transfer of an employee from a position in a lower class to a position in a higher class is a promotion and any transfer of an employee from a position in a higher class to a position in a lower class is a demotion and may be accomplished only in the manner provided for making promotional or demotional appointments.

SEC. 9. Section 19994.8 of the Government Code is amended and renumbered to read:

19050.7. Whenever any position is changed by the adoption of new, different or additional machines or processes while the purpose or product is the same or similar in nature, any civil service employee affected shall be given reasonable opportunity without change in

class, status, or salary to learn to do the work with the new machine or process and to qualify for status in the different class of position required for the work; provided, that an employee shall not be promoted to a higher class under this section. An employee who qualifies for appointment in the different class shall be deemed to possess the specific education, experience, or other requirements for that class and shall be appointed thereto with the same status and seniority which he or she last had in his or her previous class.

An employee shall be deemed to be affected under this section if the adoption of the new, different or additional machines or processes results in his or her being laid off and if laid off that employee shall have the same opportunity to qualify for appointment to any vacancy in the same class or any new class created because of the adoption of the new, different or additional machines or processes as any other employee affected by this section who was not laid off.

The board may prescribe rules and procedures and make determinations for carrying out this section including provisions for such examinations and tests of fitness as are deemed appropriate.

SEC. 10. Section 19994.9 of the Government Code is amended and renumbered to read:

19050.8. The board may prescribe rules governing the temporary assignment or loan of employees within an agency or between agencies or jurisdictions for not to exceed two years for any of the following purposes:

(a) To provide training to employees.

(b) To enable an agency to obtain expertise needed to meet a compelling program or management need.

(c) To facilitate the return of injured employees to work.

These temporary assignments or loans shall be deemed to be in accord with this part limiting employees to duties consistent with their class and may be used to meet minimum requirements for promotional as well as open examinations. An employee participating in that arrangement shall have the absolute right to return to his or her former position. Any temporary assignment or loan of an employee made for the purpose specified in subdivision (b) shall be made only with the voluntary consent of the employee.

In addition, out-of-class experience obtained in a manner not described in this section may be used to meet minimum requirements for promotional as well as open examinations, only if it was obtained by the employee in good faith and was properly verified under standards prescribed by board rule.

SEC. 11. Section 19994.10 of the Government Code is amended and renumbered to read:

19050.9. Whenever a function or the administration of a law is transferred from one state agency to another state agency, all persons serving in the state civil service and engaged in the performance of the function or the administration of the law shall be transferred to that agency. The status, positions, and rights of those

persons shall be retained by them pursuant to this part and the State Civil Service Act. A state agency is not required to retain any unnecessary officers or employees.

"State agency" includes all departments, boards, offices, authorities, commissions, and other agencies of state government.

The board may provide by rule for the administration of this section.

CHAPTER 317

An act to amend Section 14051 of the Government Code, and to amend Section 2544 of, to repeal and add Section 300 of, and to repeal Section 640 of, the Streets and Highways Code, relating to transportation.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 14051 of the Government Code is amended to read:

14051. (a) At the commencement of each regular session of the Legislature, the department shall submit to the Legislature a report summarizing information required under, and programs authorized by, Sections 118.6, 216, and 820 of, and Article 3.5 (commencing with Section 156) of Chapter 1 of Division 1 of, the Streets and Highways Code.

(b) Information on other program activities may be included in the biennial report at the discretion of the department.

(c) The report required by this section shall also include all of the following:

(1) An evaluation of significant air transportation issues anticipated to be of public concern during the five-year period commencing January 1 of the year preceding the date for submission of the report and beyond.

(2) Recommended modifications to state and federal law, where appropriate.

(3) An overview of necessary future investments in the development and maintenance of the state's air transportation system.

(4) An analysis of the department's organizational and staff needs relative to its air transportation responsibilities.

(5) A review of state aeronautics policy.

In preparing the portion of the report required by this subdivision, the department shall fully consider and incorporate air transportation needs as identified by local government and the private sector, as well as the need to fully integrate air transportation

issues and concerns into the mission of the department.

(d) The report required by this section shall also include all of the following:

(1) The status of alternative technologies in transportation, including, but not limited to, the efforts made in research development. The alternative technologies reported on shall seek to improve public safety, energy efficiency, and air quality.

(2) Alternatives to fossil fuels to power transportation devices, including alternative methods of propulsion of motor vehicles.

SEC. 2. Section 300 of the Streets and Highways Code is repealed.

SEC. 3. Section 300 is added to the Streets and Highways Code, to read:

300. The state highway system shall consist of the routes described in this article.

It is the intent of the Legislature, in enacting this article, that the routes of the state highway system serve the state's heavily traveled rural and urban corridors, that they connect the communities and regions of the state, and that they serve the state's economy by connecting centers of commerce, industry, agriculture, mineral wealth, and recreation.

SEC. 4. Section 640 of the Streets and Highways Code is repealed.

SEC. 5. Section 2544 of the Streets and Highways Code is amended to read:

2544. The department shall prepare and submit to the Legislature not later than July 1, 1976, a priority list of abandoned railroad lines having rights-of-way that may be developed for public transportation uses.

In preparing the list, the department shall consider the State Rail Plan prepared pursuant to Section 7701 of the Public Utilities Code and shall also consult with any city, county, transit district, or regional transportation planning entity within whose boundaries those abandoned railroad lines are located.

The department may consider contributions by local agencies toward the purchase of those rights-of-way as a factor in ranking the rights-of-way on the priority list.

CHAPTER 318

An act to amend Section 52612 of, and to add Section 52613 to, the Education Code, relating to adult education.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. It is the intent of the Legislature to provide the maximum number of English language classes to the state's linguistic

minorities so that they may acquire the essential English and basic literacy skills, and orientation to civic responsibility.

The Legislature finds that, presently, foreign students enter the United States under an F-1 Visa in order to attend schools, colleges, and universities with the intention and stated purpose of returning to their country of origin upon completion of their studies.

The Legislature further finds that in order to acquire an F-1 Visa, students must first guarantee sufficient financial support and income to pay for their education and must vow not to become a burden to the state or federal government. Accordingly, it is clearly the policy of the federal government that these foreign students accept full financial responsibility for their education while in the United States.

The Legislature further finds that many students who lack adequate language skills are taking advantage of English as a second language classes offered by public adult schools at the taxpayers' expense.

The Legislature further finds that private language schools and English language classes offered through extension programs by the University of California for the California community colleges are available on a fee basis to foreign students wishing to increase their English language proficiency.

The Legislature also finds that the number of available spaces in public adult education English language and literacy skills classes is severely insufficient to meet the needs of California's growing linguistic minorities and immigrant populations. F-1 Visa students are presently occupying valuable classroom space, thereby preventing California citizens and potential citizens from receiving these services.

It is the intent of the Legislature that public adult education schools operated by high school districts or funded through the adult education budget be prohibited from providing English as a second language, basic language or literacy skills training, or fundamental citizenship classes to F-1 Visa students, unless these students are charged and pay a fee to cover the full cost of the instruction.

SEC. 2. Section 52612 of the Education Code is amended to read:

52612. Except as specified in this section, an adult enrolled in a class for adults may be required by the governing board of the district maintaining the class to pay a fee for the class. Except as specified in Section 52613, no charge of any kind shall be made for a class in English and citizenship for foreigners or a class in an elementary subject. No fee charge shall be made for a class designated by the governing board as a class for which high school credit is granted when the class is taken by a person who does not hold a high school diploma. The total of the fees required and revenues derived from average daily attendance shall not exceed the estimated cost of all such classes maintained, including the reserves authorized by Section 52501.5.

All textbooks and classroom materials furnished without charge under this section may also be offered for sale at the school bookstore.

SEC. 3. Section 52613 is added to the Education Code, to read:

52613. (a) Notwithstanding any section to the contrary, each governing board of a school district maintaining classes for adults that issues a Certificate of Eligibility for Nonimmigrant (F-1) Student Status - For Academic and Language Students, Form I-20AB, or completes Form I-20AB for a nonimmigrant alien, as defined in subparagraph (F) (i) of paragraph (15) of subsection (a) of Section 1101 of Title 8 of the United States Code, for the purposes of enrolling the nonimmigrant alien in a class in English and citizenship for foreigners or a class in an elementary subject, shall charge the nonimmigrant alien a fee to cover the full costs of instruction, but in no case shall the fee exceed the actual cost of the instruction. The fee shall be adopted at a regular meeting of the governing board of each of these school districts maintaining classes for adults at least 90 days prior to the commencement of the classes for which the fee is charged.

(b) No district maintaining classes for adults shall include the attendance of F-1 visa students enrolled in a class in English and citizenship for foreigners or in a class in elementary subjects for apportionment purposes.

SEC. 4. Sections 1 to 3, inclusive, of this act shall become operative July 1, 1988.

CHAPTER 319

An act to amend Sections 21100.2 and 21151.5 of the Public Resources Code, relating to environmental quality.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 21100.2 of the Public Resources Code is amended to read:

21100.2. Each state agency shall establish, by resolution or order, time limits, not to exceed one year for completing and certifying environmental impact reports, and 105 days for negative declarations, for projects described in subdivision (c) of Section 21065. The time limits shall apply only to those circumstances in which the state agency is the lead agency for a project. These resolutions or orders may establish different time limits for different types or classes of projects, but all limits shall be measured from the date on which an application requesting approval of the project is received and accepted as complete by the state agency. No application for a project may be deemed incomplete for lack of a waiver of time period prescribed in state regulations. The resolutions or orders required by this section may provide for a reasonable

extension of the time period in the event that compelling circumstances justify additional time and the project applicant consents thereto.

SEC. 2. Section 21151.5 of the Public Resources Code is amended to read:

21151.5. Each local agency shall establish, by ordinance or resolution, time limits, not to exceed one year for completing and certifying environmental impact reports, and 105 days for completing negative declarations, for projects described in subdivision (c) of Section 21065. These time limits shall apply only to those circumstances in which the local agency is the lead agency for a project. These ordinances or resolutions may establish different time limits for different types or classes of projects, but all limits shall be measured from the date on which an application requesting approval of the project is received and accepted as complete by the local agency. No application for a project may be deemed incomplete for lack of a waiver of time periods prescribed by local ordinance or resolution.

The ordinances or resolutions required by this section may provide for a reasonable extension of the time period in the event that compelling circumstances justify additional time and the project applicant consents thereto.

CHAPTER 320

An act to amend Section 10406 of, to add Sections 10406.5 and 10496 to, and to repeal Section 10491 of, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. The Legislature finds and declares that brucellosis is a severe and debilitating disease in human beings and is a serious disease of cattle, swine, sheep, and goats. Elimination of brucellosis in California is of public benefit since human beings contract the disease directly from animals or their products, and it is necessary to provide protection to both the livestock industry and the public health.

The Legislature further finds that the existing brucellosis program, which has successfully controlled the disease to a very low prevalence rate, has not resulted in the complete eradication of the disease in California and that more aggressive measures are necessary to achieve that desired goal.

The Legislature, therefore, declares that livestock infected with or

exposed to brucellosis are a public nuisance as a threat to other livestock and to human health, and that the eradication of brucellosis must be expedited.

It is, therefore, the intent of the Legislature that the owner of an infected herd of cattle who does not diligently pursue the eradication of brucellosis from his or her herd in cooperation with his or her veterinarian, other cattle ranchers and dairy farmers, and the Department of Food and Agriculture, shall be responsible for paying the full costs for all brucellosis eradication efforts in the herd in accordance with Chapter 3 (commencing with Section 10301) of Part 2 of Division 5 of the Food and Agricultural Code. Payment of those costs does not excuse compliance with any provision of law and regulations and orders of the Director of Food and Agriculture and is not a defense in criminal or civil actions.

SEC. 2. Section 10406 of the Food and Agricultural Code is amended to read:

10406. Indemnity shall not be paid to any person in any of the following cases:

(a) For any steer or grade bull which is determined to be a reactor.

(b) For any bovine animal which is brought into a brucellosis control area, that reacts to a brucellosis test which is applied within 90 days after the arrival of the animal in the area as provided for in this chapter.

(c) For any bovine animal which is brought into a brucellosis control area, in violation of any law, any regulation of the department, or any rule or regulation of the United States Department of Agriculture.

(d) For any reacting bovine animal, until the premises, where the animal had been kept, have been cleaned and disinfected by the owner in a manner which is approved by an agent of the department or of the United States Department of Agriculture.

(e) For any reacting bovine animal which is not slaughtered within 30 days after the animal was appraised.

(f) For any animal which is owned by the United States, this state, or any county or city in the state.

(g) For any bovine animal which was vaccinated for brucellosis after reaching 12 months of age. However, indemnity shall be provided for any bovine animal that was vaccinated after reaching 12 months of age and that was part of an official whole herd adult vaccination plan approved by the director. "Official whole herd adult vaccination plan" means a plan, approved by the director, whereby all female cattle exceeding 12 months of age are vaccinated against brucellosis using a reduced dose of strain 19 vaccine and are identified with the appropriate tattoo symbols in the right ear.

(h) For any bovine animal in a herd which has been under an order to hold, issued pursuant to Section 9565, for more than 18 consecutive months, except as provided by subdivision (i).

(i) For any officially adult vaccinated bovine animal in a herd

which has been under an order to hold, issued pursuant to Section 9565, for more than 22 consecutive months.

(j) Notwithstanding subdivisions (h) and (i), the owner of a herd which, on the effective date of the act amending this section during the 1987–88 Regular Session, is under an order to hold, issued by the director prior to that effective date, shall be subject to this section 18 months from that effective date or 22 months from that effective date for officially adult vaccinated bovine animals.

(k) If the person has violated any provision of this chapter which relates to a brucellosis control area, or any regulation which is adopted by the department that relates to such an area.

SEC. 3. Section 10406.5 is added to the Food and Agricultural Code, to read:

10406.5. (a) The owner of a herd that is subject to subdivision (h) or (i) of Section 10406 may appeal to the director in writing, on a form as prescribed by the director, for continuation of indemnity payments.

(b) The director, upon receipt of an appeal made pursuant to subdivision (a), shall present the appeal to a review committee established as provided by Section 465 for the purpose of advising the director on issues related to animal health.

(c) The committee shall receive and evaluate information presented to them by industry members, state veterinarians, and other interested persons regarding the herd owner's compliance with the laws and regulations relating to brucellosis control and eradication, and shall submit a written recommendation to the director.

(d) Upon a determination that the herd owner was in full compliance with the laws and regulations, the director, notwithstanding Section 10406, may grant a continuation of indemnity payments to the herd owner for a period of time deemed appropriate by the director.

SEC. 4. Section 10491 of the Food and Agricultural Code is repealed.

SEC. 5. Section 10496 is added to the Food and Agricultural Code, to read:

10496. (a) An owner who fails to achieve eradication of brucellosis in his or her herd is responsible for the costs of maintaining the required testing schedule after 24 months from the date of an order to hold issued by the director pursuant to Section 9565. Evidence of eradication shall consist of a release from a hold issued by the director pursuant to Section 9567.

(b) If the director requires an infected herd to be officially adult vaccinated to control the spread of the disease, the time interval provided in subdivision (a) shall be extended from 24 to 28 months.

(c) Notwithstanding subdivisions (a) and (b), the owner of a herd which, on the effective date of this section, is under an order to hold, issued by the director prior to that effective date, shall be subject to this section 24 months from that effective date or 28 months from

that effective date for officially adult vaccinated herds.

(d) This section shall not apply to the owner of a herd that has been granted a continuation of indemnity payments as provided by Section 10406.5.

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:

Brucellosis is a serious disease of cattle, swine, sheep, and goats, and human beings contract this debilitating disease directly from animals or their products. Brucellosis threatens the livestock industry and the public health. In order to implement an effective eradication program and to prevent economic loss to the general economy and to protect the public health of the State of California, it is necessary that this act take effect immediately.

CHAPTER 321

An act to amend Section 410 of the Health and Safety Code, to amend Sections 12506, 13208, and 14601 of, and to repeal and add Sections 12805 and 12806 of, the Vehicle Code, relating to vehicles.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 410 of the Health and Safety Code is amended to read:

410. (a) All physicians shall report immediately to the local health officer in writing, the name, date of birth, and address of every person diagnosed as a case of a disorder characterized by lapses of consciousness.

(b) The local health officer shall report in writing to the state department the name, age, and address, of every person reported to it as a case of a disorder characterized by lapses of consciousness.

(c) The state department shall report to the Department of Motor Vehicles the names, dates of birth, and addresses, of all persons reported as a case of a disorder characterized by lapses of consciousness by the physicians and local health officers.

(d) These reports shall be for the information of the State Department of Health Services and the Department of Motor Vehicles in enforcing the provisions of the Vehicle Code, and shall be kept confidential and used solely for the purpose of determining the eligibility of any person to operate a motor vehicle on the highways of this state.

(e) The state department shall define disorders characterized by lapses of consciousness for purposes of this section and shall include

Alzheimer's disease and related disorders in the definition.

SEC. 2. Section 12506 of the Vehicle Code is amended to read:

12506. The department may issue a temporary driver's license to any person applying for a driver's license, to any person applying for renewal of a driver's license, or to any licensee whose license is required to be changed, added to, or modified. Notwithstanding subdivision (b) of Section 12805, the department may issue a temporary driver's license to an applicant who has previously been licensed in this state or in any other state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada, notwithstanding that the applicant has failed the written examination on the person's first attempt.

A temporary license permits the operation of a motor vehicle upon the highways for a period of 60 days, if the licensee has the temporary license in his or her immediate possession, and while the department is completing its investigation and determination of all facts relative to the applicant's right to receive a license. The temporary license is invalid when the applicant's license has been issued or refused.

SEC. 3. Section 12805 of the Vehicle Code is repealed.

SEC. 4. Section 12805 is added to the Vehicle Code, to read:

12805. The department shall not issue a driver's license to, or renew a driver's license of, any person:

(a) Who is not of legal age to receive a driver's license.

(b) Who is unable, as shown by examination, to understand traffic signs or signals or who does not have a reasonable knowledge of the provisions of this code governing the operations of vehicles upon the highways.

(c) When it is determined, by examination or other evidence, that the person is unable to safely operate a motor vehicle upon a highway.

(d) Who is unable to read and understand simple English used in highway traffic and directional signs. This subdivision does not apply to any person holding an operator's or chauffeur's license issued by this state and valid on September 11, 1957.

(e) Who holds a valid driver's license issued by a foreign jurisdiction unless the license has been surrendered to the department, or is lost or destroyed.

(f) Who has ever held, or is the holder of, a license to drive issued by another state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, and that license has been suspended by reason, in whole or in part, of a conviction of a traffic violation until the suspension period has terminated, except that the department may issue a license to the applicant if, in the opinion of the department, it will be safe to issue a license to a person whose license to drive was suspended by a state which is not a party to the Driver License Compact provided for in Chapter 6 (commencing with Section 15000) of Division 6.

(g) Who has ever held, or is the holder of, a license to drive issued

by another state, territory, or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico, and that license has been revoked by reason, in whole or in part, of a conviction of a traffic violation, until the revocation has been terminated or after the expiration of one year from the date the license was revoked, whichever occurs first, except that the department may issue a license to the applicant if, in the opinion of the department, it will be safe to issue a license to a person whose license to drive was revoked by a state which is not a party to the Driver License Compact provided for in Chapter 6 (commencing with Section 15000) of Division 6.

SEC. 5. Section 12806 of the Vehicle Code is repealed.

SEC. 6. Section 12806 is added to the Vehicle Code, to read:

12806. The department may refuse to issue to, or renew a driver's license of, any person:

(a) Who is rendered incapable of safely operating a motor vehicle because of alcoholism, excessive and chronic use of alcoholic beverages, or addiction to, or habitual use of, any drug.

(b) Who is addicted to the use of narcotic drugs unless the person is participating in a methadone maintenance program approved pursuant to Article 3 (commencing with Section 4350) of Chapter 3 of Part 1 of Division 4 of the Welfare and Institutions Code, in which case the person may be issued a probationary license, subject to reasonable terms and conditions, if that drug usage does not affect the person's ability to exercise reasonable and ordinary control in operating a motor vehicle on the highway.

(c) Who has a disorder characterized by lapses of consciousness or who has experienced, within the last three years, either a lapse of consciousness or an episode of marked confusion caused by any condition which may bring about recurrent lapses, or who has any physical or mental disability, disease, or disorder which could affect the safe operation of a motor vehicle unless the department has medical information which indicates the person may safely operate a motor vehicle.

SEC. 7. Section 13208 of the Vehicle Code is amended to read:

13208. In any criminal proceeding, without regard to its disposition, wherein the defendant is charged with a violation of Division 11 (commencing with Section 21000), the court may, if it has reason to believe that any of the conditions specified in Section 12805 or 12806 exist, recommend to the department that an investigation be conducted to determine whether the driving privilege of that person should be suspended or revoked. In making the recommendation, the court shall state the basis for the belief that the condition exists and whether the defendant relied upon the condition as a part of his or her defense. The department may provide a form for the court's convenience.

SEC. 8. Section 14601 of the Vehicle Code is amended to read:

14601. (a) No person shall drive a motor vehicle at any time when that person's driving privilege is suspended or revoked for

reckless driving in violation of Section 23103 or 23104, any reason listed in subdivision (a) or (c) of Section 12806 authorizing the department to refuse to issue a license, negligent or incompetent operation of a motor vehicle as prescribed in subdivision (e) of Section 12809, or negligent operation as prescribed in Section 12810, and when the person so driving has knowledge of the suspension or revocation. Knowledge shall be presumed if notice has been given by the department to the person. The presumption established by this subdivision is a presumption affecting the burden of proof.

(b) Any person convicted under this section shall be punished as follows:

(1) Upon a first conviction, by imprisonment in the county jail for not less than five days or more than six months and by fine of not less than three hundred dollars ($300) or more than one thousand dollars ($1,000).

(2) If the offense occurred within five years of a prior offense which resulted in a conviction of a violation of this section or Section 14601.1 or 14601.2, by imprisonment in the county jail for not less than 10 days or more than one year and by fine of not less than five hundred dollars ($500) or more than two thousand dollars ($2,000).

(c) If the offense occurred within five years of a prior offense which resulted in a conviction of a violation of this section or Section 14601.1 or 14601.2 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(d) Nothing in this section prohibits a person from driving a motor vehicle, which is owned or utilized by the person's employer, during the course of employment on private property which is owned or utilized by the employer, except an offstreet parking facility as defined in subdivision (c) of Section 12500.

CHAPTER 322

An act to amend Sections 1334.1, 1334.2, and 1334.3 of the Penal Code, relating to witnesses.

[Approved by Governor July 29, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 1334.1 of the Penal Code is amended to read:

1334.1. As used in this chapter:

(a) "Witness" includes any person whose testimony is desired in any proceeding or investigation by a grand jury or in any criminal action, prosecution, or proceeding.

(b) "State" means any State or Territory of the United States and

the District of Columbia.

(c) "Grand jury investigation" means any grand jury investigation which has commenced or is about to commence.

(d) "Per diem" means a sum of money the purpose of which is to provide for personal expenses, including, but not limited to, food and lodging.

SEC. 2. Section 1334.2 of the Penal Code is amended to read:

1334.2. If a judge of a court of record in any state, which by its laws has made provision for commanding persons within that state to attend and testify in this state, issues a certificate under the seal of the court that there is a criminal prosecution pending in the court, or that there is a grand jury investigation, that a person within this state is a material witness in that prosecution or grand jury investigation, and that his or her presence will be required for a specified number of days, then, upon presentation of the certificate to a judge of a court of record in the county in which the person is, a time and place for a hearing shall be fixed by the judge and he or she shall make an order directing the witness to appear at the hearing.

If at the hearing, the judge determines that the witness is material and necessary, that it will not cause undue hardship to the witness to be compelled to attend and testify in the prosecution or grand jury investigation in the other state, and that the laws of the state, in which the prosecution is pending or in which there is a grand jury investigation, will give to the witness protection from arrest and service of civil and criminal process and will furnish in advance to the witness the sum of ten cents ($0.10) for each mile necessarily traveled if the witness elects surface travel or the minimum round trip schedule airlines fare plus twenty cents ($0.20) a mile for necessary surface travel at either end of the flight if the witness elects air travel, and, except as provided in subdivision (b) of Section 1334.3, a per diem of twenty dollars ($20) for each day that he or she is required to travel and attend as a witness and that the judge of the court in which the witness is ordered to appear will order the payment of witness fees authorized by law for each day the witness is required to attend the court plus reimbursement for any additional expenses of the witness which the judge of the court in which the witness is ordered to appear shall find reasonable and necessary, he or she shall issue a subpoena, with a copy of the certificate attached, directing the witness to attend and testify in the court where the prosecution is pending, or where the grand jury investigation is, at a time and place specified in the subpoena. In any such hearing the certificate shall be prima facie evidence of all the facts stated therein.

If the certificate recommends that the witness be taken into immediate custody and delivered to an officer of the requesting state to assure his attendance therein, the judge may, in lieu of notification of the hearing, direct that the witness be forthwith brought before him or her for the hearing.

If the judge at the hearing, is satisfied of the desirability of the

custody and delivery, for which determination the certificate shall be prima facie proof of this desirability, he or she may, in lieu of issuing subpoena, order that the witness be forthwith taken into custody and delivered to an officer of the requesting state.

If the witness, who is subpoenaed as herein provided, after being paid or tendered by some properly authorized person the sum or fare, and per diem set forth in this section, fails without good cause to attend and testify as directed in the subpoena, he or she shall be punished in the manner provided for the punishment of any witness who disobeys a subpoena issued from a court of record in this state.

SEC. 3. Section 1334.3 of the Penal Code is amended to read:

1334.3. (a) If a person in any state, which by its laws has made provision for commanding persons within its borders to attend and testify in criminal prosecutions or grand jury investigations in this state, is a material witness in a prosecution pending in a court of record in this state, or in a grand jury investigation, a judge of such court may issue a certificate under the seal of the court stating these facts and specifying the number of days the witness will be required. This certificate shall be presented to a judge of a court of record in the county of such other state in which the witness is found.

If the certificate recommends that the witness be taken into immediate custody and delivered to an officer of this state to assure his or her attendance in this state, the judge may direct that the witness be forthwith brought before him or her. If the judge is satisfied of the desirability of the custody and delivery, for which determination the certificate shall be prima facie proof, he or she may order that the witness be forthwith taken into custody and delivered to an officer of this state. This order shall be sufficient authority to the officer to take the witness into custody and hold him or her unless and until he or she may be released by bail, recognizance, or order of the judge issuing the certificate.

If the witness is subpoenaed to attend and testify in this state, he or she shall be tendered the sum of ten cents ($0.10) for each mile necessarily traveled if the witness elects surface travel or the minimum round trip scheduled airlines fare plus twenty cents ($0.20) a mile for necessary surface travel at either end of the flight if the witness elects air travel, and except as provided in subdivision (b), a per diem of twenty dollars ($20) for each day that he or she is required to travel and attend as a witness. The judge of the court in which the witness is ordered to appear shall order the payment of witness fees authorized by law for each day the witness is required to attend the court plus reimbursement for any additional expenses of the witness which the judge of the court shall find reasonable and necessary. A witness who has appeared in accordance with the provisions of the subpoena shall not be required to remain within this state a longer period of time than the period mentioned in the certificate, unless otherwise ordered by the court. If the witness fails without good cause to attend and testify as directed in the subpoena, he or she shall be punished in the manner provided for the

punishment of any witness who disobeys a subpoena issued from a court of record in this state.

(b) If the witness subpoenaed to attend and testify in this state is at the time he or she is required to appear and testify an inmate of a state prison, county jail, or other penal facility, the witness shall, while attending in this state as a witness, be furnished food and lodging in the jail or other appropriate penal facility in the county in which the witness is attending court, and food and lodging of that penal facility shall be rendered in lieu of the per diem specified in subdivision (a).

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 323

An act to amend Section 798.75 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 29, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 798.75 of the Civil Code is amended to read:

798.75. (a) An escrow, sale, or transfer agreement involving a mobilehome located in a park at the time of the sale, where the mobilehome is to remain in the park, shall contain a provision signed by the purchaser stating that, by such signature he or she has agreed to the terms of a rental agreement. A copy of a fully executed rental agreement signed by both the purchaser and park management will satisfy the requirements of this section.

(b) In the event the purchaser fails to execute the rental agreement, the purchaser shall not have any rights of tenancy.

(c) In the event that an occupant of a mobilehome has no rights of tenancy and is not otherwise entitled to occupy the mobilehome pursuant to this chapter, the occupant is considered an unlawful occupant if, after a demand is made for the surrender of the mobilehome park site, for a period of five days, the occupant refuses to surrender the site to the mobilehome park management. In the event the unlawful occupant fails to comply with the demand, the unlawful occupant shall be subject to the proceedings set forth in

Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure.

(d) The occupant of the mobilehome shall not be considered an unlawful occupant and shall not be subject to the provisions of subdivision (c) if all of the following conditions are present:

(1) The occupant is the registered owner of the mobilehome.

(2) The management has determined that the occupant has the financial ability to pay the rent and charges of the park; will comply with the rules and regulations of the park, based on the occupant's prior tenancies; and will comply with this article.

(3) The management failed or refused to offer the occupant a rental agreement.

CHAPTER 324

An act to amend Section 33760.5 of the Health and Safety Code, relating to redevelopment agencies.

[Approved by Governor July 30, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 33760.5 of the Health and Safety Code is amended to read:

33760.5. (a) Notwithstanding the requirements of Section 33760, agencies which operate within a jurisdiction, the population of which is in excess of 600,000 persons, as determined by the Department of Finance, may additionally provide financing for residential construction of multifamily rental units outside of a redevelopment project area as set forth in and subject to the limitations of this section.

(b) Within its territorial jurisdiction, an agency may determine the location and character of any residential construction to be financed under this chapter and may make mortgage or construction loans to participating parties through qualified mortgage lenders, or purchase mortgage or construction loans without premium made by qualified mortgage lenders to participating parties for financing residential construction of multifamily rental units.

(c) Not less than 20 percent (15 percent in target areas) of the units in each project financed pursuant to this section shall be occupied by, or made available to, individuals of low and moderate income, as defined in Section 103(b) (12) (C) of Title 26 of the United States Code. If the sponsor elects to establish a base rent for units reserved for lower income households, the base rents shall be adjusted for household size, as determined pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), or its successor, for a family of one person in the case of a studio unit, two

persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

(d) Not less than one-half of the low- and moderate-income units described in subdivision (c) shall be occupied by, or made available to, very low income households, as defined in Section 50105. The rental payments for those units paid by the persons occupying the units (excluding any supplemental rental assistance from the state, the federal government, or any other public agency to those persons or on behalf of those units) shall not exceed the amount derived by multiplying 30 percent times 50 percent of the median adjusted gross income for the area, adjusted for family size, as determined pursuant to Section 8 of the United States Housing Act of 1937, (42 U.S.C. Sec. 1437f), or its successor, for a family of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

(e) No agency may issue any bonds on or after January 1, 1986, until the information required to be filed pursuant to Section 8855.5 of the Government Code has been filed with the California Debt Advisory Commission and the Treasurer certifies to the Legislature that the agency has filed that information.

(f) Units required to be reserved for occupancy by subdivisions (c) and (d) and financed with the proceeds of bonds issued on or after January 1, 1986, shall remain occupied by, or made available to, those persons until the bonds are retired.

(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 325

An act to amend Section 35032 of the Public Resources Code, relating to coastal resources, and making an appropriation therefor.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 35032 of the Public Resources Code is amended to read:

35032. (a) The Secretary of Environmental Affairs shall determine the amount of each coastal county's block grant according to the following formula:

(1) Twenty-five percent of the funds appropriated pursuant to subdivision (a) of Section 35080 shall be allocated based on an

estimate of the amount of oil and gas extracted from state or federal waters offshore of California that is expected in the next five years to be (A) landed in the county from offshore vessels and pipelines, and (B) refined or processed in the county after being transported through onshore pipelines which receive the oil or gas from marine terminals in state waters.

(2) Twenty-five percent of the funds appropriated pursuant to subdivision (a) of Section 35080 shall be allocated on the basis of the number of federal and state offshore tracts scheduled to be leased adjacent to the county within five years.

(3) Twenty percent of the funds appropriated pursuant to subdivision (a) of Section 35080 shall be allocated on the basis of the coastal county's shoreline mileage.

(4) Fifteen percent of the funds appropriated pursuant to subdivision (a) of Section 35080 shall be allocated on the basis of the coastal county's population.

(5) Twelve percent of the funds appropriated pursuant to subdivision (a) of Section 35080 shall be allocated on the basis of indirect effects of offshore oil development, including, but not limited to, degradation of air quality, increased need for public services due to location of support facilities, and impacts on port facilities. The Secretary of Environmental Affairs shall determine the allocation of these funds based on evidence supplied by counties on the indirect effects of offshore oil development.

(6) Fifty thousand dollars ($50,000) of the funds appropriated pursuant to subdivision (a) of Section 35080 which have not been allocated by other provisions of this section shall be allocated to coastal counties on the same basis that allocations are made pursuant to paragraphs (1) to (5), inclusive.

(b) If, after applying that formula, a coastal county would receive an amount greater than 20 percent of the amount appropriated pursuant to subdivision (a) of Section 35080, the Secretary of Environmental Affairs shall reduce the amount allocable to that county to 20 percent of the appropriated amount, with the remainder shared by other coastal counties in accordance with the formula.

(c) No coastal county shall receive less than 1 percent of the amount appropriated pursuant to subdivision (a) of Section 35080.

(d) Two percent of the amount appropriated pursuant to subdivision (a) of Section 35080 shall be allocated to the San Francisco Bay Conservation and Development Commission for allocation to counties within its jurisdiction that do not border on the Pacific Ocean.

(e) On an annual basis, the Secretary of Environmental Affairs shall review and assess county expenditures under this program. Not more than two hundred thousand dollars ($200,000) of the funds appropriated pursuant to subdivision (a) of Section 35080 may be used by the Secretary of Environmental Affairs to defray administrative costs.

CHAPTER 326

An act to amend Section 311 of the Public Utilities Code, relating to the Public Utilities Commission.

[Approved by Governor July 30, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 311 of the Public Utilities Code is amended to read:

311. (a) The commission, each commissioner, the executive director, and the assistant executive directors may administer oaths, certify to all official acts, and issue subpoenas for the attendance of witnesses and the production of papers, waybills, books, accounts, documents, and testimony in any inquiry, investigation, hearing, or proceeding in any part of the state.

(b) The administrative law judges may administer oaths, examine witnesses, issue subpoenas, and receive evidence, under rules that the commission adopts. The commission, upon scheduling hearings and specifying the scope of issues to be heard in any proceeding involving an electrical, gas, telephone, railroad, or water corporation, or a highway carrier, shall assign an administrative law judge to preside over the hearings, either sitting alone or assisting the commissioner or commissioners who will hear the case.

(c) The evidence in any hearing shall be taken by the administrative law judge designated for that purpose. The administrative law judge may receive and exclude evidence offered in the hearing in accordance with the rules of practice and procedure of the commission.

(d) The administrative law judge shall prepare and file an opinion setting forth recommendations, findings, and conclusions. The opinion of the administratrive law judge shall become the proposed decision and a part of the public record in the proceeding. The proposed decision of the administrative law judge shall be filed with the commission and served upon all parties to the action or proceeding without undue delay, not later than 90 days after the matter has been submitted for decision. The commission shall issue its decision not sooner than 30 days following filing and service of the proposed decision by the administrative law judge, except that the 30-day period may be reduced or waived by the commission in an unforeseen emergency situation or upon the stipulation of all parties to the proceeding. The commission may, in issuing its decision, adopt, modify, or set aside the proposed decision or any part thereof. Every finding, opinion, and order made in the proposed decision and approved or confirmed by the commission shall, upon that approval or confirmation, be the finding, opinion, and order of the commission.

(e) The commission may specify that the administrative law judge assigned to a proceeding involving an electrical, gas, telephone, railroad, or water corporation, or a highway carrier, initiated by customer or subscriber complaint need not prepare, file, and serve an opinion, unless the commission finds this is required in the public interest in a particular case.

CHAPTER 327

An act to add Section 23912 to the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 23912 is added to the Education Code, to read:

23912. If the projected final compensation is used to calculate the service retirement allowance following the termination of the disability allowance or if the disability allowance is continued as the smaller of the two allowance calculations under Section 23911 or 24303, then the original disability allowance effective date shall be retained as the base date for purposes of determining any postretirement benefit increases under this part.

This section shall be applicable for determining the base date for applicable postretirement increases made on or after January 1, 1982.

CHAPTER 328

An act to amend Sections 26721, 26725, 26725.1, 26726, 26727, 26728, 26728.1, 26729, 26730, 26733.5, 26734, 26736, 26738, 26740, 26741, 26742, 26743, 26744, and 26750 of the Government Code, relating to fees.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 26721 of the Government Code is amended to read:

26721. Except as provided in this article, the fee for serving or executing any process or notice required by law or the litigants to be served is twenty dollars ($20), and there shall be no additional fee for substitute service when substitute service is authorized.

In any case where property has been levied upon and, pursuant to

the levy, a copy of the writ of execution and a notice of levy are required by statute to be served either personally or by mail upon the judgment debtor or other person, no fee shall be charged for that service.

SEC. 2. Section 26725 of the Government Code is amended to read:

26725. The fee for serving, executing, or processing a writ of attachment, writ of execution, writ of sale, or order on real estate is twenty dollars ($20) as to the initial service or posting of a continuous unbroken parcel or tract, and twenty dollars ($20) for serving a record owner other than the defendant.

SEC. 3. Section 26725.1 of the Government Code is amended to read:

26725.1. The fee for the serving or posting of any additionally required notices or orders on other parcels is five dollars ($5) each.

SEC. 4. Section 26726 of the Government Code is amended to read:

26726. (a) The fee for keeping and caring for property under a writ of attachment, execution, possession, or sale shall not exceed fifty-five dollars ($55) when necessarily employed for any eight-hour period or any part thereof. If an additional keeper or keepers are required during these periods, the fee for the additional keeper or keepers shall be the same as fixed, but, in no event shall any one keeper receive more than one hundred ten dollars ($110) during any 24-hour period when so employed.

(b) In addition to the fees provided by Section 26721, the fee for maintaining custody of property under levy by the use of a keeper is twenty dollars ($20) for each day custody is maintained after the first day.

(c) Notwithstanding any other fee charged, a keeper shall receive twenty dollars ($20) when pursuant to Section 26738 a levying officer prepares a not found return.

SEC. 5. Section 26727 of the Government Code is amended to read:

26727. The fee for a copy of any writ, process, paper, order, or notice actually made by him or her when required or demanded is fifty cents ($0.50) a page, except that when correct copies are furnished to him or her for use no charge shall be made for those copies.

SEC. 6. Section 26728 of the Government Code is amended to read:

26728. The fee for preparing and posting the initial notice of personal property sale under a writ of attachment, execution, or sale or order of court is twenty dollars ($20).

SEC. 7. Section 26728.1 of the Government Code is amended to read:

26728.1. The fee for preparing and posting additionally required notices of personal property sales is five dollars ($5) each.

SEC. 8. Section 26729 of the Government Code is amended to

read:

26729. The fee for furnishing a notice for publication is five dollars ($5).

SEC. 9. Section 26730 of the Government Code is amended to read:

26730. The fee for conducting or postponing the sale of real or personal property as required by law or the litigant is twenty dollars ($20).

SEC. 10. Section 26733.5 of the Government Code is amended to read:

26733.5. The fee for serving a writ of possession of real property on an occupant or the occupants or for posting and serving a copy on the judgment debtor including the putting of a person in possession of the premises and removing the occupant or occupants is thirty-five dollars ($35). The fee for reposting of a notice to vacate shall be pursuant to Section 26721.

SEC. 11. Section 26734 of the Government Code is amended to read:

26734. The fee for making a levy on personal property already in possession of the officer who is holding it under attachment in the same action, is twenty dollars ($20).

SEC. 12. Section 26736 of the Government Code is amended to read:

26736. The fee for cancellation of the service or execution of any process or notice prior to its completion is twenty dollars ($20). The fee provided by this section shall not be charged where a charge is made pursuant to any other section of this article; nor shall the fee be charged where the cancellation is requested prior to the time a trip is made in attempting to serve or execute the process or notice.

SEC. 13. Section 26738 of the Government Code is amended to read:

26738. The fee for making a not found return on a summons, affidavit and order, order for appearance, subpoena, writ of attachment, writ of execution, writ of possession, order for delivery of personal property, or other process or notice required to be served, certifying that the person or property cannot be found within the judicial district in which the address specified is situated, is twenty dollars ($20).

SEC. 14. Section 26740 of the Government Code is amended to read:

26740. The fee for the execution and delivery of a deed or certificate of redemption is five dollars ($5).

SEC. 15. Section 26741 of the Government Code is amended to read:

26741. The fee for executing and delivering a certificate or deed of sale is five dollars ($5).

SEC. 16. Section 26742 of the Government Code is amended to read:

26742. The fee for executing and delivering any other instrument

is twenty dollars ($20).

SEC. 17. Section 26743 of the Government Code is amended to read:

26743. The fee for subpoenaing a witness, including a copy of the subpoena and any affidavit required to be served therewith, is twenty dollars ($20).

SEC. 18. Section 26744 of the Government Code is amended to read:

26744. The fee for serving or executing a bench warrant arising from an order of appearance issued under Sections 491.160 or 708.170 of the Code of Civil Procedure is twenty dollars ($20).

SEC. 19. Section 26750 of the Government Code is amended to read:

26750. (a) The fee for serving an earnings withholding order under the Wage Garnishment Law, Chapter 5 (commencing with Section 706.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, including but not limited to the costs of postage or traveling, and for performing all other duties of the levying officer under that law with respect to the levy is twenty dollars ($20).

(b) No additional fees, costs, or expenses may be charged by the levying officer for performing the duties under the Wage Garnishment Law, Chapter 5 (commencing with Section 706.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

CHAPTER 329

An act to add Section 395.9 to the Military and Veterans Code, relating to state military service.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 395.9 is added to the Military and Veterans Code, to read:

395.9. Any public employee and any employee of a corporation, company, firm, or other person who is a member of the State Military Reserve is entitled to a temporary military leave of absence without pay while engaged in military duty for purposes of military training, drills, unit training assemblies, or similar inactive duty training for not to exceed 15 calendar days annually, including time involved in going to and returning from that duty.

CHAPTER 330

An act to amend Sections 22134.5, 22205.2, 22205.5, 22239, 23804.3, 23902, 23903, 23911, 24000, 24007, 24100.5, 24210, 24213, 24303, 24612.2, 24616, 44922, and 87483 of, and to add Sections 22131.7, 22131.8, 22132.7, and 22134.6 to, the Education Code, relating to teachers' retirement.

[Approved by Governor July 30, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 22131.7 is added to the Education Code, to read:

22131.7. "Investment manager" and "investment adviser" mean any person, firm, or custodian referred to in Section 22309, either appointed by or under contract with the board to engage in investment transactions or to manage or advise in the management of the assets of the Teachers' Retirement Fund.

SEC. 2. Section 22131.8 is added to the Education Code, to read:

22131.8. "Investment transactions" means investment services performed which are of an asset management or investment advisory nature and may include advisory services, research material, trading assistance, trading expenses, discretionary management of funds of the system upon approval by the Teachers' Retirement Board, acquisition of equipment to be used as part of the investment function, services which provide a recommended course of action or personal expertise, investment-related legal expenses, investment-related contracting expenses, or custodian services referred to in Section 22309.

SEC. 3. Section 22132.7 is added to the Education Code, to read:

22132.7. "Custodian," as used in Section 22309, is any bank or trust company which serves as custodian for safekeeping, delivery, securities valuation, investment performance reporting, and other services in connection with investment of the Teachers' Retirement Fund.

SEC. 4. Section 22134.5 of the Education Code is amended to read:

22134.5. "Normal retirement" and "normal retirement age" means age 60 and is the plan age upon attainment of which the member becomes eligible for a service retirement allowance without reduction because of age and without special qualifications.

SEC. 5. Section 22134.6 is added to the Education Code, to read:

22134.6. "Early retirement" and "early retirement age" means age 55 and is the plan age upon attainment of which the member becomes eligible for a service retirement allowance with reduction because of age and without special qualifications.

SEC. 6. 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 managers 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. 7. Section 22205.5 of the Education Code is amended to read:

22205.5. In no event shall the board employ through interagency agreement any investment personnel who would also serve during the term of the agreement as investment staff to the Board of Administration of the Public Employees' Retirement System.

SEC. 8. Section 22239 of the Education Code is amended to read:

22239. The board shall, pursuant to the state civil service statutes, either contract with, or establish and fill a full-time position for, an investment manager who is experienced and knowledgeable in corporate management issues to monitor each corporation any of whose shares are owned by the system and to advise the board on the voting of the shares owned by the system and on the responses of the system to merger proposals and tender offers.

Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated, without regard to fiscal years, from the fund, an amount sufficient to pay all costs arising from this section.

SEC. 9. Section 23804.3 of the Education Code is amended to read:

23804.3. A family allowance is payable in the amount and to the specified persons in the following order of priority:

(a) To the member's or disabilitant's surviving spouse who has financial responsibility for at least one child, an amount equal to 40 percent of the deceased member's final compensation or the disabilitant's projected final compensation plus 10 percent of the final compensation for each child, up to a maximum allowance of 90 percent.

(b) If there is no surviving spouse or upon the death or remarriage of the surviving spouse, to each child, an amount equal to 10 percent of the deceased member's final compensation or the disabilitant's projected final compensation, up to a maximum allowance of 50 percent. If there are more than five children, they shall share equally in the maximum allowance of 50 percent.

(c) To the unremarried surviving spouse at age 60 or over without children, an amount equal to option three as provided under this part

computed on the member's or disabilitant's projected final compensation and projected service to normal retirement age. The allowance payable under this subdivision shall be increased by application of the benefit improvement factor for time which elapses between the date the member or disabilitant would have attained normal retirement age and the date the family allowance under this subdivision begins to accrue.

(d) If there is no surviving spouse or children upon the member's or disabilitant's death, to the dependent parent age 60 or over, an amount equal to option three as provided under this part computed on the member's or disabilitant's projected final compensation and projected service to normal retirement age. If there are two dependent parents, a single-family allowance shall be computed on the assumption that the younger parent is the beneficiary and the allowance shall be divided equally for as long as there are two dependent parents. Thereafter, the allowance shall be payable to the surviving dependent parent.

(e) If there are no children who qualify under Section 22112, a spouse or the dependent parent or parents may elect, prior to the receipt of the first payment under subdivision (c) or (d), to receive the accumulated contributions in a lump sum subject to a reduction for any payments made from the account for any prior qualified persons.

SEC. 10. Section 23902 of the Education Code is amended to read:

23902. A member may apply for a disability allowance if the member has five or more years of credited service and if all of the following requirements are met:

(a) At least four years were credited for actual service performed in a position requiring membership in the system. Credit received because of workers' compensation payments shall be counted toward the four-year requirement.

(b) The last five years of credited service have been served in this state.

(c) At least one year was credited for service performed subsequent to the date on which the member was reinstated to membership under Section 23913.

(d) At least one year was credited for service performed subsequent to the most recent refund of accumulated retirement contributions.

(e) The member has not attained normal retirement age, or has unused sick leave with sufficient days to have the member receive salary on account of sick leave to normal retirement age.

Nothing in this section shall affect the right of a member to a disability allowance if the reason that the member has less than four years of actual service is due to an on-the-job injury or disease in a position requiring membership in the system.

(f) The member is not applying for a disability allowance because of a physical or mental condition known to exist at the time the most recent membership in this system commenced and remains

substantially unchanged at the time of the application.

SEC. 11. Section 23903 of the Education Code is amended to read:

23903. The board may authorize payment of a disability allowance to any member who is qualified upon application by the member, the guardian or conservator, or the employer, if the application is made during any one of the following periods:

(a) While the member is on a compensated leave of absence.

(b) While the member is physically or mentally incapacitated for performance of his or her duty and the incapacity has been continuous from the last day for which compensation was paid to the member.

(c) While the member is on a leave of absence without compensation, granted for reason other than mental or physical incapacity for performance of his or her duty, and within four months after the last day of employment for which compensation was paid to the member, or within 12 months while on an official district leave to study at an approved college or university.

(d) Within four months after the termination of the member's employment in a position requiring membership in the system, if the application was not made under subdivision (b) and was not made more than four months after the last day for which compensation was paid to the member.

(e) A member with children who becomes disabled prior to normal retirement age, and whose sick leave will extend beyond normal retirement age, may be awarded a disability allowance with an effective date after normal retirement age, if application is filed prior to attaining normal retirement age.

(f) The member is not applying for a disability allowance because of a physical or mental condition which existed at the time the most recent membership in this system commenced and which remains substantially unchanged at the time of application.

On receipt of an application for disability allowance, the system may order a medical examination of a member to determine whether the member is incapacitated for further service. The medical examination shall be conducted by a physician selected by the board and the board shall pay all reasonable costs associated with the examination. If the applicant for disability allowance refuses to submit to the required medical examination, the application for disability allowance shall be canceled. The applicant shall either remain in this state, or return to this state at the applicant's own expense, to undergo the initial evaluations or examinations or the application shall be disallowed, unless this requirement is waived by the board.

SEC. 12. Section 23911 of the Education Code is amended to read:

23911. When a member who has been granted a disability allowance after June 30, 1972, attains normal retirement age, or at a later date when there are no children, the disability allowance shall be terminated and the member is eligible for service retirement. The retirement allowance shall be calculated on the projected final

compensation and projected service to normal retirement age. The allowance payable under this section, excluding annuities payable from accumulated annuity deposit contributions, shall not be greater than the terminated disability allowance.

Upon retirement, the member may elect to modify the service retirement allowance payable in accordance with any option provided under this part.

SEC. 13. Section 24000 of the Education Code is amended to read:

24000. Upon retirement for service which became effective after June 30, 1972, a member shall receive a retirement allowance which shall consist of both of the following:

(a) An annual allowance payable in monthly installments, upon retirement at normal retirement age or over, equal to 2 percent of the final compensation for each year of credited service. If the retirement of a member is effective at less than normal retirement age and between early retirement age and normal retirement age this allowance shall be reduced by one-half of 1 percent for each full month, or fraction of a month which will elapse until the member will attain normal retirement age.

(b) An annuity which shall be the actuarial equivalent of the accumulated annuity deposit contributions standing to the credit of his or her account at the time of his or her retirement.

A school district or other employing agency may elect to permit all members with 30 years of credited service to retire at age 50 or older and receive an annual allowance equal to 2 percent of final compensation for each year of credited service. If the member has attained age 50, but has not attained early retirement age, the allowance shall be reduced by one-quarter of 1 percent for each full month or fraction of a month which will elapse until the member will attain early retirement age and one-half of 1 percent for each full month, or fraction between early retirement age and normal retirement age.

In computing the above amounts, the age of the member at the last day of the month in which the retirement allowance begins to accrue or such later date as provided in Section 23900 shall be used.

SEC. 14. Section 24007 of the Education Code is amended to read:

24007. Upon retirement for service after the operative date of this section, any member who is an employee of a community college with 25 years of credited service may retire at age 50 or older and receive an annual allowance equal to 2 percent of final compensation for each year of credited service with the allowance reduced by one-quarter of 1 percent for each full month or fraction of a month which will elapse until the member will attain early retirement age and one-half of 1 percent for each full month or fraction thereof between early retirement age and normal retirement age.

This section shall not be applicable to any community college district or other employing agency until the district or agency notifies the board, in writing, of its election to be subject thereto.

This section shall become operative on January 1, 1983, and shall

remain in effect only until January 1, 1989, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1989, deletes or extends such date.

SEC. 15. Section 24100.5 of the Education Code is amended to read:

24100.5. A member who qualifies for a disability allowance under Section 23902 and who has attained age 45, but who has not attained normal retirement age, shall have his or her own allowance also calculated upon service with each year of credited California service providing 5 percent of final compensation. The disabilitant shall receive the lesser of this benefit or that provided by Section 24100 for the disabilitant's own allowance. The benefits for dependent children shall be as in Section 24100.

SEC. 16. Section 24210 of the Education Code is amended to read:

24210. The board shall, in consultation with members, develop, adopt, and implement an additional optional retirement plan which will allow an employee to receive a minimum retirement allowance prior to normal retirement age if the employee has at least attained early retirement age. Under the plan, the member shall continue to receive the minimum retirement allowance past normal retirement age until the amounts paid prior to normal retirement age equal the difference between the minimum retirement allowance and the benefits which would have been provided to the member under regular service retirement at normal retirement age, and thereafter shall be paid the regular service retirement allowance for normal retirement age. The board shall determine the age past normal retirement age at which the increase will be made by determining how long the minimum retirement allowance would have to be paid beyond age 60 in order for the amount paid prior to age 60 to equal the difference between the retirement allowance and the amount that would have been provided to the member under regular service retirement at normal retirement age. The board shall integrate the optional plan adopted under this section with the other retirement options that a member may elect under this part.

For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods which, in the aggregate, are reasonable and which, in combination, offer the actuary's best estimate of anticipated experience under the system.

The additional employer contributions required, if any, under this section shall be computed as a level percentage of member compensation. The additional contribution rate required, if any, shall not be less than the sum of (1) the actuarial normal cost, plus (2) the additional contribution required to amortize the increase in accrued liability attributable to benefits elected under this section over a period of not more than 30 years from the date this section becomes effective.

SEC. 17. Section 24213 of the Education Code is amended to read:

24213. The board shall develop, adopt, and implement an

additional alternative retirement plan which will allow a school district or other employing agency to permit those members with 30 years of credited service that the school district or agency deems appropriate to retire at early retirement age or older and receive an annual allowance equal to 2 percent of final compensation for each year of credited service with the allowance reduced by one-quarter of 1 percent for each full month or fraction of a month which will elapse until the member will attain normal retirement age if the member retires on and after June 1, 1979.

The employing school district or other employing agency shall pay the amount which is determined by the board to be the present value of the benefits provided under this section. The board shall permit these payments to be made over a three-year period in equal amounts. Interest shall be charged on the unpaid balance at a rate approximating the average yield on moneys invested by the board during the previous year from the effective date of the member's retirement.

This section shall become operative on July 1, 1985, and shall remain in effect only until July 1, 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. 18. Section 24303 of the Education Code is amended to read:

24303. If less than three years of credited service are performed after termination of the disability allowance, the member shall receive a retirement allowance which is the lesser of the service retirement allowance, computed on projected service and projected final compensation to the earlier of termination date of the disability allowance or normal retirement age, or the disability allowance the member was receiving immediately prior to termination of that allowance, exclusive of increments added for children. The member may not elect to pay for, or receive credit for, service which was not credited on the date the disability allowance began to accrue.

If three or more years of credited service are performed after termination of the disability allowance, the member shall receive a retirement allowance computed on final compensation and projected service to the termination date of the disability allowance and on a new final compensation. The member may pay for, and receive credit for, service which was not credited to the member on the date the disability allowance began to accrue.

SEC. 19. Section 24612.2 of the Education Code is amended to read:

24612.2. The death benefit provided by Section 23800 shall be paid to the beneficiary or estate within 45 days of receipt by the system of all the necessary information.

All other lump-sum payments provided for by Sections 23800, 23804, and 23807 will be paid to the beneficiary within 45 days of receipt by the system of all the necessary information.

Monthly family allowance checks provided by Section 23804 shall

commence within 45 days of receipt by the system of all the necessary information.

SEC. 20. Section 24616 of the Education Code is amended to read:

24616. To recover an amount overpaid, the corrected monthly allowance may be reduced by no more than 5 percent if the overpayment was due to error by system staff, the county superintendent of schools, a school district, or a community college district, and by no more than 15 percent if the error was due to inaccurate information or nonsubmission of information by the recipient of the allowance.

This section shall not apply to the collection of overpayments due to fraud or intentional misrepresentation of facts by the recipient of the allowance.

SEC. 21. Section 44922 of the Education Code is amended to read:

44922. Notwithstanding any other provision, the governing board of a school district or a county superintendent of schools may establish regulations which allow their certificated employees to reduce their workload from full-time to part-time duties.

The regulations shall include, but shall not be limited to, the following, if the employees wish to reduce their workload and maintain retirement benefits pursuant to Section 22724 of this code or Section 20815 of the Government Code:

(a) The employee shall have reached the age of 55 prior to reduction in workload.

(b) The employee shall have been employed full time in a position requiring certification 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 certification 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 option of part-time employment shall be exercised at the request of the employee and can be revoked only with the mutual consent of the employer and the employee.

(e) The employee shall be paid a salary which is the pro rata share of the salary he or she would be earning had he or she not elected to exercise the option of part-time employment but shall retain all other rights and benefits for which he or she makes the payments that would be required if he or she remained in full-time employment.

The employee shall receive health benefits as provided in Section 53201 of the Government Code in the same manner as a full-time employee.

(f) The minimum part-time employment shall be the equivalent of one-half of the number of days of service required by the

employee's contract of employment during his or her final year of service in a full-time position.

(g) This option is limited in prekindergarten through grade 12 to certificated employees who do not hold positions with salaries above that of a school principal.

(h) The period of this part-time employment shall not exceed five years for employees subject to Section 20815 of the Government Code or 10 years for employees subject to Section 22724 of this code.

(i) The period of part-time employment of employees subject to Section 20815 of the Government Code shall not extend beyond the end of the school year during which the employee reaches his or her 70th birthday. This subdivision shall not apply to any employee subject to Section 22724 of this code.

SEC. 22. Section 87483 of the Education Code is amended to read:

87483. Notwithstanding any other provision, the governing board of a community college district may establish regulations which allow their certificated employees to reduce their workload from full-time to part-time duties.

Such regulations shall include, but shall not be limited to, the following if such employees wish to reduce their workload and maintain retirement benefits pursuant to Section 22724 of this code or Section 20815 of the Government Code:

(a) The employee shall have reached the age of 55 prior to reduction in workload.

(b) The employee shall have been employed full time in a position requiring certification 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 certification 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 option of part-time employment shall be exercised at the request of the employee and can be revoked only with the mutual consent of the employer and the employee.

(e) The employee shall be paid a salary which is the pro rata share of the salary he or she would be earning had he or she not elected to exercise the option of part-time employment but shall retain all other rights and benefits for which he or she makes the payments that would be required if he or she remained in full-time employment.

The employee shall receive health benefits as provided in Section 53201 of the Government Code in the same manner as a full-time employee.

(f) The minimum part-time employment shall be the equivalent of one-half of the number of days of service required by the

employee's contract of employment during his or her final year of service in a full-time position.

(g) The period of this part-time employment shall not exceed five years for employees subject to Section 20815 of the Government Code or 10 years for employees subject to Section 22724 of this code.

(h) The period of part-time employment of employees subject to Section 20815 of the Government Code shall not extend beyond the end of the school year during which the employee reaches his or her 70th birthday. This subdivision shall not apply to any employee subject to Section 22724 of this code.

CHAPTER 331

An act to amend Section 48931 of the Education Code, relating to education, and making an appropriation therefor.

[Approved by Governor July 30, 1987. Filed with Secretary of State July 30, 1987]

I am deleting Section 2 from Assembly Bill No 2232.

Section 2 contains an unspecified appropriation from the General Fund to the State Mandates Claims Fund to reimburse local agencies and school districts This appropriation is inappropriate because the authorization to permit food sales is permissive and does not impose a local mandate

With this deletion, I approve Assembly Bill No 2232

GEORGE DEUKMEJIAN, Governor

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

SECTION 1. Section 48931 of the Education Code is amended to read:

48931. The governing board of any school district or any county office of education may authorize any pupil or adult entity or organization to sell food on school premises, subject to policy and regulations of the State Board of Education. The State Board of Education shall develop policy and regulations for the sale of food by any pupil or adult entity or organization, or any combination thereof, which shall ensure optimum participation in the school district's or the county office of education's nonprofit food service programs and shall be in consideration of all programs approved by the governing board of any school district or any county office of education. The policy and regulations shall be effective the first of the month following adoption by the State Board of Education.

Nothing in this section shall be construed as exempting from the California Uniform Retail Food Facilities Law (Chapter 4 (commencing with Section 27500) of Division 22 of the Health and Safety Code), food sales which are authorized pursuant to this section and which would otherwise be subject to the California Uniform Retail Food Facilities Law.

SEC. 2. The sum of _____ dollars ($_____) is hereby

appropriated from the General Fund to the State Mandates Claims Fund to reimburse local agencies and school districts pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state and incurred by them pursuant to this act.

CHAPTER 332

An act to add Section 32001 to the Food and Agricultural Code, relating to animal shelters.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 32001 is added to the Food and Agricultural Code, to read:

32001. All public pounds, society for the prevention of cruelty to animals shelters, and humane shelters, that contract with animal control agencies, shall provide the owners of lost animals and those who find lost animals with all of the following:

(a) Ability to list the animals they have lost or found on "Lost and Found" lists maintained by the pound or shelter.

(b) Referrals to animals listed that may be the animals the owners or finders have lost or found.

(c) The telephone numbers and addresses of other pounds and shelters in the same vicinity.

(d) Advice as to means of publishing and disseminating information regarding lost animals.

(e) The telephone numbers and addresses of volunteer groups which may be of assistance in locating lost animals.

Notwithstanding Section 9, a violation of this section is not a misdemeanor. Furthermore, the duty imposed by this section is not a mandatory duty for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, and no cause of action for damages is created by this section against a public entity or employee or against any other person.

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 8574.6 of the Government Code, relating to oil, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 30, 1987. Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 8574.6 of the Government Code is amended to read:

8574.6. (a) The state agencies designated to implement the contingency plan specified in Section 8574.1, which form the State Interagency Oil Spill Committee, after consultation with federal and state agencies responsible for offshore oil transport and development, with local government officials in the Counties of San Diego, Orange, Los Angeles, Ventura, Santa Barbara, San Luis Obispo, San Mateo, Marin, Sonoma, Mendocino, Humboldt, and Del Norte and the City and County of San Francisco, with the owners and operators of vessels transporting petroleum or petroleum products or hazardous materials as cargo in state waters, with the owners and operators of offshore oil production facilities who transport oil in state waters through pipelines or vessels, with cooperatives and contractors involved in hazardous material spill containment and cleanup, and with oil rig and marine salvage and firefighting contractors, shall jointly report to the Legislature, on or before a date which is 18 months after entry of the contract pursuant to subdivision (b). This report shall include consideration of all the California coastline, including bays and estuaries. The report shall consider all of the following:

(1) The adequacy of marine salvage, towing, and firefighting capability needed for ships and barges transporting petroleum or petroleum products as cargo and transporting hazardous materials as cargo, pipelines, offshore oil exploration and production platforms, refineries, marine terminals handling any cargo of petroleum, petroleum products, or hazardous materials and tank farms.

(2) The adequacy of pollution containment and cleanup capability, including, but not limited to, dispersant application, oil skimming, storage of skimmed oil, and deployment of surface drifter buoys to identify oil spill trajectory.

(3) Actions recommended by the state agencies to remedy any deficiency in capability identified in paragraphs (1) and (2).

(4) An evaluation, and recommendations, on the best way to conduct initial and ongoing contingency planning and emergency response training for state and local agencies for vessel and pipeline oil spills and offshore or onshore facilities explosions and fires.

(b) The Chairperson of the State Interagency Oil Spill Committee shall enter into a contract with one or more individuals or firms, for

a fee which shall not exceed one hundred fifty thousand dollars ($150,000), for preparation of the report specified in subdivision (a). The contractor shall prepare the report in consultation with a task force with representatives from, but not limited to, those entities specified in subdivision (a) and appropriate federal agencies and shall use relevant studies conducted under the auspices of the National Academy of Sciences and the National Science Foundation, and other federal agencies, and shall examine all other relevant literature. The contractor shall have the following qualifications:

(1) At least 30 years' experience in large pollution incidents involving liquids, pressurized gas, and other petroleum products and hazardous materials onshore and in sea conditions comparable to those found off the central and northern California coasts.

(2) Be a salvage expert who has a minimum of 10 years' experience in the salvage of commercial vessels and oil rigs and who is acceptable to the London salvage underwriters, as determined by the state agencies specified in this subdivision.

(3) At least 30 years of experience in extinguishing oil well fires and blowouts, storage tank fires of 140 feet diameter or greater, and barge and commercial shipboard fires.

(c) Following issuance of the report specified in subdivision (a), and in accordance with guidelines jointly issued by the state agencies designated to implement the contingency plan specified in Section 8574.1, and in cooperation with the Office of Emergency Services, all owners and operators of vessels transporting petroleum or petroleum products as cargo in state waters, all owners and operators of vessels transporting hazardous materials as cargo, owners and operators of oil refineries, marine terminals handling any cargo of petroleum, petroleum products, or hazardous materials as cargo, and tank farms, and all owners and operators of offshore oil production facilities who transport oil in state waters through pipelines or vessels, shall individually, or jointly, prepare contingency plans and shall provide emergency response training for their personnel, regarding vessel and pipeline oil spills and offshore or onshore facilities explosions and fires which may cause oil or hazardous materials to enter into coastal waters, bays, estuaries, coastal lagoons, or territorial marine waters.

(d) All owners and operators of vessels transporting petroleum or petroleum products as cargo and those owners and operators of vessels carrying hazardous materials as cargo, owners and operators of oil refineries, marine terminals handling any cargo of petroleum, petroleum products, or hazardous materials, and tank farms, and all owners and operators of offshore oil production facilities who transport oil in state waters through pipelines or vessels, individually or jointly, shall contribute matching funds not to exceed seventy-five thousand dollars ($75,000) to provide 50 percent funding for the report specified in subdivision (a). If the owners and operators specified in this subdivision do not voluntarily contribute the matching funds to pay for the cost of the report, the Chairperson of

the State Interagency Oil Spill Committee shall impose a fee related to the quantity of these commodities transported in state waters on these owners and operators and any other equitable factor determined by the state agencies which form the State Interagency Oil Spill Committee. This fee shall be imposed solely for the purpose of funding the report specified in subdivision (a) and shall be discontinued upon satisfaction of the contribution limit.

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 provide sufficient time to properly complete the report required by Section 8574.6 of the Government Code, this bill must become effective before the report becomes due. It is, therefore, necessary that this act take effect immediately.

CHAPTER 334

An act to amend Section 2881.1 of the Public Utilities Code, and to amend Section 3 of Chapter 1182 of the Statutes of 1984, relating to communications devices for the deaf or severely hearing-impaired, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 2881.1 of the Public Utilities Code is amended to read:

2881.1. (a) In addition to the requirements of Section 2881, the commission shall design and implement a program whereby each telephone corporation shall provide a telecommunications device capable of servicing the needs of the deaf or severely hearing-impaired, together with a single party line, at no charge additional to the basic exchange rate, to any subscriber which is an agency of state government and which the commission determines serves a significant portion of the deaf or severely hearing-impaired population, and to an office located in the State Capitol and selected by the Joint Rules Committee, for purposes of access by the deaf or severely hearing-impaired to Members of the Legislature.

(b) The commission shall permit telephone corporations to recover costs as they are incurred under this section pursuant to subdivision (c) of Section 2881.

(c) This section shall become inoperative on July 1, 1989, and as of January 1, 1990, is repealed unless a later enacted statute, which becomes effective on or before January 1, 1990, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 3 of Chapter 1182 of the Statutes of 1985 is amended to read:

Sec. 3. (a) The Joint Rules Committee shall provide that a telecommunications device, capable of servicing the needs of the deaf or severely hearing-impaired in accordance with Section 2881 of the Public Utilities Code, shall be available for toll-free public access in the State Capitol.

(b) The Senate and Assembly Contingent Funds shall each bear half of the cost of obtaining and maintaining telecommunications service to the deaf and severely-impaired provided pursuant to this section.

(c) This section shall become inoperative on July 1, 1989, and, as of January 1, 1990, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1990, deletes or extends the dates on which it becomes inoperative and 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:

In order that the program providing a means for the deaf or severely hearing-impaired to communicate with state agencies and Members of the Legislature and providing a toll-free public access telecommunications device for the deaf or severly hearing-impaired in the State Capitol may be extended prior to its termination on July 1, 1987, it is necessary that this act take effect immediately.

CHAPTER 335

An act to amend Sections 25516.6, 25522, and 25540.1 of the Public Resources Code, relating to energy resources.

[Approved by Governor July 30, 1987. Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 25516.6 of the Public Resources Code is amended to read:

25516.6. (a) Except as otherwise expressly provided in this division, the commission shall issue its written decision on the notice not later than 12 months after the notice is filed, or at any later time as is mutually agreed upon by the commission and the applicant.

(b) The commission shall determine, within 45 days after it receives the notice, whether the notice is complete. If the commission determines that the notice is complete, the notice shall be deemed filed for the purpose of this section on the date that this determination is made. If the commission determines that the notice is incomplete, the commission shall specify, in writing, those parts of

the notice which are incomplete and shall indicate the manner in which it can be made complete. If the applicant submits additional data to complete the notice, the commission shall determine, within 30 days after receipt of that data, whether the data is sufficient to make the notice complete. The notice shall be deemed filed on the date the commission determines the notice is complete if the commission has adopted regulations specifying the informational requirements for a complete notice, but if the commission has not adopted regulations, the notice shall be deemed filed on the last date the commission receives any additional data that completes the notice.

SEC. 2. Section 25522 of the Public Resources Code is amended to read:

25522. (a) Except as provided in subdivision (c) of Section 25520.5, within 18 months of the filing of an application for certification, or within 12 months if it is filed within one year of the commission's approval of the notice of intent, or at any later time as is mutually agreed by the commission and the applicant, the commission shall issue a written decision as to the application.

(b) The commission shall determine, within 45 days after it receives the application, whether the application is complete. If the commission determines that the application is complete, the application shall be deemed filed for purposes of this section on the date that this determination is made. If the commission determines that the application is incomplete, the commission shall specify in writing those parts of the application which are incomplete and shall indicate the manner in which it can be made complete. If the applicant submits additional data to complete the application, the commission shall determine, within 30 days after receipt of that data, whether the data is sufficient to make the application complete. The application shall be deemed filed on the date when the commission determines the application is complete if the commission has adopted regulations specifying the informational requirements for a complete application, but if the commission has not adopted regulations, the application shall be deemed filed on the last date the commission receives any additional data that completes the application.

SEC. 3. Section 25540.1 of the Public Resources Code is amended to read:

25540.1. The commission shall determine, within 30 days after the receipt of a notice or application for a geothermal powerplant, whether the notice or application is complete. If the notice or application is determined not to be complete, the commission's determination shall specify, in writing, those parts of the notice or application which are incomplete and shall indicate the manner in which it can be made complete. Within 30 days after receipt of the applicant's filing with the commission the additional information requested by the commission to make the notice or application complete, the commission shall determine whether the subsequent

filing is sufficient to complete the notice or application. A notice or application shall be deemed filed for purposes of Section 25540 on the date the commission determines the notice or application is completed if the commission has adopted regulations specifying the informational requirements for a complete notice or application, but if the commission has not adopted regulations, the notice or application shall be deemed filed on the last date the commission receives any additional data that completes the notice or application.

CHAPTER 336

An act to amend Section 10270.99 of the Insurance Code, relating to insurance.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987]

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

SECTION 1. Section 10270.99 of the Insurance Code is amended to read:

10270.99. The term "individual policies or contracts," as used in the first paragraph of Section 10270.98, does not include selected group disability policies or contracts, unless those policies or contracts are noncancelable or guaranteed renewable and solely provide hospital confinement indemnity or specified disease coverage.

CHAPTER 337

An act to amend Section 25210.77b of, and to add Section 61765.12 to, the Government Code, relating to water and sewer charges.

[Approved by Governor July 30, 1987 Filed with Secretary of State July 30, 1987.]

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

SECTION 1. Section 25210.77b of the Government Code is amended to read:

25210.77b. (a) A county may fix, on or before the first day of July in each calendar year, a water or sewer standby or immediate availability charge on all land within a county service area to which water or sewers are made available for any purpose by the county whether the water or sewers are actually used or not, except that the charge shall not apply to lands permanently dedicated exclusively to the public transportation of persons or property. The board of

supervisors of the county which fixes the water standby charge may establish schedules varying the charges in different months and in different localities within a county service area depending upon factors such as the uses to which the land is put, the cost of transporting the water to the land, the degree of availability or quantity of use of the water to the affected lands. The board may not, however, fix a charge in excess of thirty dollars ($30) for each acre of land, or thirty dollars ($30) for each parcel of land of less than one acre, for either water or sewer standby charges.

If a person for more than one year obtains substantially all of his or her water requirements for the contiguous parcels of land which he or she occupies from rainfall, springs, streams, lakes, rivers, or wells, and if the person's primary economic activity on the land is the commercial extraction or processing of minerals, the land shall be exempt from any water standby or availability charges.

(b) Notwithstanding any other provision of this article, San Luis Obispo County may fix, on or before the first day of July in each calendar year, a sewer standby or immediate availability charge not to exceed sixty dollars ($60) for each acre of land or for each parcel of land of less than one acre, on all land within a county service area to which sewers are made available for any purpose by the county whether the sewers are actually used or not, except that the charge shall not apply to lands permanently dedicated exclusively to the public transportation of persons or property. The Board of Supervisors of San Luis Obispo County in so fixing the sewer standby charge may establish schedules varying the charges in different months and in different localities within the county service area depending upon factors such as the uses to which the land is put, the cost of transporting the sewage from the land, and the degree of the availability of sewage collection and treatment to the affected lands.

SEC. 2. Section 61765.12 is added to the Government Code, to read:

61765.12. Notwithstanding Section 61765, in the Cambria Community Services District, the water standby or availability charge shall not exceed forty-five dollars ($45) per year for each acre of land on which the charge is levied or forty-five dollars ($45) per year for each parcel of land less than one acre, and the wastewater standby or availability charge shall not exceed thirty dollars ($30) per year for each acre of land on which the charge is levied or thirty dollars ($30) per year for each parcel of land less than one acre.

In fixing and collecting water or wastewater 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 Cambria Community Services District, is necessary because of the unique and special water and wastewater management and financing problems in the area included in the district.

SEC. 3. The Legislature finds and declares that Sections 1 and 2

of this act are 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 unique circumstances present in San Luis Obispo County and because of the unique and special water and wastewater management and financing problems within the Cambria 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 and wastewater standby or availability charges will allow the district to more fairly allocate the cost of needed water and wastewater 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 and wastewater rates, and the owners of unimproved benefited parcels would pay little or nothing toward that cost.

CHAPTER 338

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

[Approved by Governor July 30, 1987. Filed with Secretary of State July 31, 1987.]

I am reducing the appropriation contained in Section 1 (b) of Assembly Bill No 1636 from $3,700,000 to $1,747,000.

The reduced appropriation will provide adequate funding for additional fire protection staff for the remainder of the fire season

With this reduction, I approve Assembly Bill No 1636

GEORGE DEUKMEJIAN, Governor

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

SECTION 1. In addition to any other appropriation, the sum of four million five hundred forty-three thousand dollars ($4,543,000) is hereby appropriated from the Disaster Response-Emergency Operations Account in the Special Fund for Economic Uncertainties to the Department of Forestry and Fire Protection, as follows:

(a) Eight hundred forty-three thousand dollars ($843,000) for expenditure during the 1987–88 fiscal year for support of ongoing fire prevention and fire suppression services provided to state responsibility area wildlands.

(b) Three million seven hundred thousand dollars ($3,700,000) for expenditures as a severe fire hazard augmentation to support contract services and the hiring of additional temporary personnel necessary to enhance the department's capacity for detecting wildland fires and responding on an initial attack basis during the 1987 fire season.

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 prevent unnecessary and inadvertent reductions in the Department of Forestry and Fire Protection's 1987–88 budget from adversely affecting fire protection services to state responsibility wildlands and to provide additional firefighting resources necessitated by the anticipated intensity and length of the 1987 fire season and to facilitate the shortest possible response times for essential wildland fire suppression operations throughout California, it is necessary that this act take effect immediately.

CHAPTER 339

An act to add Chapter 10.5 (commencing with Section 17940) to Part 10 of, and Chapter 14.5 (commencing with Section 24870) to Part 11 of, Division 2 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 31, 1987 Filed with Secretary of State July 31, 1987]

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

SECTION 1. Chapter 10.5 (commencing with Section 17940) is added to Part 10 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 10.5. REAL ESTATE MORTGAGE INVESTMENT CONDUITS

17940. The taxation of a real estate mortgage investment conduit (REMIC) and the holders of regular or residual interests in that entity shall be determined in accordance with Chapter 14.5 (commencing with Section 24870) of Part 11.

SEC. 2. Chapter 14.5 (commencing with Section 24870) is added to Part 11 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 14.5. REAL ESTATE MORTGAGE INVESTMENT CONDUITS

24870. The taxation of a real estate mortgage investment conduit (REMIC) and the holders of regular or residual interests in that entity shall be determined in accordance with Part IV of Subchapter M of Chapter 1 of Subtitle A of the Internal Revenue Code (as added by Public Law 99-514), except as otherwise provided.

24871. Section 860F (a) of the Internal Revenue Code (as added

by Public Law 99-514), relating to the 100 percent tax on prohibited transactions, 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. However, the provisions of this act shall be applied in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year following the effective date.

CHAPTER 340

An act to add Section 4129.1 to the Public Resources Code, relating to fire protection.

[Approved by Governor August 25, 1987 Filed with Secretary of State August 25, 1987]

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

SECTION 1. Section 4129.1 is added to the Public Resources Code, to read:

4129.1. When the incorporation of a city removes land from a state responsibility area and the county continues to provide residential fire service for the newly incorporated city and remains under contract to provide fire service for the state responsibility area, the county shall, during the three years subsequent to incorporation, contract with the city to continue to provide fire service to the area removed from the state responsibility area under the same terms and conditions as under the state contract. The county may bill the newly incorporated city for actual revenue lost under the state contract because of removal of land from the state responsibility area during that period, but may not, during the three-year period, require the city to pay an amount greater than that apportioned for the affected area under the state contract.

If the budget of the department is revised to reflect the removal of the affected lands from a state responsibility area and payments to the county are accordingly reduced, the county may bill the newly incorporated city for the allocable decrease, or if the amount cannot be readily ascertained, the county may, after the effective date of the new budget, charge the city an amount equal to the total payment to the county divided by the total acres of the state responsibility area times the removed acres which are annexed to the city.

This section does not change any power, duty, or responsibility of

the department. This section does not require the department to base its budget on per acre costs and does not impose any requirement that the department implement or design any formula or budget.

This section applies only in counties with a population greater than 8,000,000.

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 341

An act to amend Section 25402.1 of the Public Resources Code, relating to energy resources, and making an appropriation therefor.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 25402.1 of the Public Resources Code is amended to read:

25402.1. In order to implement the requirements of subdivisions (a) and (b) of Section 25402, the commission shall do all of the following:

(a) Develop a public domain computer program which will enable contractors, builders, architects, engineers, and government officials to estimate the energy consumed by residential and nonresidential buildings. The commission may charge a fee for the use of the program, which fee shall be based upon the actual cost of the program, including any computer costs.

(b) Establish a formal process for certification of compliance options for new products, materials, and calculation methods which provides for adequate technical and public review to ensure accurate, equitable, and timely evaluation of certification applications. Proponents filing applications for new products, materials, and calculation methods shall provide all information needed to evaluate the application that is required by the commission. The commission shall publish annually the results of its certification decisions and instructions to users and local building officials concerning requirements for showing compliance with the building standards for new products, materials, or calculation methods. The commission may charge and collect a reasonable fee from applicants to cover the costs under this subdivision. Any funds received by the commission for purposes of this subdivision shall be deposited in the Energy Resources Programs Account and,

notwithstanding Section 13340 of the Government Code, are continuously appropriated to the commission for the purposes of this subdivision. Any unencumbered portion of funds collected as a fee for an application remaining in the Energy Resources Programs Account after completion of the certification process for that application shall be returned to the applicant within a reasonable period of time.

(c) Include a prescriptive method of complying with the standards, including design aids such as a manual, sample calculations, and model structural designs.

(d) Conduct a pilot project of field testing of actual residential buildings to calibrate and identify potential needed changes in the modeling assumptions to increase the accuracy of the public domain computer program specified in subdivision (a) and to evaluate the impacts of the standards, including, but not limited to, the energy savings, cost effectiveness, and the effects on indoor air quality. The pilot project shall be conducted pursuant to a contract entered into by the commission. The commission shall consult with the participants designated pursuant to Section 9202 of the Public Utilities Code to seek funding and support for field monitoring in each public utility service territory, with the University of California to take advantage of its extensive building monitoring expertise, and with the California Building Industry Association to coordinate the involvement of builders and developers throughout the state. The pilot project shall include periodic public workshops to develop plans and review progress. The commission shall prepare and submit a report to the Legislature on progress and initial findings not later than December 31, 1988, and a final report on the results of the pilot project on residential buildings not later than June 30, 1990. The report shall include recommendations regarding the need and feasibility of conducting further monitoring of actual residential and nonresidential buildings. The report shall also identify any revisions to the public domain computer program and energy conservation standards if the pilot project determines that revisions are appropriate.

(e) Certify, not later than 180 days after approval of the standards by the State Building Standards Commission, an energy conservation manual for use by designers, builders, and contractors of residential and nonresidential buildings. The manual shall be furnished upon request at a price sufficient to cover the costs of production and shall be distributed at no cost to all affected local agencies. The manual shall contain, but not be limited to, the following:

(1) The standards for energy conservation established by the commission.

(2) Forms, charts, tables, and other data to assist designers and builders in meeting the standards.

(3) Design suggestions for meeting or exceeding the standards.

(4) Any other information which the commission finds will assist persons in conforming to the standards.

(5) Instructions for use of the computer program for calculating energy consumption in residential and nonresidential buildings.

(6) The prescriptive method for use as an alternative to the computer program.

(f) The commission shall establish a continuing program of technical assistance to local building departments in the enforcement of subdivisions (a) and (b) of Section 25402 and this section. The program shall include the training of local officials in building technology and enforcement procedures related to energy conservation, and the development of complementary training programs conducted by local governments, educational institutions, and other public or private entities. The technical assistance program shall include the preparation and publication of forms and procedures for local building departments in performing the review of building plans and specifications. The commission shall provide, on a contract basis, a review of building plans and specifications submitted by a local building department, and shall adopt a schedule of fees sufficient to repay the cost of those services.

(g) Subdivisions (a) and (b) of Section 25402 and this section, and the rules and regulations of the commission adopted pursuant thereto, shall be enforced by the building department of every city, county, or city and county.

(1) No building permit for any residential or nonresidential building shall be issued by a local building department, unless a review by the building department of the plans for the proposed residential or nonresidential building contains detailed energy system specifications and confirms that the building satisfies the minimum standards established pursuant to subdivision (a) or (b) of Section 25402 and this section applicable to the building.

(2) Where there is no local building department, the commission shall enforce subdivisions (a) and (b) of Section 25402 and this section.

(3) If a local building department fails to enforce subdivisions (a) and (b) of Section 25402 and this section or any other provision of this chapter or standard adopted pursuant thereto, the commission may provide enforcement after furnishing 10 days' written notice to the local building department.

(4) A city, county, or city and county may, by ordinance or resolution, prescribe a schedule of fees sufficient to pay the costs incurred in the enforcement of subdivisions (a) and (b) of Section 25402 and this section. The commission may establish a schedule of fees sufficient to pay the costs incurred by that enforcement.

(h) Subdivisions (a) and (b) of Section 25402 and this section shall apply only to new residential and nonresidential buildings on which actual site preparation and construction have not commenced prior to the effective date of rules and regulations adopted pursuant to those sections that are applicable to those buildings. Nothing in those sections shall prohibit either of the following:

(1) The enforcement of state or local energy conservation or

energy insulation standards, adopted prior to the effective date of rules and regulations adopted pursuant to subdivisions (a) and (b) of Section 25402 and this section with regard to residential and nonresidential buildings on which actual site preparation and construction have commenced prior to that date.

(2) The enforcement of city or county energy conservation or energy insulation standards, whenever adopted, with regard to residential and nonresidential buildings on which actual site preparation and construction have not commenced prior to the effective date of rules and regulations adopted pursuant to subdivisions (a) and (b) of Section 25402 and this section, if the city or county files the basis of its determination that the standards are cost effective with the commission and the commission finds that the standards will require the diminution of energy consumption levels permitted by the rules and regulations adopted pursuant to those sections. If, after two or more years after the filing with the commission of the determination that those standards are cost effective, there has been a substantial change in the factual circumstances affecting the determination, upon application by any interested party, the city or county shall update and file a new basis of its determination that the standards are cost effective. The determination that the standards are cost effective shall be adopted by the governing body of the city or county at a public meeting. If, at the meeting on the matter, the governing body determines that the standards are no longer cost effective, the standards shall, as of that date, be unenforceable and no building permit or other entitlement shall be denied based on the noncompliance with the standards.

(i) The commission may exempt from the requirements of this section and of any regulations adopted pursuant thereto any proposed building for which compliance would be impossible without substantial delays and increases in cost of construction, if the commission finds that substantial funds have been expended in good faith on planning, designing, architecture or engineering prior to the date of adoption of the regulations.

(j) If a dispute arises between an applicant for a building permit and the building department regarding interpretation of Section 25402 or the regulations adopted pursuant thereto, either party may submit the dispute to the commission for resolution. The commission's determination of the matter shall be binding on the parties.

(k) Nothing in Section 25130, 25131, or 25402, or in this section prevents enforcement of any regulation adopted pursuant to this chapter, or Chapter 11.5 (commencing with Section 19878) of Part 3 of Division 13 of the Health and Safety Code as they existed prior to September 16, 1977.

SEC. 2. The sum of two hundred fifty thousand dollars ($250,000) is hereby appropriated from the Energy Resources Programs Account in the General Fund to the State Energy Resources

Conservation and Development Commission for purposes of subdivision (d) of Section 25402.1 of the Public Resources Code.

CHAPTER 342

An act to add Section 23358.5 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 23358.5 is added to the Business and Professions Code, to read:

23358.5. (a) Notwithstanding any other provision of this division, a licensed winegrower who produces 20,000 gallons or less of wine per year may also sell wine for consumption on the premises of a bona fide eating place licensed to sell and serve wine, and which eating place is located in a county of the second class, is located off the premises of the winegrower, and is owned by, and operated by or for, the licensee.

(b) Notwithstanding any other provision of this division, a licensed winegrower who produces 20,000 gallons or less of wine per year in a county of the 10th class may also serve as a member of a pension plan of a corporation if the pension plan holds no more than a 10 percent interest in a licensed on-sale general bona fide public eating place in a county of the fifth class.

CHAPTER 343

An act to add Section 48325 to the Education Code, relating to education.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 48325 is added to the Education Code, to read:

48325. (a) The Legislature finds and declares that statewide policy coordination and personnel training with respect to county attendance review boards will greatly facilitate the achievement of the goals expressed in Section 48320. It is therefore the intent of the Legislature in enacting this section to do the following:

(1) Encourage the cooperation, coordination, and development

of strategies to support county school attendance review boards in carrying out their responsibilities to establish local school attendance review boards as necessary. These strategies may include, but need not be limited to, plans for the training of school attendance review board personnel.

(2) Divert pupils with serious attendance and behavioral problems from the juvenile justice system to agencies more directly related to the state public school system by developing a system for gathering and dispensing information on successful community-based and school-based programs.

(3) Reduce duplication of the services of state and county agencies in serving high-risk youth, including youth with school attendance or behavioral problems.

(4) Reduce the number of dropouts in the state public education system by promoting interagency cooperation among those agencies which have as their goals preventing students from dropping out, and increasing the holding power of the public schools.

(b) The Superintendent of Public Instruction shall coordinate and administer a state school attendance review board, as follows:

(1) On or before January 31 of each year, the superintendent shall extend invitations of participation to representatives of appropriate groups throughout the state, including, but not limited to, representatives of school districts, parent groups, county probation departments, county welfare departments, county superintendents of schools, law enforcement agencies, community-based youth service centers, school guidance personnel, child welfare and attendance personnel, and state associations having an interest in youth with school attendance or behavioral problems. The superintendent shall also request the participation of representatives from interested state agencies or departments, including, but not limited to, the Department of the California Youth Authority, the Department of Justice, the State Department of Social Services, and the Office of Criminal Justice Planning. To the extent feasible, members of the board shall include persons who are currently members of county or local school attendance review boards. For every year after the first year that the board is convened, the purpose of the invitations of participation shall be to inform appropriate groups, state agencies, and departments of the purposes of the board, to fill vacancies, and to supplement the membership of the board as necessary.

(2) The superintendent shall prescribe an appropriate deadline for acceptance of invitations of participation as a member of the state school attendance review board for that particular year, and the invitations accepted on or before the deadline shall constitute the board for that year, except that the board shall also include a representative of the State Department of Education designated by the director of that department. The representative of the State Department of Education shall be the chairperson of the board.

(3) The superintendent shall convene the board at least four times

during the year. At its first meeting, the board shall elect any officers, other than its chairperson, as it deems necessary. Members of the board shall serve without compensation and without reimbursement of travel and living expenses.

(4) The State Department of Education shall provide assistance as requested by the Superintendent of Public Instruction in order to implement the provisions of this section.

(c) The state school attendance review board shall make recommendations annually to the Superintendent of Public Instruction, and to state agencies as deemed appropriate, regarding the needs and services provided to high-risk youth, including youth with school attendance or behavioral problems, in the state public schools, and shall propose uniform guidelines or other means to attain the goals stated in subdivision (a).

CHAPTER 344

An act to amend Section 459 of the Penal Code, relating to burglary.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 459 of the Penal Code is amended to read:

459. Every person who enters any house, room, apartment, tenement, shop, warehouse, store, mill, barn, stable, outhouse or other building, tent, vessel, as defined in Section 21 of the Harbors and Navigation Code, railroad car, locked or sealed cargo container, whether or not mounted on a vehicle, trailer coach, as defined in Section 635 of the Vehicle Code, any house car, as defined in Section 362 of the Vehicle Code, inhabited camper, as defined in Section 243 of the Vehicle Code, vehicle as defined by the Vehicle Code when the doors are locked, aircraft as defined by Section 21012 of the Public Utilities Code, or mine or any underground portion thereof, with intent to commit grand or petit larceny or any felony is guilty of burglary. As used in this chapter, "inhabited" means currently being used for dwelling purposes, whether occupied or not. A house, trailer, or portion of a building is currently being used for dwelling purposes if, at the time of the burglary, it was not occupied solely because a natural or other disaster caused the occupants to leave the premises.

SEC. 2. The amendment of this section made at the 1987 portion of the 1987–88 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law.

CHAPTER 345

An act to amend Section 13110.5 of the Health and Safety Code, relating to public safety, and making an appropriation therefor.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 13110.5 of the Health and Safety Code is amended to read:

13110.5. The State Fire Marshal shall gather statistical information on all fires, medical aid incidents, and hazardous materials incidents occurring within this state. The chief fire official of each fire department operated by the state, a city, city and county, fire protection district, organized fire company, or other public or private entity which provides fire protection, shall furnish information and data to the State Fire Marshal relating to each fire which occurs within his or her area of jurisdiction. The chief fire official of each fire department operated by the state shall, and the chief fire official of fire departments operated by a city, city and county, fire protection district, organized fire company, or other public or private entity which provides fire protection may, also furnish information and data to the State Fire Marshal relating to medical aid incidents and hazardous materials incidents which occur within their area of jurisdiction. The State Fire Marshal shall adopt regulations prescribing the scope of the information to be reported, the manner of reporting the information, the forms to be used, the time the information shall be reported, and other requirements and regulations as the State Fire Marshal determines necessary.

The State Fire Marshal shall annually analyze the information and data reported, compile a report, and disseminate a copy of the report, together with his or her analysis, to each chief fire official in the state. The State Fire Marshal shall also furnish a copy of his or her report and analysis to the State Emergency Medical Services Authority and any other interested person upon request.

SEC. 2. The sum of one hundred thousand dollars ($100,000) is hereby appropriated from the General Fund to the State Fire Marshal for purposes of Section 13110.5 of the Health and Safety Code.

CHAPTER 346

An act to amend Sections 21339 and 21340 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 21339 of the Government Code is amended to read:

21339. Notwithstanding any other provision of this part, a member who elected to receive optional settlement 2, 3, or 4, involving a life contingency of the beneficiary, may, if the beneficiary predeceases the member or if the member marries and the spouse is named as beneficiary, or, if a spouse was named, in the event of a dissolution or annulment of the marriage or a legal separation in which the judgment dividing the community property awards the total interest in the retirement system to the retired member, elect to have the actuarial equivalent reflecting any selection against the fund resulting from the election as of the date of election of the allowance payable for the remainder of the member's lifetime under the optional settlement previously chosen applied to a lesser allowance during the member's remaining lifetime under one of the optional settlements specified in this article and name a different beneficiary. The election shall be made within 12 months following the death of the beneficiary who predeceased the member or within 12 months of the date of entry of the judgment dividing the community property of the parties, or within 12 months following marriage if the spouse is named as beneficiary, or, in the case of a member who experienced one of these qualifying events prior to January 1, 1988, the election shall be made by January 1, 1989. The election shall become effective on the date specified on the election, provided that this date is not earlier than the day following receipt of the election in the system pursuant to this section.

A member who has a qualifying event prior to January 1, 1988, and who fails to elect by January 1, 1989, or a member who has a qualifying event on or after January 1, 1988, and who fails to elect within 12 months, shall retain the right to make an election under this section. However, this election shall become effective no earlier than 12 months after the date it is filed with the board, provided that neither the member nor the designated beneficiary die prior to the effective date of the election.

This section shall not be construed to mean that designation of a new beneficiary causes the selection of an optional settlement. An optional settlement shall be selected by a member in a writing filed by the member with the board.

SEC. 2. Section 21340 of the Government Code is amended to

read:

21340. Notwithstanding any provision of this part, a retired member who chose no optional settlement or optional settlement one at retirement may elect to have the actuarial equivalent, as of the date of the election, of the allowance payable for the remainder of his or her lifetime applied to a lesser allowance during his or her remaining lifetime under one of the optional settlements specified in this article and name his or her spouse as beneficiary.

The election provided by this section is irrevocable and shall be made within 12 months following a member's marriage if the spouse is named as beneficiary, or, in the case of a member who married prior to January 1, 1988, the election shall be made by January 1, 1989. The election shall become effective on the date specified on the election, provided that this date is not earlier than the day following receipt of the election in the system pursuant to this section.

A member who married prior to January 1, 1988, shall have the right to elect by January 1, 1989. A member who married on or after January 1, 1988, and who fails to elect within 12 months, shall retain the right to make an election under this section; however, the election shall become effective no earlier than 12 months after the date it is filed with the board, provided that neither the member nor the designated beneficiary die prior to the effective date of the election.

This section shall not be construed to mean that designation of a new beneficiary causes the selection of an optional settlement. An optional settlement shall be selected by a member in a writing filed by the member with the board.

CHAPTER 347

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

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. (a) The Legislature hereby finds and declares all of the following:

(1) During 1986, a small migratory songbird called the Least Bell's Vireo (Vireo bellii pusillus) was listed as an endangered species by the Secretary of the Department of the Interior. The bird has been determined by the state to be endangered.

(2) The total population of the birds in the United States, about 300 pairs, is in southern California and predominantly in San Diego County, although significant populations also inhabit Santa Barbara and Riverside Counties. The reasons for the bird's precipitous

decline in numbers are primarily the destruction of their required habitat by urban development and agriculture, and parasitism by the Brown Headed Cowbird (molothrus ater), a nonendangered species.

(3) The habitat of the Least Bell's Vireo lies partially in areas of southern California which are scheduled for critical transportation, flood control, and water quality improvements and comprehensive rangewide resolution of these conflicts is necessary for the survival of the species.

(4) It is desirable also that these projects proceed on or near their original schedules while satisfying the requirements of the Endangered Species Act, and that the Least Bell's Vireo be saved from extinction and encouraged to expand its numbers and range.

(5) Funds in the amount of one hundred fifty thousand dollars ($150,000) were previously appropriated by Chapter 1434 of the Statutes of 1985 to carry out a program which consists of an overall plan and strategy for recovery of the Least Bell's Vireo, individual habitat conservation plans, and a management project in the species' habitat area.

(6) As a result of the development of the recovery plan by the San Diego Association of Governments, the task force established pursuant to Section 2 of Chapter 1434 of the Statutes of 1985 and other interested public and private sector participants have identified the need for additional elements of the plan, which include preparation of an environmental impact statement to satisfy federal requirements, development of a habitat conservation plan for the Santa Ana River in the Counties of Orange and Riverside to help resolve conflicts between the species and the Prado Dam and other flood control projects, and supplemental funds to enable completion of the habitat conservation plans on the Sweetwater, San Diego, and San Luis Rey Rivers.

(7) The program funding provided for during the 1985–86 legislative session is inadequate to complete certain necessary and critical elements of the comprehensive species management planning process.

(b) Any funds appropriated in the Budget Act of 1987 from the State Highway Account in the State Transportation Fund for the general purpose of habitat protection for the Least Bell's Vireo shall be allocated to the San Diego Association of Governments to develop, through a cooperative effort, the comprehensive species management plan, the environmental impact statement, the Santa Ana River habitat conservation plan, and completion of the habitat conservation plans on the Sweetwater, San Diego, and San Luis Rey Rivers, as specified in this section. All habitat conservation plans shall include a highway element. The comprehensive species management plan shall not impact adversely any vested agricultural, municipal, or industrial water right. Nothing in the plan shall restrict irrigated agriculture or animal husbandry, including dairy and equine operations, except as a voluntary mitigating action.

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 precipitous decline of the population of the Least Bell's Vireo could result in jeopardy findings by the Fish and Wildlife Service on behalf of the species in some project areas. Since speedy completion of the comprehensive species management plan and habitat conservation plans will substantially help in the early and positive resolution of these conflicts, and in order that funds appropriated and allocated by the Budget Act of 1987 will be available for expenditure as early as possible in this fiscal year, it is necessary that this act take effect immediately.

CHAPTER 348

An act to amend Section 10217.7 of the Elections Code, relating to elections.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 10217.7 of the Elections Code is amended to read:

10217.7. At any regular meeting of a city council held prior to the date on which the Secretary of State conducts the randomized alphabet drawing applicable to the regular municipal election under the provisions of Section 10217, or, under the provisions of Section 10217.5, applicable to a special election called to fill a vacancy on the city council, the city council may, by resolution, provide for the rotation on the ballot of the names of candidates for any elective city office.

The resolution shall specify which regular statewide election precincts or, if precincts have been consolidated for purposes of the city election, which consolidated precincts shall constitute each cluster of precincts for purposes of the rotation of candidates' names on the ballot.

As used in this section, a "cluster" shall consist of one or more precincts which need not be contiguous. The clusters of precincts shall be numbered in consecutive order for purposes of ballot rotation of candidates' names and the resolution shall list the clusters by number and identify which precincts are in each cluster.

No cluster of precincts shall contain a number of registered voters which is more than 10 percent greater or lesser than the average number of registered voters for a cluster as of the most recent estimate by the county clerk of the number of registered voters in each regular precinct in the city prior to the adoption of the

resolution. The resolution shall set forth the total number of registered voters in each cluster.

The resolution shall specify that in the cluster designated as cluster number one, the names shall appear on the ballot in the order determined by the Secretary of State's randomized alphabet drawing. For each successive cluster the resolution shall specify the manner of determining the order of the candidates' names by applying the following:

(a) If the number of candidates for an office is equal to or less than the number of clusters, in cluster number two and each successive cluster the name appearing first in the last preceding cluster shall be placed last, the order of the other names remaining unchanged.

(b) If the number of candidates for an office is greater than the number of clusters, the former shall be divided by the latter. If the resulting quotient is a mixed number and the fractional part of the mixed number is less than one-half, the fraction shall be discarded. If the fractional part of the mixed number is one-half or greater, the quotient shall be raised to the next largest whole number. The whole number which results from this process shall be the number of candidates which, in cluster number two and each successive cluster, shall be taken from the beginning of the list and placed at the end of the list, the order of the other names remaining unchanged.

No city may provide for rotation of candidates' names on the ballot for a particular election unless the resolution authorizing it, in accordance with the provisions of this section, is adopted by the city council at a regular meeting, at which the city clerk has provided cost estimates of such rotation, prior to the date of the randomized alphabet drawing applicable to the election.

A city council resolution which provides for rotation of candidates' names pursuant to this section for any election which is consolidated with any county or state election shall also provide for the payment of computer programming, formatting, preparation, and all similar related administrative costs associated with development of the ballot on which those names appear.

CHAPTER 349

An act to amend Section 22507.5 of the Vehicle Code, relating to vehicle parking.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 22507.5 of the Vehicle Code is amended to read:

22507.5. (a) Notwithstanding Section 22507, local authorities

may, by ordinance or resolution, prohibit or restrict the parking or standing of vehicles on certain streets or highways, or portions thereof, between the hours of 2 a.m. and 6 a.m., and may, by ordinance or resolution, prohibit or restrict the parking or standing, on any street, or portion thereof, in a residential district, of commercial vehicles having a manufacturer's gross vehicle weight rating of 10,000 pounds or more. The ordinance or resolution relating to parking between the hours of 2 a.m. and 6 a.m. may provide for a system of permits for the purpose of exempting from the prohibition or restriction of the ordinance or resolution handicapped persons and residents of high-density, multiple-family dwelling areas or similar areas lacking adequate offstreet parking facilities. The ordinance or resolution relating to the parking or standing of commercial vehicles in a residential district, however, shall not be effective with respect to any commercial vehicle making pickups or deliveries of goods, wares, and merchandise from or to any building or structure located on the restricted streets or highways or for the purpose of delivering materials to be used in the actual and bona fide repair, alteration, remodeling, or construction of any building or structure upon the restricted streets or highways for which a building permit has previously been obtained.

(b) For the purpose of implementing this section, each local authority may, by ordinance, define the term "residential district" in accordance with its zoning ordinance. The ordinance shall not be effective unless the legislative body of the local authority holds a public hearing on the proposed ordinance prior to its adoption, with notice of the public hearing given in accordance with Section 65090 of the Government Code.

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 350

An act to add Section 935.7 to the Government Code, relating to the Department of Transportation.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 935.7 is added to the Government Code, to read:

935.7. (a) Notwithstanding Section 935.6, the Department of

Transportation may adjust and pay any claim arising out of the activities of the department without the prior approval of the State Board of Control when both of the following conditions exist:

(1) The amount paid is one thousand dollars ($1,000) or less.

(2) The Director of Finance or the Director of Transportation certifies that a sufficient appropriation for the payment of the claim exists.

(b) If the department elects not to pay any claim, the claim shall be processed by the State Board of Control in the same manner as any other claim filed against the state.

(c) Any person who submits any claim arising out of any activity of the Department of Transportation shall comply with every other applicable provision of this part relating to claims against state agencies.

CHAPTER 351

An act to amend Section 19820 of the Government Code, relating to state employees.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 19820 of the Government Code is amended to read:

19820. The director shall adopt general rules and regulations doing all of the following:

(a) Limiting the amount, time, and place of expenses and allowances to be paid to officers, employees, experts, and agents of the state while traveling on official state business. The rules and regulations shall provide for reasonable reimbursement to an officer, employee, expert, or agent of the state for expenses incurred by him or her to repair a privately owned vehicle which was damaged through no fault of the officer, employee, expert, or agent, if the damage occurred while the vehicle was used on official state business with the permission or authorization of an employing agency.

As used in this subdivision, "officers and employees of the state" means all officers and employees of the state other than elected state officers, officers and employees of the state provided for in Article VI of the California Constitution, and officers and employees of the California State University. "Officers and employees of the state" is not limited by subdivision (d) of Section 19815.

(b) Governing such matters as are specifically committed to the jurisdiction of the department.

(c) Governing the computation of pay in the case of any employee on a monthly basis salary who is entitled to less than a full

month's pay.

If this section is in conflict with a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if any conflicting provision of a memorandum of understanding requires the expenditure of funds, that provision shall not become effective unless approved by the Legislature in the annual Budget Act.

CHAPTER 352

An act to amend and repeal Section 2502 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 2502 of the Vehicle Code, as amended by Chapter 955 of the Statutes of 1984, is amended to read:

2502. (a) Except as otherwise provided in this section, each application for a new or renewal license shall be accompanied by a fee of ten dollars ($10) for a new license or five dollars ($5) for a renewal license. This subdivision does not apply to licenses for transportation of hazardous material or operation of ambulances.

(b) Each application for a new or renewal license for the operation of ambulances shall be accompanied by a fee not to exceed two hundred dollars ($200) for a new license or one hundred fifty dollars ($150) for a renewal license.

(c) Except as provided in subdivision (d), each application for a new or renewal license to transport hazardous material shall be accompanied by a fee of not to exceed one hundred dollars ($100) for a new license and not to exceed seventy-five dollars ($75) for a renewal license.

(d) The fee for an application for a new or renewal license to transport hazardous material shall be waived for hazardous waste haulers registered with the State Department of Health Services pursuant to Section 25163 of the Health and Safety Code.

A hazardous waste hauler issued a license pursuant to this subdivision may haul hazardous materials which are not hazardous wastes if the vehicle has been inspected by the California Highway Patrol pursuant to Section 25168.1 of the Health and Safety Code and certified by the State Department of Health Services pursuant to Section 25168.3 of the Health and Safety Code.

(e) Each application shall be made upon a form furnished by the commissioner. It shall contain information concerning the applicant's background and experience which the commissioner

may prescribe, in addition to other information required by law.

SEC. 2. Section 2502 of the Vehicle Code, as added by Section 9 of Chapter 860 of the Statutes of 1981, is repealed.

CHAPTER 353

An act to add Sections 830 and 10850.1 to the Welfare and Institutions Code, relating to abuse.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 830 is added to the Welfare and Institutions Code, to read:

830. Notwithstanding any other provision of law, members of a multidisciplinary personnel team engaged in the prevention, identification, and treatment of child abuse may disclose information and writings to one another relating to any incidents of child abuse that may also be a part of a juvenile court record if the member of the team having that information or writing reasonably believes it is generally relevant to the prevention, identification, or treatment of child abuse.

As used in this section, "child abuse" has the same meaning as defined in Section 18951.

As used in this section, "multidisciplinary personnel team" means any team of three or more persons, as specified in Section 18951, the members of which are trained in the prevention, identification, and treatment of child abuse and are qualified to provide a broad range of services related to child abuse.

SEC. 2. Section 10850.1 is added to the Welfare and Institutions Code, to read:

10850.1. Notwithstanding any other provision of law, for purposes of Section 10850, the activities of a multidisciplinary personnel team engaged in the prevention, identification, and treatment of child abuse or the abuse of elder or dependent persons are activities performed in the administration of public social services, and a member of the team may disclose any or information or writing that also is kept or maintained in connection with any program of public social services which he or she reasonably believes is relevant to the prevention, identification, or treatment of child abuse or the abuse of elder or dependent persons to other members of the team.

As used in this section, "child abuse" has the same meaning as defined in Section 18951. As used in this section, "abuse of elder or dependent persons" has the meaning given in Section 15610.

As used in this section, "multidisciplinary personnel team" means any team of three or more persons, as specified in Section 15715 or

18951, the members of which are trained in the prevention, identification, and treatment of child abuse or the abuse of elder or dependent persons and are qualified to provide a broad range of services related to child abuse or the abuse of elder or dependent persons.

CHAPTER 354

An act to amend Sections 1731.5 and 1767.3 of the Welfare and Institutions Code, relating to youth, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 1731.5 of the Welfare and Institutions Code is amended to read:

1731.5. (a) After certification to the Governor as provided in this article, a court may commit to the authority any person convicted of a public offense who comes within paragraphs (1), (2), and (3), or paragraphs (1), (2), and (4), below:

(1) Is found to be less than 21 years of age at the time of apprehension.

(2) Is not convicted of first degree murder, committed when that person was 18 years of age or older, or sentenced to death, imprisonment for life, imprisonment for 90 days or less, or the payment of a fine, or after having been directed to pay a fine, defaults in the payment thereof, and is subject to imprisonment for more than 90 days under the judgment.

(3) Is not granted probation.

(4) Was granted probation and probation is revoked and terminated.

(b) The Youth Authority shall accept a person committed to it pursuant to this article if it believes that the person can be materially benefited by its reformatory and educational discipline, and if it has adequate facilities to provide that care.

(c) Any person under the age of 21 years who is not committed to the authority pursuant to this section may be transferred to the authority by the Director of Corrections with the approval of the Director of the Youth Authority. In sentencing a person under the age of 21 years, the court may order that the person shall be transferred to the custody of the Youth Authority pursuant to this subdivision. When the court makes such an order and the Youth Authority fails to accept custody of the person, the person shall be returned to court for resentencing. The transfer shall be solely for

the purposes of housing the inmate, allowing participation in the programs available at the institution by the inmate, and allowing Youth Authority parole supervision of the inmate, who, in all other aspects shall be deemed to be committed to the Department of Corrections and shall remain subject to the jurisdiction of the Director of Corrections and the Board of Prison Terms. Notwithstanding subdivision (b) of Section 2900 of the Penal Code, the Director of the Department of Corrections, with the concurrence of the Director of the Youth Authority, may designate a facility under the jurisdiction of the Director of the Youth Authority as a place of reception for any person described in this subdivision.

The Director of the Youth Authority shall have the same powers with respect to an inmate transferred pursuant to this subdivision as if the inmate had been committed or transferred to the Youth Authority either under the Arnold-Kennick Juvenile Court Law or subdivision (a).

The duration of the transfer shall extend until the Director of the Youth Authority orders the inmate returned to the Department of Corrections, the inmate is ordered discharged by the Board of Prison Terms, or the inmate reaches the age of 25 years, whichever first occurs.

SEC. 2. Section 1767.3 of the Welfare and Institutions Code is amended to read:

1767.3. (a) The Youthful Offender Parole Board may suspend, cancel, or revoke any parole and may order returned to custody of the department any person committed to it who is on parole.

(b) The written order of the chairperson of the board is a sufficient warrant for any peace officer to return to the custody of the department any person committed to it who is on parole or who has been permitted his or her liberty on condition.

(c) The written order of the Director of the Department of the Youth Authority is a sufficient warrant for any peace officer to return to the custody of the department, pending further proceedings before the Youthful Offender Parole Board or the Board of Prison Terms, any person committed to, or in the custody of, the department who is upon parole or who has been permitted his or her liberty upon condition, or for any peace officer to return to the custody of the department any person who has escaped from the custody of the department or from any institution or facility in which he or she has been placed by the department.

(d) All peace officers shall execute the orders in like manner as a felony warrant.

SEC. 3. Upon the effective date of this act, the Director of Finance may transfer funds from the unencumbered balance of any funds appropriated to the Department of Corrections to the Department of the Youth Authority for the purpose of provision of the resources necessary to implement Youth Authority parole supervision of inmates of Youth Authority institutions.

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 enhance public protection by providing more intensive parole supervision and the continuation of the training and treatment of inmates paroled from Youth Authority institutions, it is necessary that this act take effect at the earliest possible date.

CHAPTER 355

An act to amend Sections 457, 458, 459, and 460 of the Fish and Game Code, relating to game.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 457 of the Fish and Game Code is amended to read:

457. The department shall determine prior to December 15 of each year its proposed recommendations to the commission, including its recommendations as to whether any antlerless deer hunts should be ordered. The recommendations of the department shall include the number, if any, of antlerless deer that should be taken in units, whether the permits should be either-sex permits, the proposed dates for each such taking, and the number of permits proposed for each unit.

SEC. 2. Section 458 of the Fish and Game Code is amended to read:

458. The department not later than December 15 shall notify, by certified mail, the board of supervisors of each county affected of the details of its recommendations under Section 457.

The board of supervisors of any affected county may elect to hold a public hearing on the proposed recommendations of the department. Any such hearing shall be held prior to February 1. The director or his or her representative shall attend the hearing.

The board of supervisors of any county to which this section is applicable may, by resolution, elect not to exercise the rights conferred by this section.

This section applies only to the counties of, and to those districts or parts of districts in, Siskiyou, Modoc, Trinity, Shasta, Lassen, Plumas, Sierra, Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Madera, Mariposa, Mendocino, Merced, Mono, Monterey, Napa, Nevada, Orange, Placer, Riverside, San Luis Obispo, Santa Barbara, Santa Clara, Tehama, Tuolumne, Yolo, and Yuba Counties.

SEC. 3. Section 459 of the Fish and Game Code is amended to read:

459. The board of supervisors of any county specified in Section 458 which has held a public hearing pursuant to Section 458 may, not later than February 1, by resolution, object to the proposed recommendations of the department or may, by resolution, determine that the proposed recommendation should be modified, setting forth the necessary modifications.

A resolution objecting to, or setting forth modifications of, the proposed recommendations shall be based upon the testimony and information presented at the hearing or presented to the board of supervisors at its meeting to consider the resolution.

The department shall not recommend to the commission, and the commission shall not authorize, the taking of antlerless deer in a county specified in Section 458 if it has received from the board of supervisors of that county a resolution objecting to that taking. If a board of supervisors of a county has submitted a resolution determining that the department's proposed recommendations on the taking of antlerless deer should be modified for that county, the department shall either so modify its recommendations and the commission shall so modify its orders or the department shall not recommend, and the commission shall not authorize, the taking of antlerless deer in that county.

SEC. 4. Section 460 of the Fish and Game Code is amended to read:

460. Prior to the February meeting of the commission as required in Section 207, the department shall recommend to the commission those deer herd units to be placed under a general deer hunting season. At the same time, the department shall recommend to the commission, subject to the provisions of Sections 458 and 459, whether any antlerless deer should be taken and in what deer herd units antlerless deer are to be taken. If in the judgment of the department there are deer herd units in which hunting pressure would adversely affect the deer herd, impair the hunting experience, or endanger the public safety, the department shall also recommend to the commission those deer herd units where hunter numbers should be restricted and which should be removed from the general deer hunting season designation. The department shall inform the commission of the condition of each deer herd unit. Upon receipt of the recommendations and information required in this section, the commission shall make that material known to the public and its determinations regarding proposed regulations. The recommendations of the department shall, in accordance with the provisions of Sections 458 and 459, include the number, if any, of antlerless deer that should be taken in deer herd units, whether the permits should be either-sex permits, the proposed dates for the taking, and the number of permits proposed for each deer herd unit. At the same time, the department shall recommend the establishment of any hunter-restricted quota units, if needed, and

the number of the quota and manner in which the quota permits should be issued.

CHAPTER 356

An act to repeal and add Sections 73084.1, 73084.2, 73084.3, 73084.4, 73084.5, 73084.6, 73089, and 73096 of the Government Code, relating to courts.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 73084.1 of the Government Code is repealed.

SEC. 2. Section 73084.1 is added to the Government Code, to read:

73084.1. The clerk and administrative officer of the municipal court for the Alameda Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.
(b) Two deputy clerks, municipal courtroom clerk.
(c) Three deputy clerks, supervising municipal court clerk I.
(d) One deputy clerk, senior municipal court clerk.
(e) Five deputy clerks, municipal court clerk.
(f) One deputy clerk, clerk II.
(g) One deputy clerk, accounting technician.

Not more than one such deputy clerk may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 3. Section 73084.2 of the Government Code is repealed.

SEC. 4. Section 73084.2 is added to the Government Code, to read:

73084.2. The clerk and administrative officer of the municipal court for the Berkeley-Albany Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.
(b) Three deputy clerks, supervising municipal court clerk II.
(c) Five deputy clerks, municipal courtroom clerk.
(d) Five deputy clerks, senior municipal court clerk.
(e) Seven deputy clerks, municipal court clerk.
(f) Four deputy clerks, clerk II.
(g) One deputy clerk, secretary II.
(h) One deputy clerk, supervising accountant I.
(i) One deputy clerk, account clerk II.
(j) One deputy clerk, account clerk I.
(k) Four deputy clerks, data input clerk.

Not more than three such deputy clerks may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 5. Section 73084.3 of the Government Code is repealed.

SEC. 6. Section 73084.3 is added to the Government Code, to read:

73084.3. The clerk and administrative officer of the municipal court for the Oakland-Piedmont-Emeryville Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.

(b) Three deputy clerks, division chiefs. The clerk and administrative officer may transfer the division chiefs from one division to another regardless of any resulting change in salary as set forth in subdivision (a) of Section 73086.

(c) Four deputy clerks, assistant division chiefs.

(d) One deputy clerk, calendar coordinator.

(e) Six deputy clerks, supervising municipal court clerk II.

(f) Eighteen deputy clerks, municipal courtroom clerk.

(g) Six deputy clerks, supervising municipal court clerk I.

(h) Six deputy clerks, senior municipal court clerk.

(i) Fifty-seven deputy clerks, municipal court clerk.

(j) Thirteen clerks, clerk II.

(k) One deputy clerk, supervising secretary II.

(*l*) Three deputy clerks, secretary I.

(m) Thirteen deputy clerks, data input clerk.

(n) One deputy clerk, information systems analyst.

Not more than eight such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 7. Section 73084.4 of the Government Code is repealed.

SEC. 8. Section 73084.4 is added to the Government Code, to read:

73084.4. The clerk and administrative officer of the municipal court for the San Leandro-Hayward Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.

(b) Three deputy clerks, division chiefs. The clerk and administrative officer may transfer the division chiefs from one division to another regardless of any resulting change in salary as set forth in Section 73086.

(c) Nine deputy clerks, municipal courtroom clerk.

(d) Two deputy clerks, supervising municipal court clerk I.

(e) Four deputy clerks, senior municipal court clerk.

(f) Thirty-three deputy clerks, municipal court clerk.

(g) Two deputy clerks, clerk II.

(h) One deputy clerk, secretary II.

(i) One deputy clerk, supervising accountant I.

(j) One deputy clerk, account clerk II.

(k) Three deputy clerks, data input clerk.

(*l*) One deputy clerk, staff services assistant.

(m) One deputy clerk, supervising municipal court clerk II.

Not more than three such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 9. Section 73084.5 of the Government Code is repealed.

SEC. 10. Section 73084.5 is added to the Government Code, to read.

73084.5. The clerk and administrative officer of the municipal court for the Fremont-Newark-Union City Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.

(b) Six deputy clerks, municipal courtroom clerk.

(c) Three deputy clerks, supervising municipal court clerk II.

(d) Three deputy clerks, senior municipal court clerk.

(e) Eighteen deputy clerks, municipal court clerk.

(f) Five deputy clerks, clerk II.

(g) One deputy clerk, secretary II.

(h) One deputy clerk, supervising accountant I.

(i) One deputy clerk, account clerk II.

(j) One deputy clerk, account clerk I.

(k) Seven deputy clerks, data input clerk.

(*l*) Two deputy clerks, supervising municipal court clerk I.

(m) One deputy clerk, financial hearing officer.

Not more than four such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 11. Section 73084.6 of the Government Code is repealed.

SEC. 12. Section 73084.6 is added to the Government Code, to read:

73084.6. The clerk and administrative officer of the municipal court for the Livermore-Pleasanton Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.

(b) Three deputy clerks, municipal courtroom clerk.

(c) Three deputy clerks, supervising municipal court clerk I.

(d) Two deputy clerks, senior municipal court clerk.

(e) Eight and one-half deputy clerks, municipal court clerk.

(f) One deputy clerk, accounting technician.

(g) One deputy clerk, secretary I.

Not more than two such deputy clerks may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 13. Section 73089 of the Government Code is repealed.

SEC. 14. Section 73089 is added to the Government Code, to read:

73089. With the approval of the board of supervisors, judges of each municipal court concerned within Alameda County may establish such additional titles and pay rates as are required and may appoint such additional deputy clerks, officers, assistants, and other

employees as deemed necessary for the powers conferred by law upon the court and its members. Rates of compensation of the clerk and administrative officers, deputy clerks, officers, assistants, and other employees may be adjusted by joint action and approval of the board of supervisors and the judges in each respective municipal court within the county.

If the board of supervisors provides by ordinance or resolution for any increase in the number or rate of compensation of any municipal court personnel pursuant to this section, such increase shall be effective only until January 1, 1990, and shall be effective at the same time and in the same manner as such increases for Alameda County employees generally.

SEC. 15. Section 73096 of the Government Code is repealed.

SEC. 16. Section 73096 is added to the Government Code, to read:

73096. Official reporters of municipal courts in Alameda County, in lieu of any other compensation provided by law for their services in reporting testimony and proceedings in such court, shall receive one of the following:

(a) One hundred forty-five dollars and sixty cents ($145.60) a day for the days they actually are on duty under order of the court.

(b) A minimum payment of seventy-two dollars and eighty cents ($72.80) for serving four hours or less a day, plus an hourly rate of eighteen dollars and twenty cents ($18.20) for each hour served in excess of four hours, up to the maximum amount specified in subdivision (a). However, not more than three official reporters in a judicial district having three or more judges shall each receive an annual salary, vacation leave, and sick leave, in the same amounts as the official reporters of the Superior Court in Alameda County.

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, 1990, unless ratified by statute by the Legislature prior to that date.

SEC. 17. 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 357

An act to amend Sections 1351 and 1364 of the Civil Code, relating to common interest developments.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 1351 of the Civil Code is amended to read:

1351. As used in this title, the following terms have the following meanings:

(a) "Association" means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

(b) "Common area" means the entire common interest development except the separate interests therein.

(c) "Common interest development" means a real property development:

(1) Which consists or will consist of separately owned lots, parcels, areas, or spaces with either or both of the following features:

(A) One or more additional contiguous or noncontiguous lots, parcels, areas, or spaces owned in common by the owners of the separately owned lots, parcels, areas, or spaces.

(B) Mutual, common, or reciprocal interests in, or restrictions upon, all or a portion of these separately owned lots, parcels, areas, or spaces, or both.

(2) And, in which the owners of the separately owned lots, parcels, areas, or spaces have rights, directly or indirectly, to the beneficial use and enjoyment of the lots, parcels, areas, or spaces referred to in subparagraph (A) of paragraph (1) or any one or more of them or portions thereof or interests therein, or the interests or restrictions referred to in subparagraph (B) of paragraph (1).

The estate in a separately or commonly owned lot, parcel, area, or space may be an estate of inheritance or perpetual estate, an estate for life, an estate for years, or any combination of the foregoing.

Either common ownership of the additional contiguous or noncontiguous lots, parcels, or areas referred to in subparagraph (A) of paragraph (1) or the enjoyment of the mutual, common, or reciprocal interests in, or restrictions upon, the separately owned lots, parcels, areas, or spaces pursuant to subparagraph (B) of paragraph (1), or both, may be through ownership of shares of stock or membership in an association or otherwise. Shares of stock, if any exist, shall be deemed to be interests in a common interest development and real estate development for purposes of subdivision (f) of Section 25100 of the Corporations Code.

(d) "Community apartment project" means a common interest development in which an undivided interest in land is coupled with

the right of exclusive occupancy of any apartment located thereon.

(e) "Condominium plan" means a plan consisting of (1) a description or survey map of a condominium project, which shall refer to or show monumentation on the ground, (2) a three-dimensional description of a condominium project, one or more dimensions of which may extend for an indefinite distance upwards or downwards, in sufficient detail to identify the common areas and each separate interest, and (3) a certificate consenting to the recordation of the condominium plan pursuant to this title signed and acknowledged by the record owner of fee title to that property included in the condominium project. In the case of a condominium project which will terminate upon the termination of an estate for years, the certificate shall be signed and acknowledged by all lessors and lessees of the estate for years and, in the case of a condominium project subject to a life estate, the certificate shall be signed and acknowledged by all life tenants and remainder interests. The certificate shall also be signed and acknowledged by either the trustee or the beneficiary of each recorded deed of trust, and the mortgagee of each recorded mortgage encumbering the property. Owners of mineral rights, easements, rights-of-way, and other nonpossessory interests do not need to sign the condominium plan. A condominium plan may be amended or revoked by a subsequently acknowledged recorded instrument executed by all the persons whose signatures would be required to record a condominium plan pursuant to this subdivision.

(f) A "condominium project" means a common interest development consisting of condominiums. A condominium consists of an undivided interest in common in a portion of real property coupled with a separate interest in space called a unit, the boundaries of which are described on a recorded final map, parcel map, or condominium plan in sufficient detail to locate all boundaries thereof. The area within these boundaries may be filled with air, earth, or water, or any combination thereof, and need not be physically attached to land except by easements for access and, if necessary, support. The description of the unit may refer to (i) boundaries described in the recorded final map, parcel map, or condominium plan, (ii) physical boundaries, either in existence, or to be constructed, such as walls, floors, and ceilings of a structure or any portion thereof, (iii) an entire structure containing one or more units, or (iv) any combination thereof. The portion or portions of the real property held in undivided interest may be all of the real property, except for the separate interests, or may include a particular three-dimensional portion thereof, the boundaries of which are described on a recorded final map, parcel map, or condominium plan. The area within these boundaries may be filled with air, earth, or water, or any combination thereof, and need not be physically attached to land except by easements for access and, if necessary, support. An individual condominium within a condominium project may include, in addition, a separate interest in

other portions of the real property.

(g) "Declarant" means the person or group of persons designated in the declaration as declarant, or if no declarant is designated, the person or group of persons who sign the original declaration or who succeed to special rights, preferences, or privileges designated in the declaration as belonging to the signator of the original declaration.

(h) "Declaration" means the document, however denominated, which contains the information required by Section 1353.

(i) "Exclusive use common area" means a portion of the common areas designated by the declaration for the exclusive use of one or more, but fewer than all, of the owners of the separate interests and which is or will be appurtenant to the separate interest or interests.

(1) Unless the declaration otherwise provides, any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, exterior doors, door frames, and hardware incident thereto, screens and windows or other fixtures designed to serve a single separate interest, but located outside the boundaries of the separate interest, are exclusive use common areas allocated exclusively to that separate interest.

(2) Notwithstanding the provisions of the declaration, internal and external telephone wiring designed to serve a single separate interest, but located outside the boundaries of the separate interest, are exclusive use common areas allocated exclusively to that separate interest.

(j) "Governing documents" means the declaration and any other documents, such as bylaws, operating rules of the association, articles of incorporation, or articles of association, which govern the operation of the common interest development or association.

(k) "Planned development" means a common interest development (other than a community apartment project, a condominium project, or a stock cooperative) having either or both of the following features:

(1) Any contiguous or noncontiguous lots, parcels, or areas in which owners of separately owned lots, parcels, or areas are owners in common, possessing appurtenant rights to the beneficial use and enjoyment of the commonly owned property.

(2) A power exists in the association to enforce an obligation of an owner of a separately owned lot, parcel, or area with respect to the beneficial use and enjoyment by means of an assessment which may become a lien upon the separately owned lot, parcel, or area in accordance with Section 1367.

(*l*) "Separate interest" has the following meanings:

(1) In a community apartment project, "separate interest" means the exclusive right to occupy an apartment, as specified in subdivision (d).

(2) In a condominium project, "separate interest" means an individual unit, as specified in subdivision (f).

(3) In a planned development, "separate interest" means a separately owned lot, parcel, or area, as specified, in subdivision (k).

(4) In a stock cooperative, "separate interest" means the exclusive right to occupy a portion of the real property, as specified in subdivision (m).

Unless the declaration or condominium plan, if any exists, otherwise provides, if walls, floors, or ceilings are designated as boundaries of a separate interest, the interior surfaces of the perimeter walls, floors, ceilings, windows, doors, and outlets located within the separate interest are part of the separate interest and any other portions of the walls, floors, or ceilings are part of the common areas.

(m) "Stock cooperative" means a common interest development in which a corporation is formed or availed of primarily for the purpose of holding title to, either in fee simple or for a term of years, improved real property, and all or substantially all of the shareholders of the corporation receive a right of exclusive occupancy in a portion of the real property, title to which is held by the corporation. The owners' interest in the corporation, whether evidenced by a share of stock, a certificate of membership, or otherwise, shall be deemed to be an interest in a common interest development and a real estate development for purposes of subdivision (f), Section 25100 of the Corporations Code.

A "stock cooperative" includes a limited equity housing cooperative which is a stock cooperative that meets the criteria of Section 33007.5 of the Health and Safety Code.

SEC. 2. Section 1364 of the Civil Code is amended to read:

1364. (a) Unless otherwise provided in the declaration, the association is responsible for maintaining the common areas, other than exclusive use common areas, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common areas appurtenant to that separate interest.

(b) Notwithstanding the provisions of the declaration, the owner of a separate interest shall be entitled to reasonable access to the common areas for the purpose of maintaining the internal and external telephone wiring made part of the exclusive use common areas of a separate interest pursuant to paragraph (2) of subdivision (i) of Section 1351. The access shall be subject to the consent of the association, whose approval shall not be unreasonably withheld, and which may include the association's approval of telephone wiring upon the exterior of the common areas, and other conditions as the association determines reasonable.

CHAPTER 358

An act to amend Sections 469, 910, 932, 2632, 2640, and 2642 of the Probate Code, relating to probate.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 469 of the Probate Code is amended to read:

469. At any time after six months from the issuance of special letters of administration, or upon the earlier settlement of the final account of the special administrator, and upon the notice to the special administrator and to the persons interested in the estate as the court or a judge thereof shall require, any attorney who has rendered extraordinary services to the special administrator may apply to the court for compensation for those extraordinary services; and on the hearing the court shall make an order requiring the special administrator to pay the attorney out of the estate such compensation as the court shall deem proper, and the payment shall be made forthwith.

Extraordinary services for which the attorney may apply to the court for compensation under this section include those services rendered by any paralegal performing the extraordinary services under the direction and supervision of an attorney. The petition or application for compensation shall set forth the hours spent and services performed by the paralegal .

SEC. 2. Section 910 of the Probate Code is amended to read:

910. Attorneys for executors and administrators shall be allowed out of the estate, as fees for conducting the ordinary probate proceedings, the same amounts as are allowed by the previous article as commissions to executors and administrators; and such further amount as the court may deem just and reasonable for extraordinary services.

Extraordinary services which the attorney may apply to the court for compensation include those services by any paralegal performing the extraordinary services under the direction and supervision of an attorney. The petition or application for compensation shall set forth the hours spent and services performed by the paralegal.

SEC. 3. Section 932 of the Probate Code is amended to read:

932. (a) If the executor or administrator dies or becomes incompetent, his or her accounts may be presented by his or her personal representative or conservator to, and settled by, the court in which the estate of which the person was executor or administrator is being administered, and, upon petition of the successor of the deceased or incompetent executor or administrator, the court shall compel the personal representative or conservator of the deceased or incompetent executor or administrator to render an

account of the administration of his or her testator or intestate, and shall settle the account as in other cases.

(b) In the event the executor or administrator dies or becomes incompetent and there is no personal representative or conservator appointed for his or her estate, or he or she absconds, then the court may compel the attorney for the absconding, deceased, or incompetent executor or administrator or attorney of record in the estate proceeding to render an account of the administration of the absconding, deceased or incompetent executor or administrator to the extent that the attorney has information or records available to him or her for the purpose. The account of the attorney need not be verified. A fee shall be allowed to the attorney by the court for this extraordinary service.

Extraordinary services for which a fee shall be allowed to the attorney under this subdivision include those services rendered by any paralegal performing the services under the direction and supervision of an attorney. The petition or application for compensation shall set forth the hours spent and services performed by the paralegal.

SEC. 4. Section 2632 of the Probate Code is amended to read:

2632. (a) If the guardian or conservator dies or has a conservator of the estate appointed, the account may be presented by:

(1) The executor or administrator of the deceased guardian or conservator.

(2) The conservator of the estate appointed for the guardian or conservator.

(b) Upon petition of the successor of the guardian or conservator, the court shall compel the executor or administrator of the deceased guardian or conservator or the conservator of the estate appointed for the guardian or conservator to render the account and shall settle the account as in other cases.

(c) If the guardian or conservator dies and there is no executor or administrator, or if the guardian or conservator becomes incapable of rendering an account and has no conservator of the estate, or if the guardian or conservator absconds, the court may compel the attorney for the guardian or conservator or the attorney of record in the guardianship or conservatorship proceeding to render an account of the guardianship or conservatorship to the extent that information or records are available to the attorney. The account of the attorney need not be verified. A fee shall be allowed to the attorney by the court for this extraordinary service. Legal services for which the attorney may apply to the court for compensation include those services rendered by any paralegal performing the legal services under the direction and supervision of an attorney. The petition or application for compensation shall set forth the hours spent and services performed by the paralegal.

SEC. 5. Section 2640 of the Probate Code is amended to read:

2640. (a) At any time after the filing of the inventory and appraisement, but not before the expiration of 90 days from the

issuance of letters, the guardian or conservator of the estate may petition the court for an order fixing and allowing compensation to any one or more of the following:

(1) The guardian or conservator of the estate for services rendered in that capacity to that time.

(2) The guardian or conservator of the person for services rendered in that capacity to that time.

(3) The attorney for services rendered to that time by the attorney to the guardian or conservator of the person or estate or both.

(b) Notice of the hearing shall be given for the period and in the manner provided in Chapter 3 (commencing with Section 1460) of Part 1.

(c) Upon the hearing, the court shall make an order allowing (1) the compensation requested in the petition as the court determines is just and reasonable to the guardian or conservator of the estate for services rendered in that capacity or to the guardian or conservator of the person for services rendered in that capacity, or to both, and (2) the compensation requested in the petition as the court determines is reasonable to the attorney for services rendered to the guardian or conservator of the person or estate or both. The compensation so allowed shall thereupon be charged to the estate. Legal services for which the attorney may apply to the court for compensation include those services rendered by any paralegal performing the legal services under the direction and supervision of an attorney. The petition or application for compensation shall set forth the hours spent and services performed by the paralegal.

SEC. 6. Section 2642 of the Probate Code is amended to read:

2642. (a) At any time permitted by Section 2640 and upon the notice therein prescribed, an attorney who has rendered legal services to the guardian or conservator of the person or estate or both, including services rendered under Section 2632, may petition the court for an order fixing and allowing compensation for such services rendered to that time.

Legal services for which the attorney may petition the court for an order fixing and allowing compensation under this subdivision include those services rendered by any paralegal performing the legal services under the direction and supervision of an attorney. The petition or application for compensation shall set forth the hours spent and services performed by the paralegal.

(b) Upon the hearing, the court shall make an order allowing such compensation as the court determines reasonable to the attorney for services rendered to the guardian or conservator. The compensation so allowed shall thereupon be charged against the estate.

CHAPTER 359

An act to add Section 22655.5 to the Vehicle Code, relating to vehicles.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 22655.5 is added to the Vehicle Code, to read:

22655.5. 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 a motor vehicle from the highway or from public or private property within the territorial limits in which the officer may act under the following circumstances:

(a) When any vehicle is found upon a highway or public or private property and a peace officer has probable cause to believe that the vehicle was used as the means of committing a public offense.

(b) When any vehicle is found upon a highway or public or private property and a peace officer has probable cause to believe that the vehicle is itself evidence which tends to show that a crime has been committed or that the vehicle contains evidence, which cannot readily be removed, which tends to show that a crime has been committed.

(c) Notwithstanding Section 3068 of the Civil Code or Section 22851 of this code, no lien shall attach to a vehicle removed under this section unless the vehicle was used by the alleged perpetrator of the crime with the express or implied permission of the owner of the vehicle.

(d) In any prosecution of the crime for which a vehicle was impounded pursuant to this section, the prosecutor may request, and the court may order, the perpetrator of the crime, if convicted, to pay the costs of towing and storage of the vehicle.

SEC. 2. The Legislature finds and declares that the purpose of Section 22655.5 of the Vehicle Code is to permit the removal of a vehicle which is used in, or is or contains evidence of, a crime by a peace officer and to provide recovery of the costs of towing and storage of that vehicle from the perpetrator of the crime.

CHAPTER 360

An act to amend Section 224n of the Civil Code, and to amend Sections 16120 and 16121 of the Welfare and Institutions Code, relating to adoption.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 224n of the Civil Code is amended to read:

224n. The department or licensed adoption agency to which a child has been freed for adoption by either relinquishment or termination of parental rights shall be responsible for the care of the child, and shall be entitled to the exclusive custody and control of the child until a final decree of adoption has been granted. Any placement for temporary care, or for adoption made by the department or a licensed adoption agency, may be terminated at its discretion at any time prior to the granting of a final decree of adoption. In the event of termination of any placement for temporary care or for adoption, the child shall be returned promptly to the physical custody of the agency.

No petition may be filed to adopt a child relinquished to the department or a licensed adoption agency or a child declared free from the custody and control of either or both of his or her parents and referred to the department or a licensed adoption agency for adoptive placement, except by the prospective adoptive parents with whom the child has been placed for adoption by the department or licensed adoption agency. After the petition for adoption has been filed, the department or licensed adoption agency may remove the child from the prospective adoptive parents only with the approval of the court, upon motion by the department or a licensed adoption agency after notice to the prospective adoptive parents, supported by an affidavit or affidavits stating the grounds on which removal is sought. If the department or a licensed adoption agency refuses to consent to the adoption of a child by the person or persons with whom the department or licensed adoption agency placed the child for adoption, the superior court may nevertheless decree the adoption if it finds that the refusal to consent is not in the best interest of the child.

For purposes of this section, the "department" means the State Department of Social Services.

SEC. 2. Section 16120 of the Welfare and Institutions Code is amended to read:

16120. Adoption Assistance Program benefits shall be provided only on behalf of special needs children for whom all of the following conditions are met:

(a) The department or licensed adoption agency and the

prospective adoptive parent have signed an adoption assistance agreement which stipulates the need for and the amount of Adoption Assistance Program benefits. The adoption assistance agreement shall, at a minimum, specify the duration of assistance, the responsibility of the adopting family for reporting changes in circumstances, and the periodic recertification required for reevaluating the continuing needs of the family.

(b) The child is under 18 years of age, or under 21 years of age and has a mental or physical handicap which warrants the continuation of assistance.

(c) The adoptive family is responsible for the child pursuant to the terms of an adoptive placement agreement or a final decree of adoption and have signed an adoption assistance agreement.

(d) The adoptive family is legally responsible for the support of the child and the child is receiving support from the adoptive parent.

(e) The child has been either relinquished for adoption to a California agency or freed for adoption through termination of parental rights by a California court, or committed to the department pursuant to subdivision (c) of Section 226 of the Civil Code.

SEC. 3. Section 16121 of the Welfare and Institutions Code is amended to read:

16121. (a) In accordance with the adoption assistance agreement, the adoptive family shall be paid an amount of aid based on the child's needs and the circumstance of the adopting parents but which shall not exceed the amount that would be paid for foster care for the child if the placement for adoption had not taken place. Any substantial change in the family's financial circumstance or need shall be reported by the parents to the adoption agency.

(b) Payment shall begin on or after the effective date of an adoption assistance agreement or a final decree of adoption.

(c) Children on whose behalf an aid for adoption of children agreement had been executed prior to October 1, 1982, shall continue to receive aid for adoption of children benefits in accordance with the terms of that agreement.

This aid for adoption of children agreement may be renewed, provided total benefits do not exceed five years. Prior to the end of the five-year period, if there is a continuing need, related to a chronic health condition of the child which necessitated the initial financial assistance, a parent may petition the department or the designated licensed. adoption agency to continue financial assistance. The amount of financial asistance and the time period for which it may be given, shall be determined by the department or the agency but shall not exceed the age of majority of the child. Prior to the expiration of the extension period, if there is a continuing need, a parent may petition the department or the designated licensed adoption agency for a new period of termination. The department or the agency shall make its determination regarding the financial ability of the parents to meet the continuing medical needs of the

child's health condition at the time of adoption, taking into consideration community resources.

CHAPTER 361

An act to amend Sections 10504, 10520, 10521, 10522, 10523, 10524, 10525, 10526, 10527, 10527.1, 10528, 10532, and 13299.1 of, and to repeal Section 10503.1 of, the Government Code, relating to the Auditor General, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 10503.1 of the Government Code is repealed.

SEC. 2. Section 10504 of the Government Code is amended to read:

10504. After recommendation by the committee, the Auditor General shall be selected by concurrent resolution and shall serve until his or her successor is selected or until his or her removal by concurrent resolution. When the Legislature is not in session, the committee may suspend the Auditor General until the Legislature reconvenes. When the Legislature is in session, the committee may suspend the Auditor General for a period not to exceed 30 days. When there is a vacancy in the office of Auditor General, the Chairman of the Joint Legislative Audit Committee shall select an acting Auditor General until an Auditor General is selected by the Legislature. The committee shall fix the salary of the Auditor General, deputies, and staff. The funds for the support of the committee shall be provided from the Contingent Funds of the Assembly and Senate in the same manner that those funds are made available to other joint committees of the Legislature.

SEC. 3. Section 10520 of the Government Code is amended to read:

10520. The Auditor General shall only conduct audits and investigative audits approved by the Joint Legislative Audit Committee. Any provision of law directing the Auditor General to conduct an audit or investigative audit shall be deemed a request to the Joint Legislative Audit Committee to direct the Auditor General to undertake that audit or investigative audit. Once an audit or investigative audit is approved, the Auditor General shall complete the audit or investigative audit in a timely manner and in accordance with the "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" issued by the Comptroller General of the United States. Immediately upon completion of an

audit, the Auditor General shall transmit a copy of the audit report to each member of the Joint Legislative Audit Committee.

SEC. 4. Section 10521 of the Government Code is amended to read:

10521. The Auditor General, prior to his or her selection, shall possess a combination of education and experience which in the opinion of the Legislature is necessary to perform the duties of his or her office.

SEC. 5. Section 10522 of the Government Code is amended to read:

10522. The Auditor General shall be paid the salary fixed by the Joint Legislative Audit Committee and shall be repaid all actual expenses incurred or paid by him or her in the discharge of his or her duties.

SEC. 6. Section 10523 of the Government Code is amended to read:

10523. The Auditor General may employ and fix the compensation, in accordance with Section (4) of Article VII of the Constitution, of such professional assistants and clerical and other employees as he or she deems necessary for the effective conduct of the work under his or her charge. The Auditor General and his or her employees are legislative employees for purposes of Sections 20364, 11032, 11033, 11041, and 18990, and for purposes of the "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" issued by the Comptroller General of the United States.

SEC. 7. Section 10524 of the Government Code is amended to read:

10524. The permanent office of the Auditor General shall be in Sacramento, where he or she shall be provided with suitable and sufficient offices. When in his or her judgment the conduct of his or her work requires, he or she may maintain offices at other places in the state.

SEC. 8. Section 10525 of the Government Code is amended to read:

10525. The Auditor General shall not destroy any papers or memoranda used to support a completed audit sooner than three years after the audit report is released to the public. All books, papers, records, and correspondence of the Auditor General's office pertaining to its work are legislative records subject to Article 3.5 (commencing with Section 9070) of Chapter 1.5 of Part 1 and shall be filed at any of the regularly maintained offices of the Auditor General, except that none of the following items shall be released to the public by the Auditor General or his or her employees:

(a) Personal papers and correspondence of any person receiving assistance from the Auditor General when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and correspondence shall become legislative records upon the order of the Auditor General or the Legislature or if the written request is withdrawn.

(b) Papers, correspondence, or memoranda pertaining to any audit or investigation not completed, when in the judgment of the Auditor General, disclosure of those papers, correspondence, or memoranda will impede the audit or investigation.

(c) Papers, correspondence, or memoranda pertaining to any audit or investigation which has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit or investigation.

The amendment of this section made at the 1981–82 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law.

SEC. 9. Section 10526 of the Government Code is amended to read:

10526. It is a misdemeanor for the Auditor General or any employee or former employee of the office to divulge or make known in any manner not expressly permitted by law to any person not employed by the Office of the Auditor General, any particulars of any record, document, or information the disclosure of which is restricted by law from release to the public. This prohibition is also applicable to any person or business entity which is contracting with or has contracted with the Auditor General and to the employees and former employees of that person or business entity or the employees of any state agency or public entity which has assisted the Auditor General in the course of any audit or investigative audit or which has been furnished a draft copy of any report for comment or review.

SEC. 10. Section 10527 of the Government Code is amended to read:

10527. (a) Notwithstanding any other provision of law, the Auditor General during regular business hours shall have access to, and authority to examine and reproduce, any and all books, accounts, reports, vouchers, correspondence files, and other records, bank accounts, and money or other property, of any agency of the state, whether created by the Constitution or otherwise, and any public entity, including any city, county, and special district which receives state funds, and it shall be the duty of any officer or employee of any agency or entity, having those records or property in his or her possession or under his or her control, to permit access to, and examination and reproduction thereof, upon the request of the Auditor General or his or her authorized representative.

(b) For the purposes of access to and examination and reproduction of the records and property described in subdivision (a), an authorized representative of the Auditor General is an employee or officer of the agency or public entity involved and is subject to any limitations on release of the information as may apply to an employee or officer of the agency or public entity. For the purpose of conducting any audit or investigation, the Auditor General or his or her authorized representative shall have access to the records and property of any public or private entity or person subject to review or regulation by the agency or public entity being

audited or investigated to the same extent that employees or officers of that agency or public entity have access. No provision of law providing for confidentiality of any records or property shall prevent disclosure pursuant to subdivision (a), unless the provision specifically refers to and precludes access and examination and reproduction pursuant to subdivision (a). This subdivision does not apply to records compiled pursuant to Chapter 1 (commencing with Section 10200).

(c) Any officer or person who fails or refuses to permit access and examination and reproduction, as required by this section, is guilty of a misdemeanor.

SEC. 11. Section 10527.1 of the Government Code is amended to read:

10527.1. Where any specific statute bars the access of the Auditor General or the Joint Legislative Audit Committee to any record, the Joint Legislative Audit Committee, by approval of a majority of the members of the committee, may authorize that the Auditor General and the Joint Legislative Audit Committee be granted access, with the right to examine and reproduce, to the records if that access is for the purpose of an audit authorized by the committee to the extent permitted by federal law. That authorization shall include safeguards to prohibit disclosure of any information which identifies by name or address any public social service recipient, or any other record which is protected by law.

SEC. 12. Section 10528 of the Government Code is amended to read:

10528. The Auditor General, with the approval of the Joint Legislative Audit Committee, shall examine and report annually upon the financial statements prepared by the executive branch of the state to the end that the Legislature will be informed as to the adequacy of those financial statements in compliance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year. In making that examination, he or she is authorized to make the audit examination of accounts and records, accounting procedures and internal auditing performance as the Joint Legislative Audit Committee may determine and specifically designate to be necessary to disclose all material facts necessary to proper reporting to the Legislature in accordance with the statement of purposes set forth in Section 10500. He or she shall make special audits and investigations, including performance audits, of any state agency whether created by the Constitution or otherwise, and any public entity, including any city, county, and special district which receives state funds, as requested by the Legislature or any committee of the Legislature.

SEC. 13. Section 10532 of the Government Code is amended to read:

10532. Notwithstanding any other provision of law, every contract involving the expenditure of public funds in excess of ten thousand dollars ($10,000) entered into by any state agency, board,

commission, or department or by any other public entity, including a city, county, city and county, or district, shall be subject to the examination and audit of the Auditor General for a period of three years after final payment under the contract. Every contract shall contain a provision stating that the contracting parties shall be subject to that examination and audit. The failure of a contract to contain this provision shall not preclude the Auditor General from conducting an examination and audit of the contract. It is the intent of the Legislature that the Regents of the University of California include in contracts involving the expenditure of state funds in excess of ten thousand dollars ($10,000) a provision stating that the contracting parties shall be subject to the examination and audit of the Auditor General for a period of three years after final payment under the contract. The examination and audit shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the contract.

SEC. 14. Section 13299.1 of the Government Code is amended to read:

13299.1. Securities held in the treasury or other depositories for safekeeping purposes shall be counted or confirmed, at least annually, by the Auditor General. After each count or confirmation of securities, the Auditor General shall issue his or her report on the accountability of securities.

SEC. 15. Section 10532 of the Government Code, as amended by Section 13 of this act, shall apply to contracts in existence on and after the effective date of this act.

SEC. 16. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement 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:

In order to clarify, at the earliest possible time, the authority of the Auditor General to conduct an examination and audit of public contracts by entities of local government, it is necessary that this act take effect immediately.

CHAPTER 362

An act to amend Sections 40824 and 40825 of the Health and Safety Code, relating to air pollution.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 40824 of the Health and Safety Code is amended to read:

40824. In case of a hearing to consider an application for an interim variance, as authorized under Section 42351:

(a) The hearing board shall serve reasonable notice of the time and place of the hearing upon the district air pollution control officer and upon the applicant.

(b) Subdivision (b) of Section 40823 shall not apply.

(c) In districts with a population of less than 750,000, the chairperson of the hearing board, or any other member of the hearing board designated by the board, may hear an application for an interim variance. If any member of the public contests a decision made by a single member of the hearing board, the application shall be reheard by the full hearing board within 10 days of the decision.

SEC. 2. Section 40825 of the Health and Safety Code is amended to read:

40825. In case of a hearing to consider an application for a variance, or a series of variances, to be in effect for a period of not more than 90 days, or an application for modification of a schedule of increments of progress:

(a) The hearing board shall serve a notice of the time and place of a hearing to grant such a variance or modification upon the air pollution control officer, all other districts within the air basin, the state board, the Environmental Protection Agency, and upon the applicant or permittee, not less than 10 days prior to such hearing.

(b) Subdivision (b) of Section 40823 shall not apply.

(c) In districts with a population of less than 750,000, the chairman of the hearing board, or any other member of the hearing board designated by the board, may hear such an application. If any member of the public contests a decision made by a single member of the hearing board, the application shall be reheard by the full hearing board within 10 days of the decision.

CHAPTER 363

An act to amend Section 2003 of the Fish and Game Code, relating to sportfishing, and making an appropriation therefor.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987.]

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) Except as specified in subdivision (b), 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).

(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 any game fish, as defined by the commission by regulation, 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 364

An act to add Section 11810.7 to the Health and Safety Code, relating to alcohol abuse.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 11810.7 is added to the Health and Safety Code, to read:

11810.7. (a) In addition to any other requirement of this article, the county alcohol program plan shall identify the special needs of American Indians and their descendants.

(b) Attention to the needs of American Indians and their descendants shall include, but not be limited to, a population count of American Indians and their descendants residing in any county applying for funds to alleviate alcohol abuse.

(c) The intent of this section is to require a county to determine the special needs of its American Indian population specifically with regard to a county alcohol program.

CHAPTER 365

An act to amend Section 33664 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 33664 of the Health and Safety Code is amended to read:

33664. (a) An agency may purchase its bonds as follows:

(1) At a price not more than the sum of their principal amount and accrued interest plus (if the bonds purchased are callable at a premium) an amount not to exceed the premium that would be applicable if the bonds were purchased on the next following call date.

(2) At a higher price if a majority of the members of the agency determine, based upon substantial evidence, that under then prevailing conditions the purchase would be of financial advantage to the agency. Prior to purchasing bonds pursuant to this paragraph, the agency shall adopt a resolution designating paragraph (1), (2), or (3) of subdivision (b) as the financial advantage accruing to the agency from the bond purchase or specifying in detail any alternative basis for the agency's finding of financial advantage. Unless the legislative body has designated itself as the redevelopment agency, the agency shall additionally obtain the approval of the legislative body for repurchase of agency bonds under this subdivision and, if applicable, under Section 33640.

A resolution of the legislative body approving repurchase of agency bonds under this subdivision shall be operative only for the period specified in the resolution of the legislative body, not to exceed five years. However, the authorization may be renewed by an appropriate resolution of the legislative body and the expiration of the legislative body's resolution shall in no way impair the obligation of bonds previously issued by the agency to refund bonds purchased under this subdivision.

(b) "Financial advantage," as used in subdivision (a), includes, but is not limited to, each of the following:

(1) A reduction in the aggregate debt service on the agency's outstanding bonds.

(2) The creation of opportunities to more efficiently leverage revenues of the agency.

(3) Cancellation of agency bonds subject to adverse provisions of, or tax consequences under, the laws of the United States.

(c) Any bond purchases made pursuant to this section shall be (1) identified in the agency's annual fiscal year report required by Section 33080.1 for the fiscal year in which the purchase was made and (2) reflected in the agency's statement of indebtedness filed pursuant to Section 33675.

(d) Within two weeks following a purchase of bonds pursuant to paragraph (2) of subdivision (a), the redevelopment agency shall transmit to the California Debt Advisory Commission a copy of the agency's resolution specifying the financial advantage to the agency in making the purchase, together with a covering letter that includes all of the following information respecting the bonds purchased:

(1) The date of the agency's resolution authorizing the bonds, the date of issuance of the bonds, and any other information necessary to identify the particular issuance or series of bonds.

(2) The terms of redemption to which the bonds were originally subject.

(3) The denominations and interest rates of the bonds purchased.

(4) The purchase price.

(e) All bonds purchased pursuant to this section shall be canceled.

CHAPTER 366

An act to amend Section 52020 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 52020 of the Health and Safety Code is amended to read:

52020. (a) For purposes of a home financing program authorized by this part, a city or county has the following powers and duties:

(1) To acquire, contract, and enter into advance commitments to acquire, home mortgages made or owned by lending institutions at the purchase prices and upon the other terms and conditions as shall be determined by the city or county or other person as it may designate as its agent, to make and execute contracts with lending institutions for the origination and servicing of home mortgages and to pay the reasonable value of services rendered under those

contracts. Prior to executing any contract with a lending institution, a city or county shall adopt regulations establishing criteria for qualification of lending institutions eligible to originate and service home mortgages under home financing programs authorized by this part and shall, with respect to each home financing program, permit each qualified lending institution which transacts business in the city or county the opportunity to participate in the program on an equitable basis with other participating lending institutions. Two or more cities in the same county, or a county and one or more cities within the county, or two or more adjacent counties and any number of cities within those counties may enter into an agreement to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing home mortgages pursuant to this part with respect to property within the boundaries of any one or more of the entities.

(2) To make loans to lending institutions under terms and conditions which, in addition to other provisions as determined by the city or county, require the lending institutions to use all of the net proceeds thereof, directly or indirectly, for the making of home mortgages in an aggregate principal amount equal to the amount of the net proceeds.

(3) To establish, by rules or regulations, in resolutions relating to any issuance of bonds or in any documents relating to the issuance, standards and requirements applicable to the purchase of home mortgages or the making of loans to lending institutions as the city or county deems necessary or desirable to effectuate the purposes of this part, which may include without limitation any of the following:

(A) The time within which lending institutions are required to make commitments and disbursements for home mortgages.

(B) The location and other characteristics of homes to be financed by home mortgages.

(C) The terms and conditions of home mortgages to be acquired.

(D) The amounts and types of any insurance coverage required on homes, home mortgages and bonds.

(E) The representations and warranties of lending institutions confirming compliance with the standards and requirements.

(F) Restrictions as to interest rate and other terms of home mortgages or the return realized therefrom by lending institutions.

(G) The type and amount of collateral security to be provided to assure repayment of any loans from the city or county and to assure repayment of bonds.

(H) Any other matters related to the purchase of home mortgages or the making of loans to lending institutions as deemed relevant by the city or county.

(4) To require from each lending institution from which home mortgages are purchased or to which loans are made the submission of evidence satisfactory to the city or county of the ability and intention of the lending institution to make home mortgages, and the submission, within the time specified by the city or county for

making disbursements for home mortgages, of evidence satisfactory to the city or county of the making of home mortgages and of compliance with any standards and requirements established by it.

(b) Each city or county which finances housing pursuant to this part shall designate a person or entity to administer the program.

(c) Each city or county which finances housing pursuant to this part shall adopt regulations establishing criteria for qualification of persons and families, which may differ among different cities or counties to reflect varying economic and housing conditions. In developing this criteria, factors similar to the following shall be taken into consideration:

(1) The amount of the income of the person or family that is available for housing needs.

(2) The size of the household.

(3) The costs and condition of available housing.

(4) The eligibility of the persons or families for federal housing assistance of any type.

(d) Criteria for qualification of persons and families pursuant to this section shall include a maximum household income, which maximum shall not exceed the following:

(1) One hundred twenty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families shall also be 120 percent of the median household income.

(2) The median household income where the purchaser will not be the first occupant. However, the city or county shall ensure that no less than 50 percent of the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 80 percent of that median household income. However, the legislative body of the city or county may, by resolution, increase this income limitation to 90 percent of median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed 80 percent of median household income. The resolution is final and conclusive as to the findings required by this paragraph.

(3) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant in any city, the entire area of which, or in any county in which a portion of the county, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and which is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department

of Housing and Urban Development pursuant to Section 119 of the Housing and Community Development Act of 1974, if the homes purchased or improved are situated within the boundaries of a special impact area as defined by the Economic Development Administration, and that designation is in effect on the date of sale of revenue bonds issued under this part.

As used in this subdivision, "median household income" means the highest of (A) statewide median household income, (B) countywide median household income, or (C) median family income for area as determined by the United States Department of Housing and Urban Development, with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area.

(e) Subdivision (d) shall not apply with respect to home finance programs funded with amounts made available by the issuance of revenue bonds that (1) for federal tax law purposes are bonds refunding qualified mortgage bonds issued before January 1, 1987, and (2) satisfy the requirements of subdivision (a) of Section 1313 of the federal Tax Reform Act of 1986. With respect to these programs, the maximum household income for qualification of persons and families pursuant to this section shall be the following:

(1) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families shall also be 150 percent of the median household income. For purposes of this paragraph, a mortgage made for improving a home includes a home improvement loan as defined in Section 143 of Title 26 of the United States Code.

(2) One hundred twenty percent of the median household income where the purchaser will not be the first occupant. However, the city or county shall ensure that no less than 20 percent of the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 110 percent of that median household income. However, the legislative body of the city or county may, by resolution, increase this income limitation to 120 percent of the median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed 110 percent of the median household income. The resolution is final and conclusive as to the findings required by this paragraph. However, the finding shall not be made by the legislative body before six months from the date mortgages were first made under the program and only if participating lenders have entered into an agreement with the city, county, or city and county that lenders will advertise at least monthly the availability of funds and will forfeit one-quarter of their origination fees if they are unable to use 20 percent of the funds to make mortgages to households whose income does not exceed 110

percent of the median income.

(3) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant in any city, the entire area of which, or in any county in which a portion of the county, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and which is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 119 of the Housing and Community Development Act of 1974, if the homes purchased or improved are situated within the boundaries of a special impact area as defined by the Economic Development Administration, and that designation is in effect on the date of sale of revenue bonds issued under this part.

As used in this subdivision, "median household income" means the highest of (1) statewide median household income, (2) countywide median household income, or (3) median family income for area as determined by the United States Department of Housing and Urban Development, with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area.

(f) (1) Except as otherwise provided in paragraph (2), each city or county which finances housing pursuant to this part shall allocate no less than 60 percent of the dollar amount of its financing from bond proceeds to fund loans for the purchase of homes where the purchaser will be the first occupant, or for substantial rehabilitation. As used in this chapter, "substantial rehabilitation" means rehabilitation in which the costs of rehabilitation equal or exceed 20 percent of the value of the structure after rehabilitation.

(2) Paragraph (1) does not apply to an issue of bonds for which all of the proceeds of the bond issuance are allocated to fund loans for home improvement or substantial rehabilitation.

(g) Each city or county which finances housing pursuant to this part shall require each mortgagor under the program to certify his or her intention to occupy the home for a minimum of two years after receiving a home mortgage, with appropriate exceptions in hardship cases determined by the city or county.

(h) Each city and county may do any and all things necessary to carry out the purposes and exercise the powers expressly granted by this part.

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 this act may take effect prior to the redemption date

of certain local mortgage revenue bonds, so as to permit refunding thereof under provisions of federal tax laws that are less restrictive than for new bonds, and to thereby make additional moneys available for mortgage financing, it is necessary for this act to take effect immediately.

CHAPTER 367

An act to amend Section 830.2 of the Penal Code, relating to peace officers.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 830.2 of the Penal Code is amended to read:

830.2. The following persons are peace officers whose authority extends to any place in the state:

(a) Any member of the California Highway Patrol, provided that the primary duty of the peace officer shall be the enforcement of the provisions of the Vehicle Code or of any other law relating to the use or operation of vehicles upon the highways, as that duty is set forth in the Vehicle Code.

(b) Any member of the California State Police Division, provided that the primary duty of the peace officer shall be to provide police services for the protection of state officers, and the protection of state properties and occupants thereof, as set forth in the Government Code.

(c) Members of the California National Guard have the powers of peace officers when they are (1) called or ordered into active state service by the Governor pursuant to the provisions of Section 143 or 146 of the Military and Veterans Code, (2) serving within the area wherein military assistance is required, and (3) directly assisting civil authorities in any of the situations specified in Section 143 or 146. The authority of the peace officer extends to the area wherein military assistance is required as to a public offense committed or which there is reasonable cause to believe has been committed within that area. The requirements of Section 1031 of the Government Code are not applicable under those circumstances.

(d) A member of the University of California Police Department appointed pursuant to Section 92600 of the Education Code, provided that the primary duty of the peace officer shall be the enforcement of the law within the area specified in Section 92600 of the Education Code.

(e) A member of the California State University and College Police Departments appointed pursuant to Section 89560 of the Education Code, provided that the primary duty of the peace officer

shall be the enforcement of the law within the area specified in Section 89560 of the Education Code.

(f) Any member of the Law Enforcement Liaison Unit of the Department of Corrections, provided that the primary duty of the peace officer shall be the investigation or apprehension of parolees, parole violators, or escapees from state institutions, the transportation of those persons, and the coordination of those activities with other criminal justice agencies.

(g) Members of the Wildlife Protection Branch of the Department of Fish and Game, provided that the primary duty of those deputies shall be the enforcement of the law as set forth in Section 856 of the Fish and Game Code.

(h) Employees of the Department of Parks and Recreation designated by the director pursuant to Section 5008 of the Public Resources Code, provided that the primary duty of the peace officer shall be the enforcement of the law as set forth in Section 5008 of the Public Resources Code.

(i) The Director of Forestry and employees or classes of employees of the Department of Forestry designated by the director pursuant to Section 4156 of the Public Resources Code, provided that the primary duty of the peace officer shall be the enforcement of the law as that duty is set forth in Section 4156 of the Public Resources Code.

CHAPTER 368

An act to add Section 6748 to the Business and Professions Code, relating to engineers.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 6748 is added to the Business and Professions Code, to read:

6748. (a) Notwithstanding Section 6747, this chapter applies to engineering work approved by a person employed by a privately or publicly owned utility in the planning, designing, construction, operation, or maintenance of a nuclear powerplant which is owned or operated by the utility.

(b) Any engineering work subject to subdivision (a) shall be approved by a professional engineer registered in the applicable discipline of engineering specified in Section 6732.

CHAPTER 369

An act to amend Sections 216 and 2907 of, and to repeal Section 242 of, the Public Utilities Code, relating to public utilities.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 216 of the Public Utilities Code is amended to read:

216. (a) "Public utility" includes every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof.

(b) Whenever any common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, or heat corporation performs a service for, or delivers a commodity to, the public or any portion thereof for which any compensation or payment whatsoever is received, that common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, or heat corporation, is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part.

(c) When any person or corporation performs any service for, or delivers any commodity to, any person, private corporation, municipality, or other political subdivision of the state, which in turn either directly or indirectly, mediately or immediately, performs that service for, or delivers that commodity to, the public or any portion thereof, that person or corporation is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part.

(d) In no event shall ownership or operation of a facility which employs cogeneration technology or producing power from other than a conventional power source or the ownership or operation of a facility which employs landfill gas technology make a corporation or person a public utility, within the meaning of this section, solely because of the ownership or operation of such a facility.

(e) In no event shall any corporation or person engaged directly or indirectly in developing, producing, transmitting, distributing, delivering, or selling any form of heat derived from geothermal or solar resources or from cogeneration technology to any privately owned or publicly owned public utility, or to the public or any portion thereof, be a public utility within the meaning of this section

solely by reason of engaging in any of those activities.

SEC. 2. Section 242 of the Public Utilities Code is repealed.

SEC. 3. Section 2907 of the Public Utilities Code is amended to read:

2907. "Railroad corporation," "street railroad corporation," "common carrier," "gas corporation," "electrical corporation," "telephone corporation," "telegraph corporation," "water corporation," and "public utility" have the same meaning as is given to them, respectively, in Part 1 (commencing with Section 201).

CHAPTER 370

An act to amend Section 19583.5 of, and to add Section 18683 to, the Government Code, relating to state employees.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 18683 is added to the Government Code, to read:

18683. (a) Whenever any employee, department, or other person actively interested in a matter before the board and for which a hearing will be or has been held, requests that the board prepare a transcript, the board may establish reasonable fees for the preparation, production, and dissemination of that transcript.

(b) The fee established by the board pursuant to subdivision (a) shall not exceed the prevailing rate or cost for a transcript, but shall in no event exceed the actual cost of preparation, production, and dissemination of a transcript.

SEC. 2. 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. With the exception of wards and inmates, any request of the board to file charges pursuant to this section shall be filed within one year of the event or events that led to the filing. 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.

CHAPTER 371

An act to amend Section 35704 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 35704 of the Vehicle Code is amended to read:

35704. No ordinance adopted pursuant to Section 35701 to decrease weight limits shall apply to any vehicle owned by a public utility or a licensed contractor while necessarily in use in the construction, installation, or repair of any public utility.

CHAPTER 372

An act to amend Sections 101355, 101356, and 101357 of the Public Utilities Code, relating to transit districts.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 101355 of the Public Utilities Code is amended to read:

101355. Subject to Sections 101356 and 101357, the board shall provide for retirement benefits for the officers and employees of the district.

SEC. 2. Section 101356 of the Public Utilities Code is amended to read:

101356. (a) At its discretion, the board shall select one of the following plans to provide retirement benefits to officers and employees of the district:

(1) By contracting with the retirement system maintained pursuant to the County Employees Retirement Law of 1937 or the Public Employees' Retirement Law.

(2) By adopting a qualified plan and tax-exempt trust pursuant to

Sections 401 (a) and 501 (a) of the Internal Revenue Code of 1954, as amended.

(b) The adoption, terms, and conditions of any retirement system covering employees of the district represented by a labor organization shall be pursuant to the collective bargaining agreement between the labor organization and the district.

SEC. 3. Section 101357 of the Public Utilities Code is amended to read:

101357. (a) The board shall determine and classify the officers and employees who shall be eligible to participate in the retirement system. However, any action by the board shall be subject to the terms and regulations of a retirement system or plan selected by the board pursuant to subdivision (a) of Section 101356, and, in the case of employees of the district represented by a labor organization, subject to the collective bargaining agreement between the labor organization and the district.

(b) The district and the labor organization representing the district's employees in a bargaining unit shall be equally represented in the administration of the retirement system.

SEC. 4. 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 373

An act to add Section 22609.1 to, and to repeal Section 23100.1 of, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 22609.1 is added to the Education Code, to read:

22609.1. Persons in the following categories are excluded from membership in the system:

(a) A student teacher under Section 44320.

(b) A participant in the New Careers Program under Section 44523.

(c) An instructional aide under Section 45343.

(d) A teacher aide under Section 45360.

SEC. 2. Section 23100.1 of the Education Code is repealed.

CHAPTER 374

An act to add Section 708 to the Public Utilities Code, relating to public utilities.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 708 is added to the Public Utilities Code, to read:

708. The commission shall require every electrical, gas, and telephone corporation to prepare and issue to every employee who, in the course of his or her employment, has occasion to enter the premises of customers or subscribers of the corporation an identification card in a distinctive format having a photograph of the employee. The corporation shall require every employee to present the card upon requesting entry into any building or structure on the premises of a customer or subscriber.

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 375

An act to amend Sections 1001.15 and 1001.16 of the Penal Code, relating to crime.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987]

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 criminalistics 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. One-third of the fee collected shall be deposited in the criminalistics laboratories fund in the county treasury, and two-thirds of the fee collected shall be used to cover the administrative cost of processing the request or application. The portion deposited in the criminalistics laboratories fund shall be expended as provided in Section 11372.5 of the Health and Safety Code.

(b) As used in this section, "criminalistics laboratory" means a laboratory operated by, or under contract with a city, county, or other public agency, including a criminalistics laboratory of the Department of Justice, which has not less than one regularly employed forensic scientist engaged in the analysis of solid dose material and body fluids for controlled substances, and which is registered as an analytical laboratory with the Drug Enforcement Administration of the United States Department of Justice for the processing of all scheduled controlled substances.

(c) 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.

SEC. 2. Section 1001.16 of the Penal Code is amended to read:

1001.16. 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 misdemeanor to cover the cost of any criminalistics laboratory analysis in a case involving a violation of the California Uniform Controlled Substances Act under Division 10 (commencing with Section 11000) of the Health and Safety Code and the cost of processing a request or application for diversion, 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.

One-half of the fee collected shall be deposited in the criminalistic laboratories fund in the county treasury, and one-half of the fee collected shall be used to cover the administrative cost of processing the request or application. The portion deposited in the criminalistic laboratories fund shall be expended as provided in Section 11372.5 of the Health and Safety Code.

(b) As used in this section, "criminalistics laboratory" means a laboratory operated by, or under contract with, a city, county, or other public agency, including a criminalistics laboratory of the

Department of Justice, which has not less than one regularly employed forensic scientist engaged in the analysis of solid dose material and body fluids for controlled substances and which is registered as an analytical laboratory with the Drug Enforcement Administration of the United States Department of Justice for the processing of all scheduled controlled substances.

(c) This section shall apply to all misdemeanor pretrial diversion programs established pursuant to this title.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 376

An act to add Section 22233 to the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 22233 is added to the Education Code, to read:

22233. Whenever, during the membership of a member in this system, or during the time this system remains under any obligation to or in respect to a retirant, disabilitant, or a beneficiary, the board finds that, because of inadvertence, oversight, mistake of fact, mistake of law, or other cause, any action required by this part to be taken or performed by an employee, an employer, a member, retirant, disabilitant, beneficiary, or this system was not taken or performed at the time it should have been taken or performed, the board shall take or perform the action, or shall order it to be taken or performed by the person whose duty it was to perform it. If, in any such case, the board finds that (1) the facts and circumstances are such that by adjustments pursuant to Section 23008, payments into or from the retirement fund, and correction of the books, accounts, and records of this system, or any of them, the action can be taken or performed as of the date it should have been taken or performed, and the status, rights, and obligations of the member, retirant, disabilitant, beneficiary, the employer, and this system can be made the same that they would have been if the action had been taken or

performed at the proper time, and (2) that the purposes of this part will be effectuated if the action is taken or performed as of the date it should have been taken or performed, the board shall take or perform it as of that time, or order it to be taken or performed as of that time, and shall cause the books, accounts, and records of this system to be corrected accordingly, so as to make the status, rights, and obligations of the member, retirant, disabilitant, or beneficiary, the employer, and this system the same in every respect that they would be if the action had been duly taken or performed at the proper time. If the board finds that (1) the facts and circumstances are such that the action cannot be taken or performed as of the date it should have been taken or performed, or that (2) if it is so taken or performed, the status, rights, and obligations of the member, retirant, disabilitant, beneficiary, the employer, and this system cannot be made the same that they would be if the action had been taken or performed at the proper time, or that (3) the purposes of this part will not be effectuated if the action is taken or performed as of the date it should have been taken or performed, the board shall take or perform the action, or order it to be taken or performed, as of the time the action is actually taken, and the status, rights, and obligations of the member, retirant, disabilitant, or beneficiary, the employer, and this system shall be those which result from the action at the time it is actually taken.

CHAPTER 377

An act to amend Section 25814 of the Health and Safety Code, relating to low-level wastes.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 25814 of the Health and Safety Code is amended to read:

25814. The director shall appoint, in consultation with the Chairperson of the Senate Rules Committee and the Speaker of the Assembly, an advisory committee to advise the department regarding methods for minimizing the environmental impact of low-level wastes, criteria for siting low-level waste treatment and burial facilities, alternatives to land burial of low-level waste, and waste classification schemes.

The committee shall include representatives from the field of medicine, and from research, industrial, environmental, and public health organizations, who have demonstrated expertise and experience with radioactive materials, waste management, the health effects of exposure to low-level waste, or the environmental

impact associated with the storage of low-level waste. The director shall appoint to the advisory committee the senior environmental health officer of the county where a low-level waste disposal facility is sited.

CHAPTER 378

An act to amend Sections 1070 and 5285 of, and to add Section 5379.5 to, the Public Utilities Code, relating to carriers.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 1070 of the Public Utilities Code is amended to read:

1070. (a) The commission may, at any time, for a good cause, suspend, and upon notice to the holder of a certificate, and upon opportunity to be heard, revoke, alter, or amend, that certificate.

(b) As an alternative to the suspension, revocation, alteration, or amendment of a certificate pursuant to subdivision (a), the commission may impose upon the holder of the certificate a fine of not exceeding five thousand dollars ($5,000) for a first offense and not exceeding twenty thousand dollars ($20,000) for any second or succeeding offense. The commission may assess interest upon any fine imposed, the interest to commence upon the day the payment of the fine is delinquent. All fines and interest collected shall be deposited at least once each month in the State Treasury to the credit of the General Fund.

(c) For purposes of this section, "good cause" includes, but is not limited to, a consistent failure of the holder of the certificate to maintain vehicles in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Administrative Code relative to motor vehicle safety, as shown by the records of the commission, the Department of the California Highway Patrol, or the common carrier.

SEC. 2. Section 5285 of the Public Utilities Code is amended to read:

5285. (a) The permit of any household goods carrier may, upon application of the holder thereof, be amended or revoked, in whole or in part, or may, upon complaint or on the commission's own initiative, after notice and opportunity to be heard, be suspended, changed, or revoked, in whole or in part, for failure to comply with any provision of this chapter or with any order, rule, or regulation of the commission or with any term, condition, or limitation of the permit. A household goods carrier which requests a hearing within 30 days after receiving the notice and opportunity to be heard shall

be granted a hearing. The right to operate under any household goods carrier permit may be suspended by the commission, upon reasonable notice of not less than 15 days to the holder without hearing or other proceedings, for failure to comply, and until compliance, with Section 5161 or with any order, rule, or regulation of the commission.

(b) As an alternative to the cancellation, revocation, or suspension of an operating permit or permits, the commission may impose upon the holder of the permit or permits a fine of not exceeding five thousand dollars ($5,000) for a first offense and not exceeding twenty thousand dollars ($20,000) for any second or succeeding offense. All fines collected shall be deposited at least once each month in the State Treasury to the credit of the General Fund.

SEC. 3. Section 5379.5 is added to the Public Utilities Code, to read:

5379.5. The commission may, on a complaint alleging that any corporation or person is operating as a charter-party carrier of passengers without a valid certificate or permit in violation of this chapter, or on its own motion without a complaint, with or without notice of a hearing, order the corporation or person so operating to cease and desist from that operation until the commission makes and files its decision in the matter or until further order of the commission.

CHAPTER 379

An act to amend Sections 4, 5, 12, 13, 16, 21.3, 21.15, 37, and 38.1 of, and to repeal and add Section 1 of, the Orange County Water District Act (Chapter 924 of the Statutes of 1933), relating to the Orange County Water District.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 1 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is repealed.

SEC. 2. Section 1 is added to the Orange County Water District Act (Chapter 924 of the Statutes of 1933), to read:

Section 1. A district is hereby created to be known and designated as "Orange County Water District," located entirely within Orange County, California, including and comprising all of the land within the exterior boundaries of the district, which boundaries are described as follows:

Beginning at the intersection of the boundary line between Los Angeles and Orange Counties, as officially established by the California Legislature in 1919, see Chapter 470 of the 1919 Statutes

and Amendments to the codes, or Sections 3927 and 3938 of the Political Code as enacted in 1919, with the high-tide line of the Pacific Ocean; thence northerly along said boundary line the following courses and distances: North 33° 00' 00" East to Station 1. (Los Angeles-Orange County); thence North 57° 10' 40" East 8238.78 feet; thence North 2° 48' 35" West 2207.94 feet; thence North 16° 46' 45" West 1444.82 feet; thence North 27° 12' 00" West 2106.10 feet; thence North 31° 22' 50" West 1296.25 feet; thence North 27° 55' 55" East 8375.40 feet; thence North 11° 36' 55" East 2241.41 feet; thence North 39° 48' 20" East 5650.97 feet; thence North 59° 07' 40" East 3391.48 feet; thence North 0° 11' 50" West 4330.76 feet; thence North 44° 34' 00" East 1873.54 feet; thence North 0° 11' 10" West 3996.39 feet; thence North 89° 37' 10" East 1320.92 feet; thence North 0° 23' 25" West 1318.92 feet; thence North 89° 34' 55" East 1320.00 feet; thence North 0° 25' 25" West 1341.64 feet; thence North 89° 21' 35" East 1303.75 feet; thence North 0° 47' 15" West 1850.84 feet; thence North 89° 35' 45" East 1320.65 feet; thence North 0° 23' 45" West 1316.40 feet; thence North 89° 26' 40" East 1318.50 feet; thence North 1° 04' 00" West 1323.56 feet; thence North 89° 39' 30" East 2706.72 feet; thence North 0° 26' 30" West 2642.38 feet; thence North 89° 35' 50" East 5282.00 feet; thence North 0° 34' 20" West 2700.56 feet; thence North 89° 36' 50" East 2639.57 feet; thence North 0° 33' 05" West 2640.34 feet; thence North 89° 37' 10" East 2674.26 feet; thence North 0° 31' 50" West 2639.37 feet; thence North 89° 35' 50" East 2665.05 feet; thence North 0° 33' 05" West 2637.57 feet; thence North 89° 37' 10" East 2671.99 feet to the Southwest corner of Section 18, Township 3 South, Range 10 West, San Bernardino Base and Meridian; thence northerly along the West line of said Section 18 one-quarter mile to the Northwest corner of the Southwest one-quarter of the Southwest one-quarter of said Section 18; thence leaving said boundary line between Los Angeles and Orange Counties and following the exterior boundary of the City of Fullerton the following courses and distances: easterly 8,145 feet along the North line of the South one-half of the South one-half of said Section 18 and Section 17, Township 3 South, Range 10 West, San Bernardino Base and Meridian; thence North 26° 00' 00" West 170.00 feet; North 46° 59' 35" East 824.88 feet; North 81° 59' 42" East 36.26 feet, more or less, to its intersection with the curved centerline of Euclid Avenue (formerly Nicolas Avenue), 60 feet wide, said curve being concave northeasterly and having a radius of 1,200 feet, a radial to said point of intersection bears South 63° 08' 55" West; thence through a central angle of 10° 48' 38" northwesterly along said curved centerline 226.42 feet, a radial to said point bears South 73° 57' 33" West; thence North 83° 12' 00" East 377.39 feet; South 27° 22' 00" East 178.44 feet; South 35° 46' 00" East 181.17 feet; North 81° 07' 38" East 205.29 feet; North 24° 30' 00" East 198.00 feet; North 84° 45' 00" East 300.00 feet; South 80° 35' 00" East 61.10 feet; South 56° 45' 00" East 45.00 feet; South 81° 28' 00" East 288.00 feet; South 64° 50' 00" East 254.00 feet; North 81° 02' 27" East 169.92 feet to its intersection with the westerly line of Section 16, Township 3 South, Range 10 West, San

Bernardino Base and Meridian; thence North 0° 53' 33" East 541.42 feet; North 0° 52' 52" East 1320.36 feet; South 89° 07' 33" East 2641.10 feet; North 0° 51' 35" East 373.17 feet; South 89° 10' 28" East 51.52 feet to a point in the centerline of Harbor Boulevard, being a curve concave northeasterly and having a radius of 1700.00 feet, a radial through said point bearing South 76° 42' 39" West; thence along said centerline through a central angle of 17° 43' 34", southeasterly an arc distance of 525.94 feet; thence tangent to said curve, continuing along said centerline, South 31° 00' 55" East 125.32 feet to the beginning of a tangent curve concave southwesterly and having a radius of 1500.00 feet; thence along said curve through a central angle of 21° 25' 00" southeasterly an arc distance of 560.69 feet; thence continuing along said centerline South 9° 35' 55" East 226.85 feet; North 80° 22' 05" East 269.44 feet; thence North 9° 37' 55" West 324.50 feet; South 80° 22' 05" West 185 feet; North 9° 37' 55" West 25.00 feet; North 20° 34' 25" East 597.16 feet; North 1° 35' East 696.84 feet; thence westerly 800 feet, more or less, to the Northwest corner of the South one-half of the North one-half of the Northeast one-quarter of Section 16, Township 3 South, Range 10 West, San Bernardino Base and Meridian; thence northerly 660 feet, more or less, along the centerline of Harbor Boulevard (formerly North Fullerton Road) to the Northwest corner of the Northeast one-quarter of said Section 16, said point also being the Southwest corner of the Southeast one-quarter of Section 9, Township 3 South, Range 10 West, San Bernardino Base and Meridian; thence continuing along the West line of said Southeast one-quarter of Section 9, northerly 1320.65 feet, more or less, to the Northwest corner of the Southwest one-quarter of said Southeast one-quarter of Section 9; thence along the North line of said Southwest one-quarter of the Southeast one-quarter of Section 9; thence along the North line of said Southwest one-quarter of the Southeast one-quarter of Section 9, easterly 1320 feet, more or less, to the Northeast corner of said Southwest one-quarter of the Southeast one-quarter of Section 9; thence along the West line of the Northeast one-quarter of said Southeast one-quarter of Section 9, northerly 1320 feet, more or less, to the Northwest corner of said Northeast one-quarter of the Southeast one-quarter of Section 9; thence along the northerly line of said Southeast one-quarter of Section 9, easterly 1320.58 feet, more or less to the Northeast corner of said Southeast one-quarter of Section 9; thence along the East line of said Section 9, southerly 1320 feet, more or less to the Northeast corner of the Southeast one-quarter of the Southeast one-quarter of said Section 9; thence along the North line of the West one-half of the Southwest one-quarter of the Southwest one-quarter of Section 10, Township 3 South, Range 10 West, San Bernardino Base and Meridian, easterly 660 feet, more or less, to the Northeast corner thereof; thence along the East line of said West one-half of the Southwest one-quarter of the Southwest one-quarter of Section 10 and the southerly prolongation thereof, southerly 1350 feet, more or less, to a point on the southerly right-of-way line of Imperial

Highway, 60 feet wide; thence along said southerly right-of-way line, South 88° 28' 00" East 1980.00 feet, more or less, to a point 30 feet South of the Southeast corner of the Southwest one-quarter of said Section 10; thence along the East line of the West one-half of Section 15, Township 3 South, Range 10 West, San Bernardino Base and Meridian, southerly 3,300 feet, more or less, to the Northwest corner of the South one-half of the Northwest one-quarter of the Southeast one-quarter of said Section 15; thence South 89° 34' 57" East 728.35 feet, more or less; thence South 0° 25' 03" West 180.57 feet; South 89° 34' 57" East 30.00 feet; South 0° 25' 03" West 120.00 feet; South 60° 12' 37" East 67.88 feet; South 40° 51' 51" East 212.76 feet; South 46° 41' 14" East 100.44 feet; South 56° 28' 22" East 68.42 feet; South 64° 23' 55" East 68.42 feet; South 72° 19' 28" East 68.42 feet; South 80° 34' 05" East 68.39 feet; South 89° 56' 00" East 24.82 feet to the Southeast corner of the Northwest one-quarter of the Southeast one-quarter of said Section 15; thence along the South line of the North one-halves of the Southeast one-quarter of Section 15 and the Southwest one-quarter of Section 14, Township 3 South, Range 10 West, San Bernardino Base and Meridian, easterly 1721.49 feet, more or less, to its intersection with the centerline of Brea Boulevard; thence North 25° 43' 30" East 222.61 feet; South 64° 16' 30" East 467.50 feet; thence South 62° 16' 30" East 262.50 feet; North 25° 43' 30" East 125.00 Feet to the South line of the North one-half of said Southwest one-quarter of Section 14; thence along the South line of the North one-half of the South one-half of said Section 14 easterly 3,990.09 feet, more or less, to the Southwest corner of the North one-half of the Southwest one-quarter of Section 13, Township 3 South, Range 10 West, San Bernardino Base and Meridian; thence North 2° 06' 03" East 433.30 feet; South 53° 03' 50" East 717.75 feet to a point on the South line of the North one-half of the Southwest one-quarter of said Section 13; thence along said South line easterly 713.66 feet, more or less; thence North 27° 25' 41" West 253.30 feet; North 16° 25' 08" East 958.97 feet; South 37° 05' 52" West 168.97 feet; North 37° 31' 46" West 869.87 feet, more or less; North 25° 43' 30" East 341.53 feet, more or less, to a point in the North line of the Southwest one-quarter of said Section 13; thence along said North line North 89° 37' 33" East 1332.13 feet to a point in the South line of Imperial Highway, 100 feet wide, said point being on a nontangent curve concave northerly and having a radius of 3050.00 feet, a radial to said point bears South 8° 02' 34" West; thence easterly along said curve, through a central angle of 8° 02' 34" an arc distance of 428.14 feet; thence continuing along said South line of Imperial Highway North 89° 37' 33" East 502.65 feet; North 89° 27' 13" East 1319.29 feet to the East line of the Northwest one-quarter of the Southeast one-quarter of said Section 13; thence along said East line South 1290 feet to the Northeast corner of the Southwest one-quarter of the Southeast one-quarter of said Section 13; thence easterly one mile to the Northeast corner of the Southwest one-quarter of the Southeast one-quarter of Section 18, Township 3 South, Range 9 West, San Bernardino Base and Meridian; thence South one-quarter

mile to the Southeast corner of said Southwest one-quarter of the Southeast one-quarter; thence East one-eighth mile to the southwest corner of the East one-half of the Southeast one-quarter of the Southeast one-quarter of said Section Eighteen (18); thence North one-quarter mile to the Northwest corner of said East one-half; thence East one-eighth mile to the Northeast corner of said East one-half; thence South one-eighth mile to the Northwest corner of the South one-half of the South one-half of the South one-half of fractional Section Seventeen (17), Township Three (3) South, Range 9 West, San Bernardino Base and Meridian; thence East along the North line of the said South one-half of the South one-half of the South one-half of said fractional Section Seventeen (17) to the East line of the Rancho San Juan Cajon de Santa Ana; thence northerly along the said East Rancho line to the Northwest corner of Block One (1) of Yorba Linda Tract as per map recorded in Book 5, pages 17 and 18 of Miscellaneous Maps, Records of Orange County, California; thence easterly along the northerly boundary of said Yorba Linda Tract to the Northeast corner of Lot One (1) in Block Two (2) of said tract; thence southerly along the East line of said Block 2 to an intersection with the westerly prolongation of the North line of Block 25, as shown on a map of Carlton, recorded in Book 29, pages 9 and 10, Miscellaneous Records of Los Angeles County, California, said intersection being on the southerly line of Wabash Avenue as shown on said map of Carlton; thence easterly along the southerly line of said Wabash Avenue to an intersection with the westerly line of First Street, 60 feet in width as now laid out; thence southerly along the westerly line of said First Street to an intersection with the westerly prolongation of the northerly line of Block 6 of said Yorba Linda Tract; thence easterly along said westerly prolongation and along the northerly line of Blocks 6 and 7 of said Yorba Linda Tract to the Northeast corner of said Block 7; thence southerly, easterly, southerly and easterly along the exterior boundary lines of said Yorba Linda Tract; thence southerly along the easterly line of said Block 8 and its southerly prolongation to the South line of Yorba Linda Boulevard, 60 feet wide as now laid out; thence easterly along the easterly prolongation of said southerly line of Yorba Linda Boulevard to an intersection with the East line of the M. Yorba allotment of second class land, as shown on a map showing the subdivision of the Rancho Cajon de Santa Ana, by order of the Seventeenth Judicial District; thence North 01° 29′ 51″ West, 30.00 feet, more or less, to a point in the centerline of Yorba Linda Boulevard, extended easterly; thence North 89° 25′ 00″ West along said extended centerline a distance of 338.07 feet; thence North 00° 04′ 28″ East, 2681.55 feet; thence North 89° 59′ 42″ East, 1795.99 feet; thence running North 89° 23′ 16″ East, 386.73 feet along the northerly line of the Rancho Canon de Santa Ana to a point on a curve concave westerly and having a radius of 1200.00 feet; thence northerly along said curve through a central angle of 39° 17′ 20″ an arc distance of 822.87 feet to its intersection with the West line of the Northwest one-quarter of Section 24,

Township 3 South, Range 9 West, S.B.B. & M.; thence North 0° 15' 09" West, 154.38 feet along the West line of said Northwest one-quarter of Section 24 to the southerly line of that certain 50.00 feet right-of-way conveyed to The Metropolitan Water District of Southern California, by Deed recorded July 11, 1960, in Book 5321, page 448; thence continuing along said West line of the Northwest one-quarter of Section 24, North 0° 41' 30" East 1810.75 feet to the Northwest corner of said Section 24 as shown on a map recorded in Book 97, Pages 1 & 2, Record of Surveys, records of said Orange County, California; thence along the northerly line of said Section 24, South 89° 53' 28" East 2658.08 feet to the Northeast corner of the Northwest one-quarter of said Section 24; thence along said northerly line of said Section 24, South 89° 03' 19" East 2661.15 feet to the Northwest corner of Annexation No. 75-2 to the City of Yorba Linda; thence following the boundary of said Annexation No. 75-2 to the City of Yorba Linda, the following courses and distances: South 87° 20' 11" East 1877.10 feet to the easterly boundary line of the land known as the Dominguez Ranch; thence along said easterly boundary of the Dominguez Ranch, South 01° 38' 23" East 7827.18 feet to a point in a line running northeasterly from a point 2800 feet northerly of the centerline of the Atchison, Topeka and Santa Fe Railway Company's main track as measured along the East line of the allotment of second class lands to V. Yorba in the partition of the Rancho Canon de Santa Ana to a point 2400 feet northerly of said A. T. & S. F. Railway Company's main track centerline as measures along the East line of the allotment of second class lands to W. McKee in said partition of said Rancho Canon de Santa Ana; thence easterly along said line to a point in the East line of the allotment of second class land to W. McKee in partition of said Rancho Canon de Santa Ana, said point being 2400 feet northerly measured along said East line of allotment to W. McKee, from its intersection with the center line of the Atchison, Topeka and Santa Fe Railway Company's main track; thence southerly along the said East line of allotment to W. McKee to its intersection with the southerly line of that certain right-of-way of A. T. & S. F. railroad described in a quitclaim of the Anaheim Union Water Company, recorded in Book 193, page 114, Deeds of Orange County; thence along said southerly right-of-way line, North 71° 26' 00" East, 879.86 feet, more or less to the most westerly point of the 50 foot wide strip of land recorded in Book 1283, page 447, O. R.; thence South 18° 34' 00" East, 50.00 feet; thence along the southerly line of the parcel of land described in said Book 1283, page 447, Official Records, North 71° 26' 00" East, 566.64 feet, more or less, parallel with the centerline of said A. T. & S. F. railroad, to a tangent curve concave northwesterly and having a radius of 3681.1 feet; thence northeasterly along said curve, as described in Parcel 1 in Book 193, page 114, of Deeds and Book 1283, page 447, O. R., and being 100 feet southeasterly and parallel to said railroad centerline, 1313.7 feet, more or less, to a point in the boundary line between the lands of Anaheim Union Water Company and F. H. Bixby, as

described in said Deed; thence along said boundary line South 0° 25' 56" East, 450 feet, more or less, to a point in the northerly lines of Lot 4, Tract 865, recorded in Book 28, page 18, M. M., Records of Orange County; thence following the boundary of said Tract 865 the following courses and distances; North 60° 56' 00" East, 448.29 feet; thence North 85° 19' 00" East, 2139.20 feet; thence South 38° 30' 00" East, 860.00 feet; thence South 62° 52' 00" West, 1057.58 feet; thence South 27° 08' 00" East, 1188.00 feet; thence North 62° 52' 00" East, 1201.25 feet; thence South 14° 27' 00" East, 491.55 feet; thence South 27° 34' 00" East, 852.60 feet; thence South 53° 04' 00" East, 1025.00 feet; thence South 82° 04' 00" East, 310.00 feet to the most easterly corner of Tract 865; thence along the southeasterly line of Lots 1 and 2 of said Tract, South 62° 52' 30" West, 371.24 feet to a point of intersection with the centerline of the 100.00 foot right-of-way of Santa Ana Canyon Road as that centerline is shown on Plan No. 9054 of Santa Ana Canyon Road right-of-way map Route 91, Orange County Road Department Maps, that point of intersection being a point on a curve concave southwesterly and having a radius of 2,000 feet; thence southeasterly along the arc of that curve, through a central angle of 7° 07' 19", 248.60 feet; thence tangent to that curve South 53° 06' 53" East, 35.55 feet; thence North 83° 20' 35" East, 132,16 feet to a point of the northeasterly right-of-way line of the Santa Ana Canyon Road as shown on Map No. 9054; thence southeasterly along that northeasterly right-of-way line as shown on that Map No. 9054, South 51° 59' 18" East, 115.20 feet to the beginning of a tangent curve, concave northeasterly and have a radius of 1,436 feet, thence along the arc of that curve through a central angle of 30° 24' 00", 761.91 feet; thence tangent to that curve, south 82° 23' 18" East, 700.56 feet; thence North 7° 36' 42" East, 5.00 feet; thence South 82° 23' 18" East, 470.55 feet to the northeasterly line of the Wallace Ranch Annexation and Oak Hill Ranch Annexation to the City of Anaheim; thence southeasterly along that northeasterly line of the Wallace Ranch Annexation and Oak Hills Ranch Annexation, South 27° 08' 00" East, 2805.27 feet to a point on the northwesterly line of the allotments to Benjamin and Thomas Flint and Llewellyn Bixby in partition of the Rancho Santiago De Santa Ana; thence south 35° 10' 00" West along that last mentioned line, 16023.12 feet to a point, being the Northeast corner of the land described in deed to Santiago Farmers Association recorded in Book 98, page 544 of Deeds, Records of Los Angeles County, California; thence westerly along the northerly boundary line of said land 5750.76 feet to a point in the westerly line of Section Eighteen (18), Township Four (4) South, Range Eight (8) West, San Bernardino Base and Meridian, said point also being the Northwest corner of said land described in Book 98, page 544 of Deeds, Records of Los Angeles County, California; thence southerly along the westerly line of said Section Eighteen (18), 1,865.34 feet to a point, said point being northerly 571.90 feet from the Southwest corner of said Section Eighteen (18); thence North 48° 05' 20" West 754.60 feet; thence North 56° 27' 50" West, 414.94 feet to a point distant South 52°

44' 00" West, 230.49 feet from the easterly corner of the parcel indicated "Reservoir No. 2" on map of record of surveys filed in Book 8, page 3 of Record of Surveys in the office of the County Recorder of Orange County, California; thence North 52° 44' 00" East, 230.49 feet to the most easterly corner of said "Reservoir No. 2"; thence North 42° 18' 00" West, 155.61 feet; thence South 50° 25' 00" West, 267.27 feet; thence North 56° 27' 50" West, 788.89 feet; thence North 51° 38' 50" West, 768.86 feet; thence North 74° 58' 40" West, 630.33 feet; thence South 49° 25' 20" West, 608.63 feet to an angle point in the boundary line of the land described in the deed to Graham Brothers, Incorporated, recorded January 29, 1938, in Book 923, page 248 of Official Records of Orange County, California, said angle point being at the northeasterly end of a course described in said deed as "South 40° 51' 30" West, 43.66 feet"; thence from said angle point South 40° 51' 30" West, 43.66 feet to a point, said point being the most northerly corner of the Carpenter Irrigation District as described in Book 74, page 223 of Official Records of Orange County, California, said point also being North 86° 03' 10" East more or less and 719.62 feet more or less from station 27 as said station is shown on a map of record of surveys filed in Book 3, page 54 of Record of Surveys in the office of the County Recorder of Orange County, California; thence southeasterly, southerly and easterly following the boundary line of said Carpenter Irrigation District to the easterly terminus of that certain course described as "North 85° 29' East 472.55 feet" in the Carpenter Irrigation District boundary; thence along the northerly boundaries of Tract No. 7560 as per map recorded in Book 353, pages 24 to 27, inclusive, Miscellaneous Maps, and Tract No. 8306, as per map recorded in Book 359, pages 35 and 36, Miscellaneous Maps, records of said Orange County, North 85° 30' 02" East 1103.03 feet to the most northerly corner of said Tract No. 8306; thence following along the exterior boundary of said Tract No. 8306, the following courses and distances: South 17° 42' 09" East 151.53 feet to the beginning of a curve concave southerly having a radius of 235.00 feet; thence easterly along said curve 20.79 feet through a central angle of 5° 04' 10" to the beginning of a curve concave northerly having a radius of 195.00 feet; thence easterly along said curve 40.05 feet through a central angle of 11° 46' 08"; thence South 17° 42' 09" East 60.03 feet to the beginning of curve concave northerly having a radius of 255.00 feet; thence westerly along said curve 54.42 feet through a central angle of 12° 13' 39" to the beginning of a curve concave southeasterly having a radius of 175.00 feet; thence southwesterly along said curve 195.48 feet through a central angle of 64° 00' 00"; thence South 22° 00' 54" West 116.05 feet to the beginning of a curve concave northwesterly having a radius of 530.00 feet; thence southwesterly along said curve 166.34 feet through a central angle of 17° 58' 56"; thence South 39° 59' 50" West 84.66 feet to a point in the North line of Tract 944 as per map recorded in Book 29, page 41, of Miscellaneous Maps, Records of Orange County, California; thence easterly, southerly and westerly following the northerly,

easterly and southerly boundaries of said Tract 944 to a point South 89° 55' 45" East 350.00 feet of the Southwest corner of Lot 7 of said Tract 944; thence South 42° 00' 00" East, 320.00 feet; thence South 74° 00' 00" East, 300.00 feet; thence South 35° 00' 00" East, 365.00 feet; thence South 12° 00' 00" East, 440.00 feet; thence South 340.00 feet; thence South 13° 00' 00" West, 385.00 feet; thence South 22° 00' 00" West, 370.00 feet; thence South 14° 00' 00" West, 280.00 feet; thence South 9° 00' 00" East, 102.66 feet to a point in the northerly line of Amapola Avenue (60 feet wide) as conveyed to the County of Orange by Deed recorded in Book 644, page 374, Official Records of said County of Orange, said point being on a nontangent curve concave southerly and having a radius of 280.00 feet, a radial bears North 17° 26' 53" West to said point; thence westerly along said northerly line through a central angle of 39° 25' 07" an arc distance of 192.64 feet; thence South 33° 08' 00" West, 179.31 feet to a tangent curve concave northerly and having a radius of 220.00 feet; thence southwesterly along said curve through a central angle of 56° 52' 00" an arc distance of 2218.35 feet; thence West 17.03 feet to a point on the exterior boundary of Tract 931 as per map recorded in Book 29, page 27 of Miscellaneous Maps, Records of Orange County, California; thence southerly following the easterly boundary of said Tract 931, to the Southeast corner of Lot Five (5) of said Tract 931; thence South 89° 59' 40" East 1335.78 feet to the centerline of Santiago Canyon Road (Old County Park Road) 60 feet wide, as conveyed to Orange County by Deed recorded July 24, 1929, in Book 303, page 1 of Official Records of Orange County, California; thence South 89° 59' 06" East 302.13 feet; thence South 0° 00' 54" West 148.72 feet; thence North 89° 59' 06" West 282.76 feet to a point in said Santiago Canyon Road centerline, said point being on a nontangent curve concave northeasterly with a radius of 1000.00 feet, a radial line through said point bears South 80° 40' 23" West; thence southeasterly along said curve 229.72 feet through a central angle of 13° 09' 43"; thence leaving said curve South 22° 29' 20" East, 396.01 feet; thence leaving said centerline, South 35° 33' 00" West, 2010.01 feet to a point on the centerline of County Park Road; said point being also in the northwesterly boundary of Irvine's Subdivision of Ranchos San Joaquin and Lomas de Santiago and Flint and Bixby's allotment in Rancho Santiago de Santa Ana as per map recorded in Book 1, page 88 of Miscellaneous Maps, Records of Orange County, California; thence southwesterly along said last mentioned boundary of said Irvine's Subdivision to a point on said boundary line and located southwesterly a distance of one and one-half miles from the westerly corner of Block Twenty (20) of said Irvine's Subdivision; thence within said Irvine's Subdivision southeasterly to the most easterly corner of the northerly one-quarter of the westerly one-quarter of Block Sixteen (16) of said Irvine's Subdivision; thence souhtwesterly along the southeasterly line of said northerly one-quarter of the westerly one-quarter of said Block Sixteen (16) to the most southerly corner thereof; thence southeasterly along the northeasterly line of

the southwesterly one-half of the southwesterly one-half of said Block Sixteen (16) to the southeasterly line of said block; thence southwesterly to the most southerly corner of said Block Sixteen (16); thence southeasterly along the northeasterly line of Block Forty-one (41) a distance of one-quarter mile; thence southwesterly one and one-half miles to the southerly corner of the northwesterly one-half of the northerly one-quarter of Block Forty-two (42); thence southeasterly one-half mile to the westerly corner of the southerly one-quarter of the easterly one-quarter of said Block Forty-two (42); thence northeasterly one-quarter mile to the northerly corner of said southerly one-quarter of the easterly one-quarter of said Block Forty-two (42); thence southeasterly three-fourths of a mile to the easterly corner of the southwesterly one-half of the northerly one-quarter of Block Sixty-six (66); thence southwesterly one-half mile to the northerly corner of the southwesterly one-half of the southerly one-quarter of said Block Sixty-six (66); thence southeasterly one-half mile to the easterly corner of said southwesterly one-half of the southerly one-quarter of said Block Sixty-six (66); thence southwesterly one-quarter mile to the southerly corner of said Block Sixty-six (66); thence southeasterly two miles to the easterly corner of Block One Hundred Six (106); thence southwesterly one-half mile to the southerly corner of the easterly one-quarter of said Block One Hundred Six (106); thence southeasterly one and one-quarter mile to the westerly corner of southeasterly one-half of the northerly one-quarter of Block One Hundred Forty-two (142); thence northeasterly three-fourths mile to the northerly corner of the southerly one-quarter of the westerly one-quarter of Block One Hundred Forty-three (143); thence southeasterly one-quarter mile to the easterly corner of said southerly one-quarter of the westerly one-quarter of Block One Hundred Forty-three (143); thence southwestely one-quarter mile to the southerly corner of said southerly one-quarter of westerly one-quarter of Block One Hundred Forty-three (143); thence southeasterly one-quarter mile to the easterly corner of the northwesterly one-half of the easterly one-quarter of said Block One Hundred Forty-two (142); thence southwesterly one-half mile to the southerly corner of said northwesterly one-half of the easterly one-quarter of Block One Hundred Forty-two (142); thence southeasterly one-quarter mile to the easterly corner of the southerly one-quarter of said Block One Hundred Forty-two (142); thence southwesterly one mile to the southerly corner of the easterly one-quarter of Block One Hundred Forty-one (141); thence southeasterly one-half mile to the center of Block One Hundred Fifty-four (154); thence southwesterly three miles to the center of Block One Hundred Fifty-seven (157); thence northwesterly one-half mile to the westerly corner of the northerly one-quarter of said Block One Hundred Fifty-seven (157); thence northeasterly one-quarter mile to the southerly corner of the easterly one-quarter of the easterly one-quarter of Block One Hundred Thirty-eight

(138); thence northwesterly one-quarter mile to the westerly corner of said easterly one-quarter of the easterly one-quarter of Block One Hundred Thirty-eight (138); thence southwesterly one-half mile to the southerly corner of the northerly one-quarter of the southerly one-quarter of said Block One Hundred Thirty-eight (138); thence northwesterly one-half mile to the westerly corner of the easterly one-quarter of the westerly one-quarter of said Block One Hundred Thirty-eight (138); thence northeasterly one-eighth mile to the southerly corner of the northeasterly one-half of the northerly one-quarter of the westerly one-quarter of said Block One Hundred Thirty-eight (138); thence northwesterly one-half mile to the westerly corner of the northeasterly one-half of the easterly one-quarter of the southerly one-quarter of Block One Hundred Twenty-four (124); thence southwesterly three-eighths mile to the southerly corner of the northwesterly one-half of the said southerly one-quarter of Block One Hundred Twenty-four (124); thence northwesterly three-fourths mile to the southerly corner of Block 102; thence southwesterly three and three-fourths miles to the easterly corner of the southwesterly one-half of the southwesterly one-half of Block 98; thence northwesterly along the northeasterly line of the southwesterly one-half of the southwesterly one-half of Blocks 98, 91, and 57, to the center line of MacArthur Boulevard; thence westerly along said northeasterly line to an intersection with that certain easterly boundary line of the City of Newport Beach as established by Ordinance No. 840, approved by the City Council of Newport Beach on January 13, 1958; thence in a general southerly direction along said easterly boundary line as established by said Ordinance No. 840 and by Resolution No. 7245, approved by the City Council of Newport Beach on July 27, 1970; by Resolution No. 6753, approved by the City Council of Newport on April 22, 1968; by Resolution No. 7311, approved by the City Council of Newport Beach on November 23, 1970; by Resolution No. 8505, approved by the City Council of Newport Beach on June 9, 1975; by said Resolution No. 7311; by Resolution No. 7377, approved by the City Council of Newport Beach on February 22, 1971; by Resolution No. 6203, approved by the City Council of Newport Beach on August 9, 1965; by Ordinance No. 896, approved by the City Council of Newport Beach on August 18, 1959; by Ordinance No. 585, approved by the City Council of Newport Beach on December 13, 1948; by Ordinance No. 897, approved by the City Council of Newport Beach on September 28, 1959; by Resolution No. 9208, approved by the City Council of Newport Beach on October 25, 1977; by said Ordinance No. 897; by Resolution No. 7024, approved by the City Council of Newport Beach on July 14, 1969; by Ordinance No. 843, approved by the City Council of Newport Beach on April 14, 1958; and to the southerly corner of the City of Newport Beach as established by Resolution No. 7243, approved by the City of Newport Beach on July 27, 1970; thence in a general northwesterly direction along the southwesterly boundary line of the City of Newport Beach parallel

with the line of ordinary high-tide of the Pacific Ocean and three miles therefrom to the most westerly corner of the City of Newport Beach; thence continuing in a general northwesterly direction along a line parallel with said line of ordinary high-tide being three miles westerly therefrom to a point on the southwesterly extension of the northwesterly line of Rancho La Bolsa Chica, as shown on licensed surveyor's map filed in Book 3, Page 45 of Records of Survey in the Office of the County Recorder of Orange County, California; thence northeasterly along the said extension of the northwesterly line of said Rancho La Bolsa Chica to the line of ordinary high-tide of the Pacific Ocean; thence northwesterly along said ordinary high-tide of the Pacific Ocean to the point of beginning.

Except that portion of certain unincorporated lands and those lands lying within the City of Newport Beach, County of Orange, State of California, commonly known as the "Bayview" area and more particularly described as follows:

BEGINNING at the intersection of the centerline of Bristol Street (formerly Palisades Road), with the northwesterly boundary of the City of Newport Beach as established by Ordinance No. 837, approved by the City Council of Newport Beach on October 28, 1957; thence leaving said centerline of Bristol Street and southwesterly along said northwesterly boundary line, and northwesterly along the northeasterly boundary line of the City of Newport Beach as established by Ordinance No. 748, approved by the City Council of Newport Beach on April 25, 1955 to an intersection with the southeasterly boundary of the northwesterly one-half of the northwesterly one-half of Block Fifty-one (51) of said Irvine's subdivision; thence northeasterly along said southeasterly boundary to the easterly corner of the northwesterly one-half of the northerly one-quarter of said Block Fifty-one (51); thence southeasterly along the centerline of said Bristol Street to the POINT OF BEGINNING.

The district is hereby divided into 10 divisions which shall be numbered first, second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth, and one director shall be elected or appointed as hereinafter provided from each division. The 10 divisions are more particularly bounded and described as follows, to wit:

First Division: Division No. 1 shall comprise all the area included within the exterior boundary of the Orange County Water District that is located within the boundaries of the following named school districts as those districts are described in the official records of the Board of Supervisors of Orange County on July 8, 1949; Loara, Katella and Garden Grove School Districts.

Excepting therefrom any area of those school districts which may be within the boundaries of the municipal corporations known as the Cities of Santa Ana, Anaheim, and Fullerton.

Second Division: Division No. 2 shall comprise all that area included within the exterior boundary of the Orange County Water District that is located within the boundaries of the following named school districts as said districts are described in the official records of

the Board of Supervisors of Orange County on July 8, 1949: Olive, Villa Park, Orange, El Modena and that portion of Tustin School District lying northwesterly of Newport Boulevard or any extension thereof.

Excepting therefrom any area of those school districts which may be within the boundaries of the municipal corporations known as the Cities of Santa Ana, Anaheim, and Fullerton.

Third Division: Division No. 3 shall comprise all that area included within the exterior boundary of the Orange County Water District, that is located within the boundaries of the following named school districts as said districts are described in the official records of the Board of Supervisors of Orange County on July 8, 1949: Yorba Linda, Placentia, Fullerton, and Anaheim School Districts.

Excepting therefrom any area of those school districts which may be within the boundaries of the municipal corporations known as the Cities of Santa Ana, Anaheim, and Fullerton.

Fourth Division: Division No. 4 shall comprise all that area included within the exterior boundary of the Orange County Water District, that is located within the boundaries of the following named school districts as said districts are described in the official records of the Board of Supervisors of Orange County on July 8, 1949: Buena Park, Orangthorpe, Centralia, Magnolia, Savanna, Cypress, Laurel, Alamitos, Westminster and Seal Beach School Districts.

Excepting therefrom any area of those school districts which may be within the boundaries of the municipal corporations known as the Cities of Santa Ana, Anaheim, and Fullerton.

Fifth Division: Division No. 5 shall comprise all that area included within the exterior boundary of the Orange County Water District that is located within the boundaries of the following named school districts as said districts are described in the official records of the Board of Supervisors of Orange County on July 8, 1949: San Joaquin School District and that portion of the Tustin School District lying southeasterly of Newport Boulevard or any extension thereof.

Excepting therefrom any area of those school districts which may be within the boundaries of the municipal corporations known as the Cities of Santa Ana, Anaheim, and Fullerton.

Sixth Division: Division No. 6 shall comprise all that area included within the exterior boundary of the Orange County Water District that is located within the boundaries of the following named school districts as said districts are described in the official records of the Board of Supervisors of Orange County on July 8, 1949: Ocean View, Fountain Valley, and Huntington Beach School Districts.

Excepting therefrom any area of those school districts which may be within the boundaries of the municipal corporations known as the Cities of Santa Ana, Anaheim, and Fullerton.

Seventh Division: Division No. 7 shall comprise all that area included within the exterior boundary of the Orange County Water District, that is located within the boundaries of the following named school districts as said districts are described in the official records of

the Board of Supervisors of Orange County on July 8, 1949: Costa Mesa, Paularino, Santa Ana, Diamond, Greenville, and Newport School Districts, together with all that area located within the boundaries of the Costa Mesa County Water District.

Excepting therefrom any area of those school districts which may be within the boundaries of the municipal corporations known as the Cities of Santa Ana, Anaheim, and Fullerton.

Eighth Division: Division No. 8 shall comprise all that area included within the exterior boundary of the Orange County Water District that is located within the boundaries of the municipal corporation known as the City of Santa Ana as it existed at 12 noon, March 6, 1953, or as it may hereafter exist.

Ninth Division: Division No. 9 shall comprise all that area included within the exterior boundary of the Orange County Water District that is located within the boundaries of the municipal corporation known as the City of Anaheim as it existed at 12 o'clock noon, March 6, 1953, or as it may hereafter exist.

Tenth Division: Division No. 10 shall comprise all that area included within the exterior boundary of the Orange County Water District that is located within the boundaries of the municipal corporation known as the City of Fullerton as it existed at 12 o'clock noon, March 6, 1953, or as it may hereafter exist.

Annexations to or enlargements of municipal corporations which constitute Divisions 8, 9 and 10 shall become part of the division which said municipal corporation constitutes without further act of said district; provided, however, that if said annexations or enlargements include land which is not already a part of said district, such land may be included within said district and said division only by inclusion proceedings as provided in this act.

SEC. 3. Section 4 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 4. The government of the district shall be vested in the board of directors to consist of 10 members to be elected or appointed as hereinafter provided; a president, a first vice president, and a second vice president to be appointed from the 10 members of the board of directors and hold office at the pleasure of the board of directors.

The board of directors shall appoint, by a majority vote, a general manager, a secretary, assessor, tax collector, treasurer, and auditor, and shall define their duties and fix their compensation. Each of these officers shall serve at the pleasure of the board. If the board so chooses, it may appoint the county treasurer, county assessor, county tax collector, or county auditor of the County of Orange and their successors in office, which county officers and all their deputies, assistants, clerks, and employees shall perform the same respective duties of the office of assessor, tax collector, treasurer, and auditor for the district as they perform for Orange County, without additional compensation being paid by the district, in order to carry out the provisions of this act.

The board of directors may appoint and employ an attorney or

attorneys, and an engineer or engineers for the district and such other officers and employees for the district as in their judgment may be deemed necessary, and prescribe their duties and powers and compensation, which officers and employees shall hold office or be employed during the pleasure of the board of directors.

SEC. 4. Section 5 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 5. The president shall sign all contracts on behalf of the district, and perform such other duties as may be imposed on him or her by the board of directors or by this act. In the absence of or inability of the president to serve, the first vice president shall perform his or her duties. In the absence of or inability of both the president and the first vice president to serve, the second vice president shall perform the duties of the president.

The general manager or secretary shall countersign all contracts on behalf of the district and perform such other duties as may be imposed on him or her by the board of directors or by this act.

The treasurer shall be responsible for the deposit and withdrawal of funds of the district. In the event the board of directors appoints a treasurer other than the county treasurer as provided in Section 4, the district shall file a certified copy of the resolution so appointing the treasurer with the county treasurer. The county treasurer shall thereupon deliver to the district all funds of the district on deposit with the county treasurer. Such funds shall thereafter be deposited by the district in a bank or banks approved for deposit of public funds.

The board of directors may by resolution adopt reasonable rules and regulations not inconsistent with this act for the administration and government of the affairs of the district, and alter them from time to time as conditions may require; they may also appoint appropriate officers or agents to represent them as directed in administering the affairs of the district, which officers or agents shall receive the compensation established by the board from time to time, and serve at the pleasure of the board. The board may require any of those officers or agents to furnish bond in the form and amount fixed by it.

SEC. 5. Section 12 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 12. An election shall be held on the first Tuesday after the first Monday in November of each odd-numbered year, in those divisions of 1 to 7 inclusive, at which directors for the district shall be elected to fill the offices of the directors whose terms of office shall expire at noon on the last Friday in that month, in accordance with the provisions of the Uniform District Election Law.

In Divisions 8, 9, and 10 of the district, the governing body of the city comprising each such division shall appoint the director to represent such division upon the board of directors, to serve at the pleasure of such governing body.

Vacancies occurring in any elective office shall be filled pursuant

to Section 1780 of the Government Code. If the vacancy is that of an appointed director, the appointing body shall appoint a successor.

Each director shall execute an official bond in the sum of one thousand dollars ($1,000) which shall be approved by a judge of the Superior Court of the County of Orange, and shall be recorded in the office of the county recorder of such county, and then filed with the secretary of the board of directors. All official bonds herein provided for shall be in the form prescribed by law for the official bonds of the county officers.

Premiums for bonds required by this act shall constitute a proper charge against the district.

SEC. 6. Section 13 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 13. At the regular meeting of the board of directors in December following the election, the directors elected at that election, those whose terms have not expired and those appointed, shall meet and organize as a board, elect a president and a first and second vice president, and may appoint a general manager and a secretary, who shall each hold office at the pleasure of the board. Each director appointed or elected shall hold office until his or her successor is elected, or appointed, and has qualified. The term of office of each elected director is hereby fixed at four years, except as herein otherwise provided or as provided in the Uniform District Election Law. The office of the district shall be established by the board of directors at some proper and convenient place within the County of Orange, but does not have to be established or maintained within the district. After the office is once established, it shall not be changed without giving notice thereof by posting in three public places within the district and by publishing a similar notice pursuant to Section 6066 of the Government Code at least once a week for two weeks in some newspaper of general circulation published in Orange County.

The general manager and secretary of the district need not be one of the directors. The salary of the general manager and secretary and amount of the bond to be given for the faithful performance of their duties shall be fixed by the board of directors. The bond of the general manager and secretary of the district shall be filed in the office of the district.

SEC. 7. Section 16 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 16. The board of directors at their regular monthly meeting of the fourth month following the close of each fiscal year shall render and immediately thereafter cause to be filed with the secretary and posted conspicuously in the office of the district a verified statement of the financial condition of the district, showing in detail the receipts and disbursements during the last preceding year, together with the sources of the receipts and purposes of the disbursements. A summary of the statement shall be published pursuant to Section 6066 of the Government Code in some

newspaper published in the district, and shall refer to the itemized statement filed and posted in the office of the district for further particulars.

For the purpose of rendering such statement, the district shall designate a certified public accountant who shall make an independent audit of the accounts and other evidences of financial transactions of the district during the preceding year. Such certified public accountant shall have no personal interest directly or indirectly in the financial affairs of the district.

SEC. 8. Section 21.3 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 21.3. By a vote of a majority of its members, the board of directors may pass a resolution ordering the submission of the proposition of incurring a bonded debt for the purposes set forth in the resolution to the qualified voters of the district at an election called for that purpose. More than one proposition of incurring bonded debt may be submitted at the same election. Any proposition may include one or more of the authorized purposes. The resolution shall recite:

(a) The objects and purposes of incurring the indebtedness.

(b) The amount of the principal of the indebtedness.

(c) The rate of maximum rate of interest on the indebtedness which shall not exceed the maximum interest rate provided for in Section 53531 of the Government Code. The interest shall be 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 board of directors at the time of sale.

(d) The date of the election.

(e) The manner of holding the election and the procedure for voting for or against the proposition.

SEC. 9. Section 21.15 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 21.15. The bonds shall be signed by the president and the secretary, or the general manager, of the district. The bond coupons shall be numbered consecutively and signed by the secretary or the general manager of the district. All signatures may be printed, lithographed, or engraved except that one of the signatures on the bond shall be manually affixed. If any officer whose signature appears on bonds or coupons ceases to be such officer before delivery of the bonds, his or her signature is as effective as if he or she had remained in office.

SEC. 10. Section 37 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 37. No claim shall be paid by the treasurer until allowed by the board, and only upon a warrant or check signed by the president and countersigned by the secretary or signed and countersigned by such persons as the board may approve. The treasurer shall report, at such times as the board of directors shall request, the amount of money of the district on deposit, the amount of receipts, and the

amount or amounts paid out of the district funds since the last preceding report. The report shall be verified and filed with the secretary of the board.

SEC. 11. Section 38.1 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 38.1. Any water-producing facility which is producing water within the exterior boundaries of the district may be exempted by order of the board of directors from the payment of the replenishment assessments and from the levy of the basin equity assessment and the production requirements and limitations provided for in this act upon the filing of a verified petition by the owner of the water-producing facility.

The petition shall be filed with the board of directors of the district and shall include a description of the land upon which the water-producing facility is located, a description of the water-producing facility, a statement of water quality analysis of the water produced by the water-producing facility, the names and addresses of the owners of the water-producing facility, and shall set forth the purpose or purposes for which any water produced from the water-producing facility will be used. The petition may include one or more water-producing facilities located in the same general area, provided each of such facilities are owned by the same owner. The petitioner shall pay to the district the expenses of advertising and costs incident to the proceedings.

Upon the filing of the petition, the secretary of the district shall cause an investigation to be made by the district geologist or an engineer or engineers for the purpose of determining whether the water produced by the water-producing facility is suitable or unsuitable for domestic or agricultural purposes. Upon completion of the investigation, a report of the results thereof shall be filed with the board of directors and a copy shall be mailed to the petitioner. Upon filing of the report, the board of directors shall fix a time for a hearing upon said petition and report, which time shall be not less than 10 days and not more than 75 days after the filing of the report, and shall cause a notice of the filing thereof and time and place fixed for the holding of the hearing to be published one time, at least 10 days before the date fixed for such hearing, in a newspaper of general circulation printed and published within the district. A copy of the notice shall be mailed to the petitioner by first-class mail with postage prepaid not less than seven days prior to the date of the hearing.

At the time of the hearing, the board of directors shall determine whether the water produced from the water-producing facility or facilities is suitable or unsuitable for domestic or agricultural purposes. If the board of directors finds and determines the water produced from such facility or facilities or any of them is unsuitable for domestic or agricultural purposes, and further finds and determines that the production of such unsuitable water will have no adverse effects on the groundwater supplies of the district, the board

of directors may make an order that water produced from the water-producing facility or facilities shall be exempted from the payment of the replenishment assessments and from the levy of the basin equity assessment and the production requirements and limitations as provided in this act.

Nothing contained in this section shall exclude the operator of any water-producing facility exempted from the payments of replenishment assessments from affixing a water measuring device to the facility as provided in Section 35 or from filing the water production statements provided for in Section 29.

The board of directors of the district may from time to time require that the owner of any water-producing facility or facilities, which are exempted from the payment of replenishment assessments and basin equity assessments, provide additional water quality analyses of water being produced from any water-producing facility which has been exempted from the payment of replenishment assessments and from the levy of the basin equity assessment and the production requirements and limitations as provided in this act.

The district shall at all times have the right to enter upon the premises where such exempted water-producing facility or facilities are located for the purpose of obtaining samples of the water being produced.

If at any time it appears that the quality of water being produced from a water-producing facility which has been exempted from payment of replenishment assessments and from the levy of the basin equity assessment and the production requirements and limitations has become suitable for domestic or irrigation purposes, the secretary of the district shall fix a time for a hearing to determine whether the water produced from the water-producing facility has become suitable for domestic or agricultural purposes. The secretary of the district shall cause a notice of the hearing to be published one time, at least 10 days before the date fixed for such hearing, in a newspaper of general circulation printed and published within the district. A copy of such notice shall be mailed to the owner of the water-producing facility by first-class mail with postage prepaid not less than seven days prior to the date of the hearing.

If upon the hearing, the board of directors finds and determines that the quality of the water being produced from the water-producing facility has become suitable for domestic or irrigation purposes or that the production of water therefrom will have an adverse effect on the groundwater supplies of the district, the board of directors shall make an order that the exemption of payment of replenishment assessments and from the levy of the basin equity assessment and the production requirements and limitations on water being produced from the water-producing facility shall be canceled. Notice of the cancellation of exemption shall be sent to the owner of the specified water-producing facility by first-class mail with postage prepaid. The effective date of the

cancellation of exemption from the payment of replenishment assessments and from the levy of the basin equity assessment and the production requirements and limitations shall be 10 days after the date of mailing of the notice of cancellation.

SEC. 12. 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 380

An act to amend Section 18671.1 of the Government Code, relating to employment discrimination.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 18671.1 of the Government Code is amended to read:

18671.1. Whenever a hearing or investigation is conducted by the board or its authorized representative in regard to an appeal by an employee, the hearing or investigation shall be commenced within a reasonable time after the filing of the petition and the board shall render its decision within a reasonable time after the conclusion of the hearing or investigation, except that the period from the filing of the petition to the decision of the board shall not exceed six months or 90 days from the time of the submission, whichever time period is less, and except that the board may extend the six-month period up to 45 additional days. In the event of an extension, the board shall publish substantial reasons for the need for the extension in its calendar prior to the conclusion of the six-month period. Submission occurs on the last day of the hearing, if no other documents are to be filed, or on the last day designated for the filing of briefs or other evidence necessary to complete the record. The provisions relating to the six-month or the 90-day periods for a decision may be waived by the employee but if not so waived, a failure to render a timely decision is an exhaustion of all available administrative remedies. In cases involving complaints of discrimination, harassment, or retaliation, where the executive officer renders a decision, the decision shall be rendered within four months of the filing of the appeal.

CHAPTER 381

An act to amend Section 5003.2 of the Public Utilities Code, relating to the Public Utilities Commission, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 28, 1987. Filed with Secretary of State August 28, 1987]

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

SECTION 1. Section 5003.2 of the Public Utilities Code is amended to read:

5003.2. (a) Notwithstanding Section 5003.1, the commission shall require every highway carrier otherwise subject to Section 5003.1 for whom the commission does not establish minimum rates, or require rates to be on file with the commission, to pay a fee equal to 1/10 of 1 percent of the amount of gross operating revenue. This reduced fee shall remain in effect until July 1, 1988.

(b) Until July 1, 1988, the commission may raise the fee imposed by Section 5003.1 upon those persons and corporations subject to that section for whom the commission establishes minimum rates or requires rates to be on file, up to a maximum of one-half of 1 percent of gross operating revenue, if the commission decides this increase is necessary to maintain adequate financing during this period.

(c) From July 1, 1986, to June 30, 1987, the commission shall conduct a study to determine the actual costs to the commission for the services it is required to provide, or does provide, to highway carriers subject to Section 5003.1 for whom the commission does not establish minimum rates or require rates to be on file with the commission. After this study is complete, the commission, the Department of Finance, and representatives of the carrier industry shall assess the results of the study, to advise whether a permanent reduced fee for highway carriers should be established.

SEC. 2. The Public Utilities Commission shall, on or before January 1, 1988, prepare and submit to the Legislature a report on its study regarding a permanent reduced fee for highway carriers conducted pursuant to subdivision (c) of Section 5003.2 of the Public Utilities Code, together with its recommendations in this regard.

SEC. 3. The sum of ninety thousand dollars ($90,000) is hereby appropriated from the Transportation Rate Fund to the Public Utilities Commission for the continued implementation of Section 5003.2 of the Public Utilities Code during the 1987–88 fiscal year.

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 allow enough time for the Public Utilities Commission,

the Department of Finance, and representatives of the motor carrier industry to complete and assess the results of the study prescribed by Section 5003.2 of the Public Utilities Code, it is necessary to extend the program until July 1, 1988, so that recommendations can be made to and considered by the Legislature as to whether a permanent reduced fee for highway carriers shall remain in effect. Thus, it is necessary that this act take effect immediately.

CHAPTER 382

An act to repeal Section 1250.4 of the Health and Safety Code, relating to health.

[Approved by Governor August 28, 1987 Filed with Secretary of State August 28, 1987.]

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

SECTION 1. Section 1250.4 of the Health and Safety Code is repealed.

CHAPTER 383

An act to amend Sections 48900 and 48915 of the Education Code, relating to education.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987.]

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 object of this type, 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 or attempted to commit 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, or any products containing tobacco or nicotine products, including, but not limited to, cigarettes, cigars, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets, and betel. However, this section does not prohibit use or possession by a pupil of his or her own prescription products.

(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.

SEC. 2. 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 listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, except for the first offense 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. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 384

An act to amend Section 6369 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 6369 of the Revenue and Taxation Code is amended to read:

6369. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale, and the storage, use, or other consumption, in this state of medicines:

(1) Prescribed for the treatment of a human being by a person authorized to prescribe the medicines, and dispensed on prescription filled by a registered pharmacist in accordance with law.

(2) Furnished by a licensed physician and surgeon, dentist, or podiatrist to his or her own patient for treatment of the patient.

(3) Furnished by a health facility for treatment of any person pursuant to the order of a licensed physician and surgeon, dentist, or podiatrist.

(4) Sold to a licensed physician and surgeon, podiatrist, dentist, or health facility for the treatment of a human being.

(5) Sold to this state or any political subdivision or municipal corporation thereof, for use in the treatment of a human being; or furnished for the treatment of a human being by a medical facility or clinic maintained by this state or any political subdivision or municipal corporation thereof.

(b) "Medicines" as used in this section, means and includes any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease and which is commonly recognized as a substance or preparation intended for that use. However, "medicines" does not include any of the following:

(1) Any auditory, prosthetic, ophthalmic or ocular device or appliance.

(2) Articles which are in the nature of splints, bandages, pads, compresses, supports, dressings, instruments, apparatus, contrivances, appliances, devices, or other mechanical, electronic, optical or physical equipment or article or the component parts and accessories thereof.

(3) Any alcoholic beverage the manufacture, sale, purchase, possession or transportation of which is licensed and regulated by the Alcoholic Beverage Control Act (Division 9 (commencing with Section 23000) of the Business and Professions Code).

(c) Notwithstanding subdivision (b), "medicines" as used in this section means and includes any of the following:

(1) Sutures, whether or not permanently implanted.

(2) Bone screws, bone pins, pacemakers, and other articles, other than dentures, permanently implanted in the human body to assist the functioning of any natural organ, artery, vein, or limb and which remain or dissolve in the body.

(3) Orthotic devices, other than orthodontic devices, designed to be worn on the person of the user as a brace, support or correction for the body structure, and replacement parts for these devices. However, orthopedic shoes and supportive devices for the foot are not exempt unless they are custom-made biomechanical foot orthoses or are an integral part of a leg brace or artificial leg. For purposes of this paragraph, "custom-made biomechanical foot orthoses" means an individually prescribed foot orthosis which is custom fabricated over a neutral or near neutral subtalar joint with a pronated midtarsal joint position positive plaster model of the patient's foot, which model, when the cast is modified to support the osseous position of the forefoot in relationship to the rearfoot, embodies the angular osseous relationships of the anterior and posterior portions of the foot.

(4) Prosthetic devices, and replacement parts for such devices, designed to be worn on or in the person of the user to replace or assist the functioning of a natural part of the human body, other than auditory, opthalmic and ocular devices or appliances, and other than dentures, removable or fixed bridges, crowns, caps, inlays, artificial teeth and other dental prosthetic materials and devices.

(5) Artificial limbs and eyes, or their replacement parts, for human beings.

(6) Programmable drug infusion devices to be worn on or implanted in the human body.

(d) "Health facility" as used in this section has the meaning ascribed to it in Section 1250 of the Health and Safety Code.

(e) Insulin and insulin syringes furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed to be dispensed on prescription within the meaning of this section.

(f) Orthotic and prosthetic devices, and replacement parts for these devices, furnished pursuant to the written order of a physician or podiatrist, shall be deemed to be dispensed on prescription within the meaning of paragraph (1) of subdivision (a), whether or not the devices are furnished by a registered pharmacist.

(g) Mammary prostheses, and any appliances and related supplies necessary as the result of any surgical procedure by which an artificial opening is created in the human body for the elimination of natural waste, shall be deemed to be dispensed on prescription within the meaning of this section.

SEC. 2. Notwithstanding Section 2230 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to the section nor shall there be any appropriation made by this act because revenue losses to local agencies due to this act are minor in nature

and will not cause any financial burden to local government.

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 385

An act to amend Section 611.1 of the Elections Code, and to amend Section 5532 of the Public Resources Code, relating to elections.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 611.1 of the Elections Code is amended to read:

611.1. The county clerk shall compile an index, list, or file, by precinct, of all persons who voted in the previous statewide general election. This information shall be compiled in conjunction with the purge of voter registration files conducted pursuant to Article 6 (commencing with Section 800).

Information compiled pursuant to this section shall include that information which is required to appear in the index as set forth in Section 600.

Any person, candidate, or committee who is entitled to obtain a copy of any information contained in this article shall, upon written request to the clerk, be entitled to obtain the index, list, or file compiled pursuant to this section. The clerk may require the payment of a fee not to exceed the cost of duplicating the information or providing the tape as a condition to furnishing the information contained in this section.

If the county clerk uses data-processing equipment, he or she shall make the index available on a data-processing tape file on request. The county clerk shall be required to retain this file until the next November general election in an even-numbered year has been conducted.

SEC. 2. Section 5532 of the Public Resources Code is amended to read:

5532. (a) Except as otherwise provided in this section and Section 5531, Chapter 5 (commencing with Section 6400) of Division 6 of the Elections Code shall substantially govern as to the manner of appointment of circulators, the form of nomination documents and the securing of signatures to the nomination documents, the filing of the candidate's nomination documents, the payment of filing fees, and all other things necessary to get the name of the candidate upon the ballot.

(b) Circulators may obtain signatures to the nomination paper of any candidate at any time not more than 113 days nor less than 88

days prior to the election, and all nomination documents shall be filed with the secretary of the district not more than 113 days nor less than 88 days before the day of election and shall be examined by him or her.

(c) The election shall be consolidated with the general election as to territory which is the same, and the secretary of the district shall certify the names of all candidates to be placed upon the ballot to the county clerk or county clerks within the territory affected by the consolidation at least 67 days prior to the date of the election.

(d) Upon the filing of a sufficient nomination paper and declaration of candidacy by any candidate, the name of the candidate shall go upon the ballot at the ensuing general election. Upon receipt of the returns of the canvass by the respective boards of supervisors, the directors of the district shall meet and determine results of the election and declare the candidate or candidates elected.

(e) Notwithstanding any other provision of this section if, by 5 p.m. on the 83rd day prior to the day fixed for the ensuing general election, only one person has been nominated for any elective office to be filled at that election, or no one has been nominated for the office and if a petition signed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district, or division if elected by division, requesting that the election of directors be held has not been presented to the board of directors, the board of directors shall submit a certificate of these facts to the county clerk or county clerks and the board of directors, at a regular or special meeting held prior to the last Monday before the last Friday in November in which the election is held, shall appoint to the office or offices the person or persons, if any, who have been nominated. The board of directors shall make the appointments. If no person has been nominated for any office, the board of directors shall appoint any person to the office who is qualified at the first regular or special meeting after the date upon which the election would have been held. The board of directors may permit the candidates running unopposed to have their names appear on the ballot, at the board's option. The person appointed shall qualify and take office and serve exactly as if elected for the office.

(f) The secretary of the district shall issue certificates of election, signed by him or her and duly authenticated, immediately following the determination of the result of the election or the appointment by the directors of the district.

(g) The oath of office shall be taken, subscribed, and filed with the secretary of the district within 30 days after the officer has notice of his or her election or appointment or before the expiration of 15 days before the commencement of his or her term of office. No other filing is required.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local

agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 386

An act to amend Sections 1303, 1308, 1309, and 1391 of the Labor Code, relating to employment of minors.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 1303 of the Labor Code is amended to read:

1303. Any person, or agent or officer thereof, employing either directly or indirectly through third persons, or any parent or guardian of a minor affected by this article who violates any provision hereof, or who employs, or permits any minor to be employed in violation hereof, is guilty of a misdemeanor, punishable by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) or imprisonment in the county jail for not more than 60 days, or both.

SEC. 2. Section 1308 of the Labor Code is amended to read:

1308. (a) Any person is guilty of a misdemeanor and is punishable by a fine of not less than five hundred dollars ($500) and not more than one thousand dollars ($1,000) or imprisonment for not exceeding six months or both, who, as parent, relative, guardian, employer, or otherwise having the care, custody, or control of any minor under the age of 16 years, exhibits, uses, or employs, or in any manner or under any pretense, sells, apprentices, gives away, lets out, or disposes of the minor to any person, under any name, title, or pretense for, or who causes, procures, or encourages the minor to engage in any of the following:

(1) Any business, exhibition, or vocation injurious to the health or dangerous to the life or limb of the minor.

(2) The vocation, occupation, service, or purpose of singing, playing on musical instruments, rope or wire walking, dancing, begging, or peddling, or as a gymnast, acrobat, contortionist, or rider, in any place whatsoever.

(3) Any obscene, indecent, or immoral purposes, exhibition, or practice whatsoever.

(4) Any mendicant or wandering business.

(b) Nothing in this section applies to or affects any of the following:

(1) The employment or use of any minor as a singer or musician in any church, school, or academy, or the teaching or learning of the science or practice of music.

(2) The employment of any minor as a musician at any concert or other musical entertainment on the written consent of the mayor of the city or president of the board of trustees of the city or town where the concert or entertainment takes place.

(3) The participation by any minor of any age, whether or not the minor receives payment for his or her services or receives money prizes, in any horseback riding exhibition, contest, or event other than a rough stock rodeo event, circus, or race. As used in this paragraph, "rough stock rodeo event" means any rodeo event operated for profit or operated by other than a nonprofit organization in which unbroken, little-trained, or imperfectly trained animals are ridden or handled by the participant, and shall include, but not be limited to, saddle bronc riding, bareback riding, and bull riding. As used in this paragraph, "race" means any speed contest between two or more animals which are on a course at the same time which is operated for profit or operated other than by a nonprofit organization.

(4) The leading of livestock by a minor in nonprofit fairs stock parades, livestock shows and exhibitions.

SEC. 3. Section 1309 of the Labor Code is amended to read:

1309. Every person who takes, receives, hires, employs, uses, exhibits, or has in custody, for any of the purposes mentioned in Section 1308, any minor under the age of 16 is guilty of a misdemeanor punishable by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or imprisonment for not more than six months, or both.

SEC. 4. Section 1391 of the Labor Code is amended to read:

1391. Except as provided in Sections 1297 and 1298, no minor shall be employed more than eight hours in one day of 24 hours or more than 48 hours in one week, or before five o'clock in the morning, or after 10 o'clock in the evening; but a minor may work the hours authorized by this section during any evening preceding a nonschoolday until 12:30 in the morning of such nonschoolday.

Any person or the agent or officer thereof, or any parent or guardian, who directly or indirectly violates or causes or suffers the violation of any provision of this section is guilty of a misdemeanor punishable by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or imprisonment in the county jail for not more than 60 days or both.

CHAPTER 387

An act to amend Section 244.5 of the Penal Code, relating to crimes.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 244.5 of the Penal Code is amended to read:

244.5. (a) As used in this section, "stun gun" means any item, except a taser, used or intended to be used as either an offensive or defensive weapon that is capable of temporarily immobilizing a person by the infliction of an electrical charge.

(b) Every person who commits an assault upon the person of another with a stun gun or taser shall be punished by imprisonment in a county jail for a term not exceeding one year, or by a fine not exceeding one thousand dollars ($1,000), or by both a fine of five thousand dollars ($5,000) and imprisonment in the state prison for 16 months, two, or three years.

(c) Every person who commits an assault upon the person of a peace officer or firefighter with a stun gun or taser, who knows or reasonably should know that the person is a peace officer or firefighter engaged in the performance of his or her duties, when the peace officer or firefighter is engaged in the performance of his or her duties, shall be punished by imprisonment in the county jail for a term not exceeding one year, or by a fine not exceeding one thousand dollars ($1,000), or by both a fine of five thousand dollars ($5,000) and imprisonment in the state prison for two, three, or four years.

(d) This section shall not be construed to preclude or in any way limit the applicability of Section 245 in any criminal prosecution.

CHAPTER 388

An act to amend Section 15 of the Desert Water Agency Law (Chapter 1069 of the Statutes of 1961), relating to the Desert Water Agency.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 15 of the Desert Water Agency Law (Chapter 1069 of the Statutes of 1961) is amended to read:

Sec. 15. The Desert Water Agency incorporated as herein

provided, shall have the power:

1. To have perpetual succession.

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

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

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

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

6. To construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir operated or contracted to be operated by the Desert Water Agency, and to provide by ordinance regulations binding upon all persons to govern the use of such facilities including regulations imposing reasonable charges for the use thereof. Violation of any such regulation shall be a misdemeanor.

7. To lease of and from any person, firm or public or private corporation, or public agency, with the privilege of purchasing or otherwise, all or any part of water storage, transportation or distribution facilities, existing waterworks or a waterworks system, and to carry on and conduct waterworks or a waterworks system; also to sell water under the control of the agency to cities, and to other public corporations and public agencies within the agency, and to the inhabitants of such cities and of other territory within the agency, and to persons, corporations, and other private agencies within the agency for use within the agency without any preference; also to sell water outside the boundaries of the agency to the extent that the lands and inhabitants so served are southerly and westerly of the White Water River and northerly of the township line between Township 4 South and Township 5 South, S.B.B. & M., and exclusive of that certain subdivision known as Palm Springs Outposts Estates situated in Section 21, Township 4 South, Range 5 East, S.B.B. & M. and it may, whenever the board shall find that there is a surplus of water above that which may be required by such consumers within the agency, sell or otherwise dispose of such surplus water to any persons, firms, public or private corporations, or public agencies or other consumers.

8. The agency may supply and deliver water to property not subject to agency taxes at special rates, terms, and conditions as are determined by the board for such service.

9. To have and exercise the power of eminent domain, and in the

manner provided by law for the condemnation of private property for public use, to take any property necessary to the exercise of the powers granted in this act. The agency in exercising such power, shall in addition to the damage for the taking, injury, or destruction of property, also pay the cost of removal, reconstruction, or relocation of any structure, railways, mains, pipes, conduits, wires, cables, or poles of any public utility which is required to be removed to a new location. The agency shall not exercise the power of eminent domain with respect to property situated outside the boundaries of the agency unless it first obtains the consent of the board of supervisors of the county in which such property is located; provided, however, that the agency may exercise the right of eminent domain for the condemnation of property outside the boundaries of the agency for the acquisition of rights-of-way in any county in which territory of the agency is located or in any county adjacent to such county without obtaining the consent thereto of the board of supervisors thereof. When the agency proposes to exercise the power of eminent domain, under this section, for the condemnation of property outside the boundaries of the agency for the acquisition of rights-of-way in any county in which territory of the agency is located or in any county adjacent to such county, it shall give written notice, at least two weeks prior to condemning the property, to the board of supervisors of the county in which the property is located. Such written notice shall contain a description of the property to be condemned. The agency shall not have or exercise power of eminent domain as to any property belonging to a county water district which has more than 50,000 acres of land within its boundaries.

10. To issue bonds, borrow money, and incur indebtedness as authorized by law or in this act provided; also to refund (by the issuance of the same obligations following the same procedure) or retire any indebtedness or lien that may exist against the agency or property thereof; also to issue warrants to pay the formation expenses of the agency, which warrants may bear interest at a rate not exceeding 6 percent per annum from the date of issue until funds are available to pay the warrants, and which formation expenses may include fees of attorneys and others employed to conduct the formation proceedings.

11. To issue negotiable promissory notes bearing interest at a rate not exceeding 7 percent per annum; provided, however, that the notes shall be payable from revenues and taxes legally derived pursuant to any maximum property tax rate procedure; and provided further that the maturity shall not be later than five years from the date thereof and that the total aggregate amount of such notes outstanding at any one time may be at least equal to seventy-five thousand dollars ($75,000) in the Desert Water Agency but shall not otherwise exceed the lesser of either one million five hundred thousand dollars ($1,500,000) or 3 percent of the assessed valuation of the taxable property in the Desert Water Agency, or, if the assessed valuation is not obtainable, 3 percent of the county

auditor's estimate of the assessed valuation of the taxable property in the agency evidenced by his certificate. Promissory notes issued pursuant to Section 51 may be disregarded in computing the aggregate amount of notes that may be issued pursuant to this subdivision.

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

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

14. To prescribe and define by ordinance, the restrictions, prohibitions, and exclusions referred to in subdivision 13 hereof. Every ordinance relating to the matters referred to in this subdivision shall be in full force and effect forthwith upon adoption, but shall be published pursuant to Section 6061 of the Government Code in full in a newspaper of general circulation, printed, published and circulated in the agency within 10 days after adoption, or if there be no such newspaper it shall be posted within that time in three public places within the agency.

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

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

17. To acquire, control, distribute, store, spread, sink, treat, purify, reclaim, recapture, and salvage any water, including sewage and storm waters, and to acquire, construct, maintain, and operate sanitary sewers and sewerage systems, for the beneficial use or uses and protection of the agency or its inhabitants or the owners of rights to water therein; provided, however, that all waters of the Whitewater River system are excluded from the provisions hereof, except such waters of that system as may be lawfully acquired by the Desert Water Agency; provided further that rights to any water made available by the Desert Water Agency are owned and

controlled exclusively by the agency, and no person within or outside of the boundaries of the Desert Water Agency shall acquire any property or other right in such water, except as provided by contract with the agency, or pursuant to such rules and regulations as the agency may from time to time establish and enforce.

18. Subject to the limitations in subdivision 9 of this section, to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the agency, and for that purpose to contract with such other public agencies or private corporations or persons for the purpose of financing such acquisitions, constructions, and operations. Such contracts may provide for contributions to be made by each party thereto and for the division and apportionment of the expenses of such acquisitions and operations, and the division and apportionment of the benefits, the services and products therefrom, and may provide for any agency to effect such acquisitions and to carry on such operations, and shall provide in the powers and methods of procedure for such agency the method by which such agency may contract. Such contracts with other public agencies or private corporations or persons may contain such other and further covenants and agreements as may be necessary or convenient to accomplish the purposes thereof. The term "public agency," as used in this subdivision, shall be deemed to mean and include the United States of America or any department or agency thereof, the State of California or any department or agency thereof, a county, city, public corporation, the Metropolitan Water District of Southern California, or other public district of this state. The term "private corporation," as used in this subdivision, shall be deemed to mean and include any private corporation organized under the laws of the United States of America or of this or any other state thereof. Contracts mentioned herein include those made with the United States under the Federal Reclamation Act of June 17, 1902, and all acts amendatory thereof or supplementary thereto or any other Act of Congress heretofore or hereafter enacted permitting cooperation. Any such contract with the United States of America or any department or agency thereof, or with any private corporation organized under the laws of the United States of America, by which the Desert Water Agency, or an improvement district thereof, incurs an indebtedness or liability exceeding in any year the income and revenue for such year shall not be executed without the assent of two-thirds of the qualified electors of the agency, or an improvement district thereof, voting at a special election to be held for that purpose, such election to be called and held, so far as practicable, in the same manner as bond elections for the agency. The exact form of such contract need not be available at the time of the special election, but the (1) purpose of the contract; (2) maximum amount of the indebtedness created thereby; (3) maximum term of repayment, and (4) maximum interest rate on such indebtedness shall be known and included in the proposition or measure submitted

to the qualified electors of the agency, or an improvement district thereof, at such special election.

19. To commence, maintain, intervene in, defend, and compromise, in the name of the agency, or as a class representative of the inhabitants, property owners, taxpayers, or water producers or water users within the agency, or otherwise, and to assume the costs and expenses of any and all actions and proceedings, now or hereafter begun, involving or affecting the ownership or use of water or water rights, used or useful for any purpose of the agency, or a common benefit to the lands within the agency or its inhabitants.

20. To commence, maintain, intervene in, defend, and compromise, in the name of the agency, or as a class representative of the inhabitants, property owners, taxpayers, water producers or water users within the agency or otherwise, and to assume the costs and expenses of any and all actions or proceedings, now or hereafter begun, to prevent, control, or abate the pollution of water used or useful for any purpose of the agency, or a common benefit to lands within the agency, or to the inhabitants of the agency, or any watershed or basin overlain in whole or in part by the agency or which contributes to the water supply of the agency.

21. Distribute water to persons in exchange for ceasing or reducing groundwater extractions and to fix the terms and conditions of any contract under which producers may agree voluntarily to use replenishment water from a nontributary source in lieu of groundwater, and to such end an agency may become a party to such contract and pay from the agency funds such portion of the cost of such replenishment waters as will encourage the purchase and use of such water in lieu of pumping so long as the persons or property within the agency are directly or indirectly benefited by the resulting replenishment.

22. To issue bonds under Section 28 of this act for the purpose of providing money required to be paid by this agency as all or part of the terms and conditions under which the corporate area of the Desert Water Agency may be annexed to and become a part of any metropolitan water district organized under the Metropolitan Water District Act. The amount of the bonds may include expenses of all proceedings for the authorization, issuance and sale of the bonds.

23. To issue revenue bonds for any purpose for which general obligation bonds may be issued, and for any purpose for which the bonds could be issued under the provisions of the Revenue Bond Law of 1941 or any other law which by its terms is applicable to this agency.

24. To use the Improvement Act of 1911, the Municipal Improvement Act of 1913, and the Improvement Bond Act of 1915 for the construction of any facilities authorized to be constructed under the provisions of this act. The powers and duties conferred by such improvement acts on the various boards, officers, and agents of cities shall be exercised by the respective boards, officers, and agents of the Desert Water Agency. In the application of such improvement

acts to proceedings instituted by the Desert Water Agency, the terms used in such improvement acts shall have the following meanings:

(a) "City council," "council," or legislative body shall mean the Board of Directors of the Desert Water Agency.

(b) "Municipality" and "city" shall mean the Desert Water Agency.

(c) "Clerk" and "city clerk" shall mean the secretary of the agency.

(d) "Superintendent of streets," "street superintendent" and "city engineer" shall mean the chief engineer of the agency.

(e) "Tax collector" shall mean the county tax collector.

(f) "Treasurer" and "city treasurer" shall mean the Treasurer of the Desert Water Agency.

(g) "Mayor" shall mean the President of the Board or Directors of the Desert Water Agency.

(h) "Right-of-way" shall mean any parcel of land in, on, under or through which a right-of-way or easement has been granted to the agency for the purpose of constructing and maintaining any works or improvements of the Desert Water Agency.

(i) "Auditor" means the county auditor.

Any certificates or documents required by such improvement acts to be filed or recorded in the office of the superintendent of streets or street superintendent shall be filed and recorded in the office of the Secretary of the Desert Water Agency.

25. To disseminate information concerning the rights, properties, and activities of the agency.

CHAPTER 389

An act to amend Section 9991 of the Business and Professions Code, relating to employment agencies.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 9991 of the Business and Professions Code is amended to read:

9991. All accusations against licensees shall be filed with the bureau within three years after the performance of the act or omission alleged as the ground for disciplinary action.

This section shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in those cases shall not be deemed to have accrued until discovery by the bureau, of the facts constituting the fraud or misrepresentation, and, in that case, the accusation shall be filed within three years after the discovery. The bureau may, upon

its own motion, and shall upon verified complaint in writing of any person, investigate the actions of any person licensed under this chapter.

CHAPTER 390

An act to amend Section 2 of Chapter 1469 of the Statutes of 1984, relating to crime.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. 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, 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 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.

CHAPTER 391

An act to amend Section 4458 of the Civil Code, and to amend Section 548 of the Code of Civil Procedure, relating to restraining orders.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 4458 of the Civil Code is amended to read:

4458. A judgment entered pursuant to this part may include any orders issued pursuant to paragraphs (2) and (6) of subdivision (a) of Section 4359. Any such judgment shall state on its face (1) which provisions of the judgment are the orders, and (2) the date of expiration of the orders, which shall be not more than three years from the date the judgment is issued unless extended by the court after notice and hearing. The judgments, or orders, or extensions thereof, shall be transmitted to law enforcement agencies in the

manner provided by subdivision (b) of Section 4359. Any willful and knowing violation of any such order shall be a misdemeanor punishable under Section 273.6 of the Penal Code.

SEC. 2. Section 548 of the Code of Civil Procedure is amended to read:

548. Any restraining order granted after notice and a hearing pursuant to this chapter, in the discretion of the court, shall have a duration of not more than three years, unless otherwise terminated or extended by further order of the court either on written stipulation filed with the court or on the motion of any party.

CHAPTER 392

An act to amend Section 22840 of the Water Code, relating to irrigation districts.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 22840 of the Water Code is amended to read:

22840. Directors of a district subject to this chapter may each receive a salary fixed by the board of the district at an amount not to exceed one thousand dollars ($1,000) per month.

CHAPTER 393

An act to amend Sections 56167, 56425.5, 56475, and 56728.8 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 56167 of the Education Code is amended to read:

56167. (a) Individuals with exceptional needs who are placed in a public hospital, state licensed children's hospital, psychiatric hospital, proprietary hospital, or a health facility for medical purposes are the educational responsibility of the district, special education local plan area, or county office in which the hospital or facility is located, as determined in local written agreements pursuant to subdivision (e) of Section 56220.

(b) For the purposes of this part, "health facility" shall have the definition set forth in Sections 1250, 1250.2, and 1250.3 of the Health and Safety Code.

SEC. 2. Section 56425.5 of the Education Code is amended to read:

56425.5. The Legislature hereby finds and declares that early education programs for infants identified as individuals with exceptional needs, which provide educational services with active parent involvement, can significantly reduce the potential impact of many handicapping conditions, and positively influence later development when the child reaches school age.

Early education programs funded pursuant to Sections 56427, 56428, and 56728.8 shall provide a continuum of program options provided by a transdisciplinary team to meet the multiple and varied needs of infants and their families. Recognizing the parent as the infant's primary teacher, it is the Legislature's intent that early education programs shall include opportunities for the family to receive home visits and to participate in family involvement activities pursuant to Sections 56426.1 and 56426.4. It is the intent of the Legislature that, as an infant grows older, program emphasis would shift from home-based services to a combination of home-based and group services.

It is further the intent of the Legislature that services rendered by state and local agencies serving infants with exceptional needs and their families be coordinated and maximized.

SEC. 3. Section 56475 of the Education Code is amended to read:

56475. (a) The superintendent and the directors of the State Department of Health Services, the State Department of Mental Health, the State Department of Developmental Services, the State Department of Social Services, the Department of Rehabilitation, the Department of the Youth Authority, and the Employment Development Department shall develop written interagency agreements that include fiscal responsibilities for the provision of special education and related services to individuals with exceptional needs in the State of California.

(b) The superintendent shall develop interagency agreements with other state and local public agencies, as deemed necessary by the superintendent, to carry out the provisions of state and federal law.

(c) (1) Each interagency agreement shall be submitted by the superintendent to each legislative fiscal committee, education committee, and policy committee, responsible for legislation relating to those individuals with exceptional needs that will be affected by the agreement if it is effective.

(2) An interagency agreement shall not be effective sooner than 30 days after it has been submitted to each of the legislative committees specified in paragraph (1).

SEC. 4. 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 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, based on the unduplicated pupil count.

(2) For resource specialist programs—24, based on the unduplicated pupil count.

(3) For designated instruction and services—12, based on the unduplicated pupil count, or 39, based on the duplicated pupil count.

(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 subdivision, 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. 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 conform standards for recapture of underused instructional personnel service units for ages birth through age two with standards for ages three through 22 and to correct erroneous cross-references in provisions relating to the education of individuals with exceptional needs, it is necessary that this act take effect immediately.

CHAPTER 394

An act to amend Section 1170.95 of the Penal Code, relating to crimes.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 1170.95 of the Penal Code is amended to read:

1170.95. (a) Notwithstanding Section 1170.1 relating to the maximum total of subordinate terms for consecutive offenses which are not "violent felonies," the total of the subordinate terms for consecutive offenses which are all residential burglaries may exceed five years but shall not exceed 10 years.

(b) Notwithstanding Section 1170.1, the term of imprisonment may exceed twice the number of years imposed by the trial court as the base term pursuant to subdivision (b) of Section 1170 if the defendant stands convicted of at least two residential burglaries.

(c) Notwithstanding Section 1170.1, relating to the maximum total of subordinate terms for consecutive offenses that are not "violent felonies," the total of the subordinate terms for consecutive offenses that are all residential robberies may exceed five years but shall not exceed 10 years.

(d) Notwithstanding Section 1170.1, the term of imprisonment may exceed twice the number of years imposed by the trial court as the base term pursuant to subdivision (b) of Section 1170 if the defendant stands convicted of at least two residential robberies.

(e) As used in this section, "residential burglary" means burglary of an inhabited dwelling house or trailer coach, as defined in Section 635 of the Vehicle Code, or the inhabited portion of any other building.

(f) As used in this section, "residential robbery" means a robbery that is perpetrated in an inhabited dwelling house or trailer coach, as defined in Section 635 of the Vehicle Code, or the inhabited portion of any other building.

CHAPTER 395

An act to amend Section 9909.5 of the Business and Professions Code relating to employment agencies.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 9909.5 of the Business and Professions Code is amended to read:

9909.5. As used in this chapter, an "employment counseling service" means any business that advertises in any manner the following services for a fee: career counseling, vocational guidance, aptitude testing, executive consulting, personnel consulting, career management, evaluation, or planning, the development of résumés and other promotional materials relating to the preparation for employment. An "employment counseling service" does not include the functions of an "employment agency" defined in subdivision (a), (b), or (c) of Section 9902.

CHAPTER 396

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

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987]

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

SECTION 1. Notwithstanding the agreement between the Department of Parks and Recreation and Pleasant Hill Recreation and Park District regarding the use of the lands comprising Paso Nogal Park, the district may convey to the Contra Costa Water District a fee title to the portion of Paso Nogal Park described as Parcel One in the Grant of Easement recorded on December 3, 1986, in book 13295 of Official Records of Contra Costa County at page 470, containing approximately 0.65 acres.

However, the conveyance to the Contra Costa Water District shall be subject to all of the following conditions:

(a) That the Pleasant Hill Recreation and Park District reserves the right to use the surface of the land conveyed for park purposes in a manner that does not endanger or impair the operation of any structure of the Contra Costa Water District thereon.

(b) That the Contra Costa Water District uses the land conveyed solely as a site for a reservoir and appurtenances.

(c) That simultaneously with the conveyance of the described property, the Contra Costa Water District conveys to the Pleasant Hill Recreation and Park District a parcel of land adjacent to Paso Nogal Park containing approximately 0.8 acres.

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 land to be conveyed to the Contra Costa Water District pursuant to this act is urgently needed for the operation and maintenance of a water storage reservoir to provide an adequate public water supply for domestic and municipal uses and for firefighting.

CHAPTER 397

An act to add Sections 1227.2, 1227.3, 7461, and 7462 to the Financial Code, relating to financial institutions.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 1227.2 is added to the Financial Code, to read:

1227.2. (a) The provisions of any deed of trust or mortgage on real property which authorize any state or nationally chartered bank to accelerate the maturity date of the principal and interest on any loan secured thereby or to exercise any power of sale or other remedy contained in the deed of trust or mortgage, upon the failure of the trustor or mortgagor to pay, at the times provided under the terms of the deed of trust or mortgage, any taxes, rents, assessments, or insurance premiums with respect to the real property securing the loan, or upon the failure to pay any advances made with respect to the deed of trust or mortgage by the state or nationally chartered bank, shall be enforceable whether or not an impairment of the security interest in the real property has resulted from the failure of the trustor or mortgagor to pay the taxes, rents, assessments, insurance premiums, or advances.

(b) "State or nationally chartered bank," as used in this section and Section 1227.3, includes any person authorized by this state to make or arrange loans secured by real property, or a holding company of a state or nationally chartered bank or any successor in interest.

SEC. 2. Section 1227.3 is added to the Financial Code, to read:

1227.3. The provisions of any deed of trust or mortgage on real property which authorize any state or nationally chartered bank to

receive and control the disbursement of the proceeds of any policy of fire, flood, or other hazard insurance respecting the real property shall be enforceable whether or not an impairment of the security interest in the property has resulted from the event that caused the proceeds of the insurance policy to become payable.

SEC. 3. Section 7461 is added to the Financial Code, to read:

7461. The provisions of any deed of trust or mortgage on real property which authorize an association, federal association, affiliate or service corporation of an association or federal association, or any successor in interest thereto, to accelerate the maturity date of the principal and interest on any loan secured thereby or to exercise any power of sale or other remedy contained therein upon the failure of the trustor or mortgagor to pay, at the times provided for under the terms of the deed of trust or mortgage, any taxes, rents, assessments, or insurance premiums with respect to the property or the loan, or any advances made by the association, federal association, affiliate or service corporation of an association or federal association, or any successor in interest thereto, shall be enforceable whether or not impairment of the security interest in the property has resulted from the failure of the trustor or mortgagor to so pay the taxes, rents, assessments, insurance premiums, or advances.

SEC. 4. Section 7462 is added to the Financial Code, to read:

7462. The provisions of any deed of trust or mortgage on real property which authorize an association, federal association, affiliate or service corporation of an association or federal association, or any successor in interest thereto, to receive and control the disbursement of the proceeds of any policy of fire, flood, or other hazard insurance respecting the property shall be enforceable whether or not impairment of the security interest in the property has resulted from the event that caused the proceeds of the insurance policy to become payable.

SEC. 5. The Legislature hereby declares that this act is not intended to abrogate the holding in the case of Schoolcraft v. Ross (81 Cal. App. 3d 75) insofar as it provides that a lender may not prohibit the use of insurance proceeds for the restoration of the security property absent a showing that the lender's security interest in the property has been impaired. It is the intent of the Legislature to abrogate the holdings in cases such as Kreshek v. Sperling (157 Cal. App. 3d 279) and Freeman v. Lind (181 Cal. App. 3d 791) to the extent that those holdings in any way restrict the right of a beneficiary or mortgagee under a deed of trust or mortgage on real property to enforce the express provisions of the deed of trust or mortgage.

CHAPTER 398

An act to amend Section 25180 of the Health and Safety Code, relating to waste.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 25180 of the Health and Safety Code is amended to read:

25180. (a) The standards and regulations adopted by the department pursuant to Section 25150 shall be enforced by the department or any local health officer or any local public officer as designated by the director.

(b) In addition to the persons specified in subdivision (a), any traffic officer, as defined by Section 625 of the Vehicle Code and, any peace officer specified in Section 830.1 of the Penal Code may enforce Section 25160, subdivisions (a) and (e) of Section 25163, subdivision (b) of Section 25169.1, and Sections 25250.8, 25250.18, 25250.19, and 25250.23. Traffic officers and peace officers are authorized representatives of the department for purposes of enforcing the provisions set forth in this subdivision.

(c) Local health officers, or their representatives, or both, shall enforce the regulations adopted by the department pursuant to Section 25157.3.

CHAPTER 399

An act to amend Sections 50787 and 50788 of the Health and Safety Code, and to add Section 23701v to the Revenue and Taxation Code, relating to housing, and making an appropriation therefor.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 50787 of the Health and Safety Code is amended to read:

50787. Commencing January 1, 1988, the department shall undertake a report on the Mobilehome Park Purchase Fund, to be submitted to the Legislature no later than January 1, 1989. The report shall include, as a minimum, an examination of the financial, governmental, and institutional constraints to the conversion of mobilehome parks; a comparison of the different resident ownership structures financed pursuant to this chapter; the number, types, and

amounts of loans made; the number and characteristics of projects financed; the amount and types of assistance provided by local government; characteristics of financing provided by private lenders; data, if any, on loan delinquencies and defaults; the costs for residents in acquiring and converting mobilehome parks to resident ownership; the monthly costs of remaining in the parks; and the impact of the conversion upon lower income residents.

SEC. 2. Section 50788 of the Health and Safety Code is amended to read:

50788. This chapter 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 23701v is added to the Revenue and Taxation Code, to read:

23701v. An organization of owners of manufactured homes or mobilehomes, who are tenants in a mobilehome park, formed for the purpose of purchasing the mobilehome park pursuant to Section 50561 of the Health and Safety Code.

CHAPTER 400

An act to add Section 461.2 to the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 461.2 is added to the Public Utilities Code, to read:

461.2. For purposes of establishing rates for a telephone or telegraph corporation, the commission shall include all revenues and expenses of the corporation from the installation and maintenance of that simple inside wiring which is subject to the order of the Federal Communications Commission deregulating that wiring (CC Docket No. 79-105, FCC 86-63; 51 F.R. 8498, March 12, 1986).

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:

A recent order of the Federal Communications Commission deregulated the installation of simple inside telephone wiring and the maintenance of both simple and complex inside wiring, effective January 1, 1987. In order to authorize the Public Utilities Commission to continue to consider these revenues in establishing telephone rates, it is necessary that this act take effect immediately.

CHAPTER 401

An act to amend Section 13143 of, and to add Section 17920.8 to, the Health and Safety Code, relating to fire and panic safety.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 13143 of the Health and Safety Code is amended to read:

13143. (a) Except as provided in Section 18930, the State Fire Marshal, with the advice of the State Board of Fire Services, shall prepare, adopt, and submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13 and shall prepare and adopt other regulations establishing minimum requirements for the prevention of fire and for the protection of life and property against fire and panic in any building or structure used or intended for use as an asylum, jail, mental hospital, hospital, sanitarium, home for the aged, children's nursery, children's home or institution not otherwise excluded from the coverage of this subdivision, school, or any similar occupancy of any capacity, and in any theater, dancehall, skating rink, auditorium, assembly hall, meeting hall, nightclub, fair building, or similar place of assemblage where 50 or more persons may gather together in a building, room, or structure for the purpose of amusement, entertainment, instruction, deliberation, worship, drinking or dining, awaiting transportation, or education, and in any building or structure which is open to the public and is used or intended to be used for the showing of motion pictures when an admission fee is charged and when the building or structure has a capacity of 10 or more persons. The State Fire Marshal shall adopt and submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13 for the purposes described in this section. Regulations adopted pursuant to this subdivision and building standards relating to fire and panic safety published in the State Building Standards Code shall establish minimum requirements relating to the means of egress and the adequacy of exits from, the installation and maintenance of fire extinguishing and fire alarm systems in, the storage and handling of

combustible or explosive materials or substances, and the installation and maintenance of appliances, equipment, decorations, and furnishings that present a fire, explosion or panic hazard, and the minimum requirements shall be predicated on the height and fire-resistive qualities of the building or structure and the type of occupancy for which it is to be used. The building standards and other regulations shall apply to auxiliary or accessory buildings used or intended for use with any of the occupancies mentioned in this subdivision. Violation of any building standard or other regulation shall be a violation of the provisions of this chapter.

In preparing and adopting building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13, and in preparing and adopting other regulations affecting public schools, the State Fire Marshal shall also secure the advice of the State Department of Education. No regulation adopted by the State Fire Marshal shall conflict with any rule, regulation, or building standard lawfully adopted or enforced by the Department of General Services pursuant to Article 3 (commencing with Section 39140) of Chapter 2 of Part 23 or Article 7 (commencing with Section 81130) of Chapter 1 of Part 49 of the Education Code.

In addition to any other requirements for location of exit signs or devices, the State Fire Marshal shall adopt building standards pursuant to this section establishing minimum requirements for the placement of distinctive devices, signs, or other means that identify exits and can be felt or seen near the floor. These building standards shall apply to all newly constructed buildings or structures subject to this subdivision for which a building permit is issued, (or construction commenced, where no building permit is issued) on or after January 1, 1989.

(b) Notwithstanding the provisions of subdivision (a) and Section 13143.6, facilities licensed pursuant to Chapter 3 (commencing with Section 1500) of Division 2 which provide nonmedical board, room, and care for six or fewer ambulatory children placed with the licensee for care or foster family homes and family day care homes for children, licensed pursuant to Chapter 3.6 (commencing with Section 1597.50) of Division 2, with a capacity of six or fewer and providing care and supervision for ambulatory children or children two years of age or younger, or both, shall not be subject to the provisions of Article 1 (commencing with Section 13100) or Article 2 (commencing with Section 13140) of this chapter or regulations adopted pursuant thereto. No city, county, or public district shall adopt or enforce any requirement for the prevention of fire or for the protection of life and property against fire and panic with respect to structures used as facilities specified in this subdivision, unless the requirement would be applicable to a structure regardless of the special occupancy. Nothing in this subdivision shall restrict the application of state or local housing standards to those facilities, if the standards are applicable to residential occupancies and are not based upon the use of the structure as a facility specified in this subdivision.

"Ambulatory children," as used in this subdivision, does not include nonambulatory persons, as defined in Section 13131, and relatives of the licensee or the licensee's spouse.

SEC. 2. Section 17920.8 is added to the Health and Safety Code, to read:

17920.8. In addition to any other requirements for location of exit signs or devices in hotels, motels, or apartment houses, the State Fire Marshal shall adopt building standards establishing minimum requirements for the placement of distinctive devices, signs, or other means that identify exits and can be felt or seen near the floor. These building standards shall apply to all newly constructed occupancies subject to this section for which a building permit is issued, (or construction commenced, where no building permit is issued) on or after January 1, 1989.

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 19852 of the Health and Safety 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 402

An act to amend Sections 481.5 and 678.1 of the Insurance Code, relating to insurance.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 481.5 of the Insurance Code is amended to read:

481.5. (a) Whenever an insurer endorses, rejects, declines, cancels, or surrenders a policy of insurance as defined in subdivision (a) of Section 660 or Section 675, or a policy of insurance as defined in subdivision (a) of Section 660 or Section 675 is canceled pursuant to Section 673, the unearned premium shall be tendered to the insured or to the person entitled thereto or to the insurance agent of record as the insurer's agent for transmittal within 30 days after the cessation or amendment of coverage due to endorsement, cancellation, rejection, surrender, or rescission. Any unearned premium not tendered within the time specified above shall bear interest at the rate of 10 percent per annum from and after such 30 days. Such interest imposition shall not apply to any insurer in conservatorship or liquidation and shall constitute the sole penalty paid to the insured for a failure to refund an unearned premium.

(b) Whenever a policy is canceled pursuant to Section 673, other

than a policy as defined in subdivision (a) of Section 660 or Section 675, the unearned premium shall be tendered to the person entitled thereto or to the insurance agent of record as the insurer's agent for transmittal within 120 days after the cessation of coverage due to cancellation. Any unearned premium not tendered within the time specified above shall bear interest at the rate of 10 percent per annum from and after such 120 days. Such interest imposition shall not apply to any insurer in conservatorship or liquidation and shall constitute the sole penalty paid to the insured for a failure to refund an unearned premium.

(c) For purposes of subdivisions (a) and (b), where the unearned premium is not assigned as security to a premium finance agency pursuant to a premium finance agreement and where the amount of unearned premium is less than twenty-five dollars ($25), tender of unearned premium shall include applying the amount of unearned premium either to the renewal premium at the next renewal date or to other premiums due, provided written notice of either application is given to the insured within 30 days after the endorsement, rejection, declination, cancellation, or surrender of a policy of insurance. At the time of endorsement or surrender of a policy of insurance or, within 15 days after the mailing of the written notice required by this subdivision, the insured may request in writing that the unearned premium be tendered as provided in subdivisions (a) and (b). Whenever the amount of unearned premium is less than five dollars ($5), tender shall be effective and the written notice required by this subdivision shall not be required provided the unearned premium is applied either to the renewal premium at the next renewal date or to other premiums due.

SEC. 2. Section 678.1 of the Insurance Code is amended to read:

678.1. (a) This section applies only to policies of insurance of commercial insurance which are subject to Section 675.5.

(b) A notice of nonrenewal shall be in writing and shall be delivered or mailed to the producer of record and to the named insured at the mailing address shown on the policy. Subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed.

(c) An insurer, at least 45 days, but not more than 120 days, in advance of the end of the policy period, shall give notice of nonrenewal, and the reasons for the nonrenewal, if the insurer intends not to renew the policy, or to condition renewal upon reduction of limits, elimination of coverages, increase in deductibles, or increase of more than 25 percent in the rate upon which the premium is based. Excepting that an insurer for policyholders whose aggregate premium is ten thousand dollars ($10,000) or less shall, at least 60 days but not more than 120 days in advance of the policy period, give notice of nonrenewal, and the reasons for the nonrenewal if the insurer intends to not renew the policy, or, to condition renewal upon reduction of limits, elimination of coverages, increase in deductibles, or increase of more than 25 percent in the

rate upon which the premium is based.

(d) If an insurer fails to give timely notice required by subdivision (c), the policy of insurance shall be continued, with no change in its terms or conditions, for a period of 60 days after the insurer gives the notice.

(e) A notice of nonrenewal shall not be required in any of the following situations:

(1) The transfer of, or renewal of, a policy without a change in its terms or conditions or the rate on which the premium is based between insurers which are members of the same insurance group.

(2) The policy has been extended for 90 days or less, if the notice required in subdivision (c) has been given prior to the extension.

(3) The named insured has obtained replacement coverage or has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

(4) The policy is for a period of no more than 60 days and the insured is notified at the time of issuance that it may not be renewed.

(5) The named insured requests a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the policy period.

(6) The insurer has made a written offer to the insured, within the time period specified in subdivision (c), to renew the policy under changed terms or conditions or at a changed premium rate. As used herein, "terms or conditions" includes, but is not limited to, a reduction in limits, elimination of coverages, or an increase in deductibles.

CHAPTER 403

An act to amend Section 33320.1 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 33320.1 of the Health and Safety Code is amended to read:

33320.1. (a) "Project area" means, except as provided in Section 33320.2, 33320.3, or 33320.4, a predominantly urbanized area of a community which is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in this part, and which is selected by the planning commission pursuant to Section 33322.

(b) As used in this section, "predominantly urbanized" means that not less than 80 percent of the privately owned property in the project area:

(1) Has been or is developed for urban uses; or

(2) Is characterized by the conditions described in subdivision (a), (b), or (e) of Section 33032; or

(3) Is an integral part of an area developed for urban uses.

(c) For the purposes of this section, a parcel of property as shown on the official maps of the county assessor is developed if that parcel is developed in a manner which is either consistent with zoning or is otherwise permitted under law. For the purposes of this section, if property is acquired by the community less than 180 days prior to the date of adoption of the survey area resolution and is not dedicated or devoted to a public use on the date the survey area resolution is adopted, that property shall be deemed privately owned property.

(d) The requirement that a project be predominantly urbanized shall apply only to a project area for which a final redevelopment plan is adopted on or after January 1, 1984, or to an area which is added to a project area by an amendment to a redevelopment plan, which amendment is adopted on or after January 1, 1984.

SEC. 2. The amendments to Section 33320.1 of the Health and Safety Code made by Section 1 of this act do not constitute a change in, but are declaratory of, the existing law.

CHAPTER 404

An act to amend Section 7050.5 of the Health and Safety Code, and to amend Section 5097.99 of the Public Resources Code, relating to Native Americans.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 7050.5 of the Health and Safety Code is amended to read:

7050.5. (a) Every person who knowingly mutilates or disinters, wantonly disturbs, or willfully removes any human remains in or from any location other than a dedicated cemetery without authority of law is guilty of a misdemeanor, except as provided in Section 5097.99 of the Public Resources Code. The provisions of this subdivision shall not apply to any person carrying out an agreement developed pursuant to subdivision (*l*) of Section 5097.94 of the Public Resources Code or to any person authorized to implement Section 5097.98 of the Public Resources Code.

(b) In the event of discovery or recognition of any human remains in any location other than a dedicated cemetery, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent remains until the coroner

of the county in which the human remains are discovered has determined, in accordance with Chapter 10 (commencing with Section 27460) of Part 3 of Division 2 of Title 3 of the Government Code, that the remains are not subject to the provisions of Section 27491 of the Government Code or any other related provisions of law concerning investigation of the circumstances, manner and cause of any death, and the recommendations concerning the treatment and disposition of the human remains have been made to the person responsible for the excavation, or to his or her authorized representative, in the manner provided in Section 5097.98 of the Public Resources Code. The coroner shall make his or her determination within two working days from the time the person responsible for the excavation, or his or her authorized representative, notifies the coroner of the discovery or recognition of the human remains.

(c) If the coroner determines that the remains are not subject to his or her authority and if the coroner recognizes the human remains to be those of a Native American, or has reason to believe that they are those of a Native American, he or she shall contact, by telephone within 24 hours, the Native American Heritage Commission.

SEC. 2. Section 5097.99 of the Public Resources Code is amended to read:

5097.99. (a) No person shall obtain or possess any Native American artifacts or human remains which are taken from a Native American grave or cairn on or after January 1, 1984, except as otherwise provided by law or in accordance with an agreement reached pursuant to subdivision (*l*) of Section 5097.94 or pursuant to Section 5097.98.

(b) Any person who knowingly or willfully obtains or possesses any Native American artifacts or human remains which are taken from a Native American grave or cairn after January 1, 1988, except as otherwise provided by law or in accordance with an agreement reached pursuant to subdivision (*l*) of Section 5097.94 or pursuant to Section 5097.98, is guilty of a felony which is punishable by imprisonment in the state prison.

(c) Any person who removes, without authority of law, any Native American artifacts or human remains from a Native American grave or cairn with an intent to sell or dissect or with malice or wantonness is guilty of a felony which is punishable 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 405

An act to amend Sections 32130.1 and 32130.2 of the Health and Safety Code, relating to hospital districts.

[Approved by Governor September 2, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 32130.1 of the Health and Safety Code is amended to read:

32130.1. A district is also authorized, when funds are needed to meet current expenses of maintenance and operation, to borrow money on certificates of indebtedness or other evidence of indebtedness in an amount not to exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation of the district, the certificates of indebtedness to run for a period not to exceed five years and to bear interest not to exceed the rate prescribed in Section 53531 of the Government Code.

All certificates of indebtedness or other evidence of indebtedness shall be issued after the adoption by a three-fifths vote of the board of directors of the district of a resolution setting forth the necessity for the borrowing and the amount of the assessed valuation of the district and the amount of funds to be borrowed thereon. All certificates of indebtedness or other evidence of indebtedness shall be offered at public sale by the board of directors of the district after not less than 10 days advertising in a newspaper of general circulation within the district and if no newspaper of general circulation is printed within the district, then in a newspaper of general circulation within the county in which the district is located. Each sale shall be made to the bidder offering the lowest rate of interest or whose bid represents the lowest net cost to the district. However, the rate of interest shall not exceed the rate prescribed in Section 53531 of the Government Code.

The certificates of indebtedness or other evidences of indebtedness shall be signed on behalf of the district by the presiding officer and attested by the secretary of the board of directors of the district. The board of supervisors of the county in which the district lies shall, at the time of fixing the general tax levy, sometimes called the annual assessment or regular annual assessment for the district, and in the manner for the general tax levy provided, levy and collect annually each year until the certificates of indebtedness or other evidences of indebtedness are paid or until there is a sum in the treasury set apart for that purpose sufficient to meet all sums coming due for principal and interest on the certificates of indebtedness or other evidences of indebtedness, tax sufficient to pay the interest on the certificates of indebtedness as the same become due and also, to constitute a sinking fund for the payment of the principal thereof at

maturity. The tax shall be in addition to all of the taxes levied for district purposes and shall be placed in a certificate of indebtedness, interest and sinking fund of the district and, until all of the principal of the interest and certificates of indebtedness is paid, the money in the fund shall be used for no other purpose than the payment of the certificates of indebtedness and accruing interest thereon.

SEC. 2. Section 32130.2 of the Health and Safety Code is amended to read:

32130.2. (a) A district may, by resolution adopted by a majority of the district board, issue negotiable promissory notes to acquire funds for any district purposes subject to the restrictions and requirements imposed by this section. 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 section.

(b) Negotiable promissory notes may be issued pursuant to this section for any capital outlay facility, equipment, or item which has a useful life equal to, or longer than, the term of the notes, as determined by the board of directors.

(c) The maximum annual interest rate which may be paid on negotiable promissory notes shall at no time exceed the amount authorized under Section 53531 of the Government Code.

CHAPTER 406

An act to amend Section 76002 of the Education Code, relating to community colleges.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 76002 of the Education Code is amended to read:

76002. (a) The president of any community college may admit to the summer session of the community college as a special student any student, with parental consent:

(1) Whose admission to summer session is recommended by the principal of the school which the student attends.

(2) Who has demonstrated adequate preparation in the discipline to be studied.

(3) Who has availed himself or herself of all opportunities to enroll

in an equivalent course at his or her school of attendance.

(b) A principal may recommend a student as a special student pursuant to rules and regulations that may be adopted by the governing board of the school district. The principal of a school shall not recommend a number of students who have completed a particular grade in excess of 5 percent of the total number of students in the school who have completed that grade immediately prior to the time of recommendation.

(c) The attendance of a special summer session student at a community college pursuant to this section shall be credited to the district maintaining the community college for the purposes of allowances and apportionments from the State School Fund. The student shall receive credit for community college courses that he or she completes, in a manner determined to be appropriate by the governing boards of the school district and the community college district.

(d) Sections 76001, 76001.5, and 48800 to 48802, inclusive, do not apply to the special students authorized to be admitted to a community college summer session pursuant to this section.

CHAPTER 407

An act to add Section 6302.5 to the Harbors and Navigation Code, relating to port districts.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 6302.5 is added to the Harbors and Navigation Code, to read:

6302.5. (a) This section is applicable only within the Santa Cruz Port District. The Legislature finds and declares that this section is necessary to meet a serious danger to the public safety within the Santa Cruz Port District caused by surfriding activities within the harbor entrance area.

(b) No person shall swim or surfride, or use any watercraft or device to surfride, on ocean waters within a harbor entrance area, as prescribed by the Santa Cruz Port District by ordinance.

(c) For the purposes of this section, "surfride" includes traveling to or from a surfriding staging area and activities in the staging area which are preparatory or preliminary to, or connected with, riding the surf.

(d) Every person who violates this section is guilty of a misdemeanor, and shall be punished by a fine not to exceed five hundred dollars ($500).

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 add Sections 1509, 1510, 1511, and 1512 to the Corporations Code, relating to corporations.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 1509 is added to the Corporations Code, to read:

1509. For a period of 60 days following the conclusion of an annual, regular, or special meeting of shareholders, a corporation shall, upon written request from a shareholder, forthwith inform the shareholder of the result of any particular vote of shareholders taken at the meeting, including the number of shares voting for, the number of shares voting against, and the number of shares abstaining or withheld from voting. If the matter voted on was the election of directors, the corporation shall report the number of shares (or votes if voted cumulatively) cast for each nominee for director. If more than one class or series of shares voted, the report shall state the appropriate numbers by class and series of shares.

SEC. 2. Section 1510 is added to the Corporations Code, to read:

1510. (a) Any foreign corporation qualified to transact intrastate business in this state shall provide the information specified in Section 1509, at the request of a shareholder resident in this state.

(b) Any of the following shall be considered to be a shareholder resident in this state:

(1) A natural person residing in this state.

(2) A bank organized under Division 1 (commencing with Section 99) of the Financial Code, whether acting for itself, acting as a sole fiduciary, or acting with one or more other persons as a fiduciary.

(3) A national bank having its head office in this state whether acting for itself, acting as a sole fiduciary, or acting with one or more other persons as a fiduciary.

(4) Any retirement fund for public employees established or authorized by any law of this state.

SEC. 3. Section 1511 is added to the Corporations Code, to read:

1511. Any foreign corporation which is not qualified to transact intrastate business in this state but has one or more subsidiaries which

are domestic corporations or foreign corporations qualified to transact intrastate business in this state shall provide the information specified in Section 1509, at the request of a shareholder resident in this state, as defined by subdivision (b) of Section 1510.

SEC. 4. Section 1512 is added to the Corporations Code, to read:

1512. (a) For the purposes of Sections 1509, 1510, and 1511, a shareholder includes (1) any person named in a share certificate as a shareholder or (2) any person named as a shareholder on the records of a central depository, bank, or broker-dealer with respect to shares which are subject to the control of the central depository, bank, or broker-dealer.

(b) A beneficiary of a trust, a beneficiary of the estate of a decedent, or an employee with respect to a pension, retirement, or health care trust or fund is not a shareholder of any shares standing in the name of the trust, the fund, the decedent, or the estate of the decedent.

(c) A person who is a shareholder by reason of paragraph (2) of subdivision (a) shall provide the corporation with a photocopy of a receipt of a statement from the central depository, bank, or broker-dealer showing the person to be a shareholder and the corporation shall accept the photocopy as sufficient evidence thereof.

CHAPTER 409

An act to amend Section 3205.5 of, and to add Section 3205.2 to, the Public Resources Code, relating to disposal wells.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 3205.2 is added to the Public Resources Code, to read:

3205.2. (a) Notwithstanding Section 3204, any person who engages in the operation of a Class II commercial waste water disposal well, as defined in subdivision (d), shall file an indemnity bond with the supervisor for fifty thousand dollars ($50,000) for each well so used. The bond shall cover all operations of drilling, redrilling, deepening, altering casing, maintaining, or abandoning the well and attendant facilities. The bond shall be executed by the person as the principal, and by an authorized surety company as the surety, and, except for differences in the amount, shall be in substantially the same language and upon the same conditions as provided in Section 3204.

(b) A blanket bond submitted under Section 3205 may be used in lieu of the bond required in subdivision (a), except that the

termination and cancellation shall be in accordance with subdivision (c).

(c) Notwithstanding Section 3207, any bond issued in compliance with this section may be terminated and canceled and the surety relieved of all obligations thereunder when the well is properly abandoned or another valid bond has been substituted therefor.

(d) A Class II commercial waste water disposal well is a well which is used to dispose of oilfield waste water for a fee and which is regulated by the division pursuant to this chapter and Subpart F (commencing with Section 147.250) of Part 147 of Title 40 of the Code of Federal Regulations.

SEC. 2. Section 3205.5 of the Public Resources Code is amended to read:

3205.5. In lieu of the bond required by Sections 3204, 3205, 3205.1, and 3205.2, a deposit may, with the written approval of the supervisor, be given pursuant to Article 7 (commencing with Section 995.710) of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure, other than a deposit of money or bearer bonds or bearer notes.

CHAPTER 410

An act to amend Section 25523 of the Public Resources Code, relating to thermal powerplants.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 25523 of the Public Resources Code is amended to read:

25523. The commission shall prepare a written decision after the public hearing on an application, which includes all of the following:

(a) Specific provisions relating to the manner in which the proposed facility is to be designed, sited, and operated in order to protect environmental quality and assure public health and safety.

(b) In the case of a site to be located in the coastal zone, specific provisions to meet the objectives of Division 20 (commencing with Section 30000) as may be specified in the report submitted by the California Coastal Commission pursuant to subdivision (d) of Section 30413, unless the commission specifically finds that the adoption of the provisions specified in the report would result in greater adverse effect on the environment or that the provisions proposed in the report would not be feasible.

(c) In the case of a site to be located in the Suisun Marsh or in the jurisdiction of the San Francisco Bay Conservation and Development Commission, specific provisions to meet the requirements of

Division 19 (commencing with Section 29000) of this code or Title 7.2 (commencing with Section 66600) of the Government Code as may be specified in the report submitted by the San Francisco Bay Conservation and Development Commission pursuant to subdivision (d) of Section 66645 of the Government Code, unless the commission specifically finds that the adoption of the provisions specified in the report would result in greater adverse effect on the environment or the provisions proposed in the report would not be feasible.

(d) Findings regarding the conformity of the proposed site and related facilities with standards adopted by the commission pursuant to Section 25216.3 and subdivision (d) of Section 25402, with public safety standards and the applicable air and water quality standards, and with other relevant local, regional, state, and federal standards, ordinances, or laws. If the commission finds that there is noncompliance with any state, local, or regional ordinance or regulation in the application, it shall consult and meet with the state, local, or regional governmental agency concerned to attempt to correct or eliminate the noncompliance. If the noncompliance cannot be corrected or eliminated, the commission shall inform the state, local, or regional governmental agency if it makes the findings required by Section 25525.

(e) Provision for restoring the site as necessary to protect the environment, if the commission denies approval of the application.

(f) Findings regarding the conformity of the proposed facility with the 12-year forecast of statewide and service area electric power demands adopted pursuant to subdivision (e) of Section 25305.

(g) In the case of a geothermal site and related facility, findings on whether there are sufficient commercial quantities of geothermal resources available to operate the proposed facility for its planned life.

(h) In the case of a site and related facility using resource recovery (waste-to-energy) technology, specific conditions requiring that the facility be monitored to ensure compliance with paragraphs (1), (2), (3), and (6) of subdivision (a) of Section 42315 of the Health and Safety Code.

(i) In the case of a facility other than a resource recovery facility subject to subdivision (h), specific conditions requiring the facility to be monitored to ensure compliance with toxic air contaminant control measures adopted by an air pollution control district or air quality management district pursuant to subdivision (d) of Section 39666 or Section 41700 of the Health and Safety Code, whether the measures were adopted before or after issuance of a determination of compliance by the district.

SEC. 2. Section 25523 of the Public Resources Code is amended to read:

25523. The commission shall prepare a written decision after the public hearing on an application, which includes all of the following:

(a) Specific provisions relating to the manner in which the proposed facility is to be designed, sited, and operated in order to

protect environmental quality and assure public health and safety.

(b) In the case of a site to be located in the coastal zone, specific provisions to meet the objectives of Division 20 (commencing with Section 30000) as may be specified in the report submitted by the California Coastal Commission pursuant to subdivision (d) of Section 30413, unless the commission specifically finds that the adoption of the provisions specified in the report would result in greater adverse effect on the environment or that the provisions proposed in the report would not be feasible.

(c) In the case of a site to be located in the Suisun Marsh or in the jurisdiction of the San Francisco Bay Conservation and Development Commission, specific provisions to meet the requirements of Division 19 (commencing with Section 29000) of this code or Title 7.2 (commencing with Section 66600) of the Government Code as may be specified in the report submitted by the San Francisco Bay Conservation and Development Commission pursuant to subdivision (d) of Section 66645 of the Government Code, unless the commission specifically finds that the adoption of the provisions specified in the report would result in greater adverse effect on the environment or the provisions proposed in the report would not be feasible.

(d) Findings regarding the conformity of the proposed site and related facilities with standards adopted by the commission pursuant to Section 25216.3 and subdivision (d) of Section 25402, with public safety standards and the applicable air and water quality standards, and with other relevant local, regional, state, and federal standards, ordinances, or laws. If the commission finds that there is noncompliance with any state, local, or regional ordinance or regulation in the application, it shall consult and meet with the state, local, or regional governmental agency concerned to attempt to correct or eliminate the noncompliance. If the noncompliance cannot be corrected or eliminated, the commission shall inform the state, local, or regional governmental agency if it makes the findings required by Section 25525.

(e) Provision for restoring the site as necessary to protect the environment, if the commission denies approval of the application.

(f) Findings regarding the conformity of the proposed facility with the 12-year forecast of statewide and service area electric power demands adopted pursuant to subdivision (e) of Section 25305.

(g) In the case of a geothermal site and related facility, findings on whether there are sufficient commercial quantities of geothermal resources available to operate the proposed facility for its planned life.

(h) In the case of a site and related facility using resource recovery (waste-to-energy) technology, specific conditions requiring all of the following:

(1) The facility be monitored to ensure compliance with paragraphs (1), (2), (3), and (6) of subdivision (a) of Section 42315 of the Health and Safety Code.

(2) The facility is consistent with the most recent electricity

report issued by the commission pursuant to Sections 25305 and 25308.

(3) The facility meets the requirements of Section 66796.40 of the Government Code, except that the commission shall only require the facility to comply with paragraph (3) of subdivision (a) of Section 66796.40 where the air pollution control district or air quality management district within which the facility would be situated has established general forecast areas.

(i) In the case of a facility other than a resource recovery facility subject to subdivision (h), specific conditions requiring the facility to be monitored to ensure compliance with toxic air contaminant control measures adopted by an air pollution control district or air quality management district pursuant to subdivision (d) of Section 39666 or Section 41700 of the Health and Safety Code, whether the measures were adopted before or after issuance of a determination of compliance by the district.

SEC. 3. Section 2 of this bill incorporates amendments to Section 25523 of the Public Resources Code proposed by both this bill and AB 545. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1988, (2) each bill amends Section 25523 of the Public Resources Code, and (3) this bill is enacted after AB 545, in which case Section 1 of this bill shall not become operative.

CHAPTER 411

An act to add Sections 713 and 714 to, and to repeal Sections 703 and 704 of, the Public Resources Code, relating to the Department of Forestry and Fire Protection.

[Approved by Governor September 2, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 703 of the Public Resources Code is repealed.

SEC. 2. Section 704 of the Public Resources Code is repealed.

SEC. 3. Section 713 is added to the Public Resources Code, to read:

713. The department is responsible for the fire protection, fire prevention, maintenance, and enhancement of the state's forest, range, and brushland resources, contract fire protection, associated emergency services, and assistance in civil disasters and other nonfire emergencies. Department programs, as made specific in Division 4 (commencing with Section 4001), are closely related and interdependent. The department shall coordinate programs of fire protection, fire prevention, pest control, and forest and range maintenance and enhancement.

SEC. 4. Section 714 is added to the Public Resources Code, to read:

714. The department is responsible for all of the following:

(a) Providing fire protection, fire prevention, pest control, and forest and range protection and enhancement implements and apparatus as necessary.

(b) Maintaining an integrated staff to accomplish fire protection, fire prevention, pest control, and forest and range protection and enhancement activities as needed.

(c) Establishing and maintaining facilities for the performance of fire protection, fire prevention, pest control, and forest and range protection and enhancement activities.

(d) Enforcing forest and fire laws, the Z'berg-Nejedly Forest Practice Act of 1973 (Chapter 8 (commencing with Section 4511), Part 2, Division 4), and other laws specified in Division 4 (commencing with Section 4001).

CHAPTER 412

An act to add Chapter 5.5 (commencing with Section 37670) to Part 22 of the Education Code, relating to education.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987]

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

SECTION 1. Chapter 5.5 (commencing with Section 37670) is added to Part 22 of the Education Code, to read:

CHAPTER 5.5. YEAR-ROUND SCHEDULING

37670. Notwithstanding any other provision of law, the Superintendent of Public Instruction may approve the application of any school district to operate a program of year-round scheduling at one or more schools within the district for fewer than 175 days in each fiscal year, so long as the number of instructional days equals or exceeds 163 days and so long as the number of annual instructional minutes is not less than that of schools of the same grade levels utilizing the traditional school calendar.

(b) All certificated employees under this program, except those serving under an administrative or supervisorial credential and who are assigned full time to a school in positions requiring qualifications for certification, shall work the same number of days and shall increase the number of minutes worked daily on a uniform basis.

(c) A program approved under this section shall be eligible for apportionment from the State School Fund.

37671. Approval of programs provided for in Section 37670 shall

exempt the affected district and schools from the requirements of Sections 37202 and 37203.

37672. No pupil participating in programs as described in Section 37670 shall be credited with more than one day of attendance in any calendar day, except as permitted in Section 46140.

Average daily attendance generated in the regular elementary, junior high, and high schools operated under Section 37670 shall be calculated as prescribed in subdivision (a) of Section 41601.

37673. The program approvals provided for in this chapter shall terminate July 1, 1995, unless extended by subsequent legislation.

CHAPTER 413

An act to amend Sections 15355.3 and 15355.9 of the Government Code, relating to economic development.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 15355.3 of the Government Code is amended to read:

15355.3. (a) The director shall report on or before March 1 of each year to the Governor, the Secretary of the Business, Transportation and Housing Agency, and the Legislature on the industrial marketing program. The first annual report shall contain all of the following:

(1) The types of information and data to be available and used by the department in responding to corporations inquiring about industrial sites in California.

(2) The methods which the department will use to collect, update, and disseminate that information and data.

(3) The methods that the department will use to ensure that all regions of the state, particularly economically distressed and nonmetropolitan areas, have reasonable access to referrals of corporate inquires for which those regions may be well suited.

(b) Subsequent annual reports shall contain all of the following:

(1) The updated industrial marketing and inquiry response plans.

(2) Information on the impact of the marketing program on:

(A) Corporate inquiries.

(B) Plant locations and expansions, including data on their geographic distribution by county.

(C) Employment in the state.

(D) State and local tax receipts.

(E) Other factors as determined by the director in cooperation with the advisory committee.

(3) A record of the geographic distribution of inquiry referrals the

department makes to local entities.

SEC. 2. Section 15355.9 of the Government Code is amended to read:

15355.9. This article shall become inoperative on July 1, 1993, and, as of January 1, 1994, is repealed, unless a later enacted statute which becomes effective on or before January 1, 1994, deletes or extends the dates on which it becomes inoperative and is repealed.

CHAPTER 414

An act to amend Section 971 of the Military and Veterans Code, relating to veterans.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 971 of the Military and Veterans Code is amended to read:

971. The county veteran service officer shall assist every veteran of any war of the United States and the dependents of every deceased veteran in presenting and pursuing any claim the veteran may have against the United States arising out of war service and in establishing the veteran's right to any privilege, preference, care, or compensation provided for by the laws of the United States or of this state. If in any case the assistance rendered by the county veteran service officer results in the provision of benefits to the veteran by the United States which replace benefits previously provided by the state, the county veteran service officer may document the resultant savings to the state and transmit this information to the Department of Veterans Affairs.

CHAPTER 415

An act to amend Sections 273d and 273.5 of the Penal Code, relating to crimes.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 273d of the Penal Code is amended to read:

273d. Any person who willfully inflicts upon any child any cruel or inhuman corporal punishment or injury resulting in a traumatic condition is guilty of a felony, and upon conviction thereof shall be

punished by imprisonment in the state prison for 2, 4, or 6 years, or in the county jail for not more than one year, or by a fine of up to six thousand dollars ($6,000) or by both.

In any case in which a person is convicted of violating this section and probation is granted, the court shall require supervised counseling as a condition of probation unless, considering all of the facts and circumstances, the court finds counseling inappropriate for the defendant.

SEC. 2. Section 273.5 of the Penal Code is amended to read:

273.5. (a) Any person who willfully inflicts upon his or her spouse, or any person who willfully inflicts upon any person of the opposite sex with whom he or she is cohabiting, corporal injury resulting in a traumatic condition, is guilty of a felony, and upon conviction thereof shall be punished by imprisonment in the state prison for 2, 3 or 4 years, or in the county jail for not more than one year, or by a fine of up to six thousand dollars ($6,000) or by both.

(b) Holding oneself out to be the husband or wife of the person with whom one is cohabiting is not necessary to constitute cohabitation as the term is used in this section.

(c) As used in this section, "traumatic condition" means a condition of the body, such as a wound or external or internal injury, whether of a minor or serious nature, caused by a physical force.

(d) In any case in which a person is convicted of violating this section and probation is granted, the court shall require supervised counseling as a condition of probation unless, considering all of the facts and circumstances, the court finds counseling inappropriate for the defendant.

CHAPTER 416

An act to amend Section 22226 of, and to add and repeal Section 22223 of, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 22223 is added to the Education Code, to read:

22223. Notwithstanding any other provision of law, the board shall give first priority to investing not less than 25 percent of all funds which become available in a fiscal year for new investments, in the following:

(a) Obligations secured by a lien or charge solely on residential realty, including rental housing, located in the state and on the security of which, commercial banks are permitted to make loans

pursuant to Article 2 (commencing with Section 1220) of Chapter 10 of Division 1 of the Financial Code.

(b) Securities representing a beneficial interest in a pool of obligations secured by a lien or charge solely on residential realty located in the state.

(c) Certificates of deposit issued by savings and loan associations, if the savings and loan associations agree to make loans, or to fund tax-exempt notes or bonds issued by housing authorities, cities, or counties, on residential realty located in the state, including rental housing, in an amount equal to the amount of the deposit.

Funds subject to investment pursuant to this section include all moneys received as employer and member contributions, investment income, and the proceeds of redemption of debt securities and instruments with a maturity in excess of one year, reduced by the amount of benefit payments and withdrawals occurring during the fiscal year. In computing the amount of investment pursuant to this section, a dollar for dollar credit shall be given for residential realty investments described in this section which are contractually agreed to be made by a financial institution from which the board (in consideration thereof) purchases other such investments. In computing the amount of investment pursuant to this section, the board may elect to include the dollar amount of commitments to purchase mortgages from public revenue bond programs in the year the commitment is given. However, that election may not exceed one-fifth of the total guideline amount.

Nothing in this section shall be construed to require the acquisition of any instrument or security at less than the market rate.

If the board determines during any fiscal year that compliance with this section will result in lower overall earnings for the fund than obtainable from alternative investment opportunities that would provide equal or superior security, including guarantee of yield, the board may substitute those higher yielding investments, to the extent actually available for acquisition, for the investments otherwise specified by this section. Additionally, if (and to the extent that) adherence to the diversification guideline specified in this section would conflict with its fiduciary obligations in violation of Section 9 of Article I of the California Constitution or Section 10 of Article I of the United States Constitution, or would conflict with the standard for prudent investment of the fund as set forth in Section 17 of Article XVI of the California Constitution, the board may substitute alternative investments. In that case, the board shall submit its resolution of findings and determinations, together with a description of the type, quantity, and yield of the investments substituted, to the Governor and to the Joint Legislative Audit Committee within 10 days following the conclusion of the fiscal year. Within 30 days thereafter, the Joint Legislative Audit Committee shall transmit the Auditor General's report to the Speaker of the Assembly and to the Senate Rules Committee for transmittal to affected policy committees.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1993, deletes or extends that date.

SEC. 2. Section 22226 of the Education Code is amended to read:

22226. The board shall keep in convenient form such data as is necessary for the actuarial valuation of the system.

In not to exceed six-year periods, the board shall make an actuarial investigation into the mortality, service, and other experience of members and beneficiaries and shall make an actuarial valuation of the assets and liabilities of the system. The actuary shall perform the actuarial valuation using actuarial assumptions adopted by the board and which are, in the aggregate, reasonably related to the past experience of the system and the best estimate by the actuary of the future experience of the system. The report of the actuary of the results of the actuarial valuation shall identify and include the components of normal cost and adequate information to determine the effects of changes in actuarial assumptions. Copies of the report on the actuarial valuation shall be transmitted to the Governor and the Legislature. Upon the basis of any or all of that actuarial investigation and valuation, the board shall adopt for the system such rates of return on investments, rates of contribution to the Teachers' Retirement Fund, mortality, service, and other tables as are deemed necessary.

CHAPTER 417

An act to amend Sections 12382.2 and 12382.5 of, and to add Sections 12389.1 and 12389.2 to, the Insurance Code, relating to insurance.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 12382.2 of the Insurance Code is amended to read:

12382.2. (a) Out of total charges for policies of title insurance, a title insurer shall add to and set aside in its unearned premium reserve commencing as of January 1, 1965, an amount equal to 2 percent of those total charges for policies of title insurance, which amount shall be deemed and shall constitute the unearned premiums due or received from all such policies or contracts. Except as otherwise provided in Section 12382.6, if any policy of title insurance shall be reinsured, the reinsuring company shall be required to set aside in its unearned premium reserve only that portion, if any, of that 2 percent as shall have not theretofore been set aside by the ceding company. This subdivision shall apply to policies issued and

reinsured prior to January 1, 1988.

(b) Out of total charges for policies of title insurance, a title insurer shall add to and set aside in its unearned premium reserve, an amount equal to 2½ percent of those total charges for policies of title insurance, which amount shall be deemed and shall constitute the unearned premiums due or received from all such policies or contracts. Except as otherwise provided in Section 12382.6, if any policy of title insurance shall be reinsured, the reinsurer shall be required to set aside in its unearned premium reserve only that portion, if any, of the 2½ percent as shall have not theretofore been set aside by the ceding company. This subdivision shall apply to policies issued and reinsured on and after January 1, 1988.

SEC. 2. Section 12382.5 of the Insurance Code is amended to read:

12382.5. (a) The aggregate of the amounts set aside in unearned premium reserve in any calendar year pursuant to subdivision (a) of Section 12382.2 shall be released from that reserve and restored to net profits pursuant to the following formula: one-tenth of that aggregate sum on July 1 of each of the five years next succeeding the year of addition to the reserve and one-thirtieth of that aggregate sum on July 1 of each succeeding year thereafter until the entire sum shall have been so released and restored to net profits. The aggregate of the amounts set aside in unearned premium reserve pursuant to subdivision (a) of Section 12382 shall be released from the reserve and restored to net profits and surplus pursuant to the foregoing formula, provided that the amounts so set aside shall be treated as if subdivision (a) of Section 12382 and this section had been effective during the calendar years 1962, 1963, and 1964.

(b) The aggregate of the amounts set aside in unearned premium reserve in any calendar year pursuant to subdivision (b) of Section 12382.2 shall be released from the reserve and restored to net profits pursuant to the following formula: one-tenth of the aggregate sum on July 1 of each of the 10 years next succeeding the year of addition to the reserve until the entire sum shall have been so released and restored to net profits.

SEC. 3. Section 12389.1 is added to the Insurance Code, to read:

12389.1. Before granting a license or a reissued license to act as an underwritten title company to any applicant, the commissioner shall consider the qualifications of the applicant in respect to the following subjects: (a) minimum net worth and working capital; (b) reasonableness of its plan of operation; (c) lawfulness and quality of investments; (d) financial stability; (e) competency, character, and integrity of management; (f) ownership and control of issued and outstanding shares; (g) fairness and honesty of methods of doing business; (h) method by which the applicant was promoted if any of its promoters remain as stockholders or in management; and (i) hazard to the public.

Upon consideration of all relevant qualifications, the commissioner shall issue or reissue a license to act as an underwritten title company

to the applicant, unless the commissioner shall have made a finding, or findings, that the applicant is materially deficient in respect to one or more of the items outlined herein.

SEC. 4. Section 12389.2 is added to the Insurance Code, to read:

12389.2. After the issuance or reissuance of a license to act as an underwritten title company, the holder shall continue to comply with the requirements as to its business set forth in Section 12389.1 and in the other applicable sections of this code, and in the other laws of this state.

CHAPTER 418

An act to amend Section 11712.5 of, and to add Section 24013.5 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 11712.5 of the Vehicle Code is amended to read:

11712.5. It is unlawful and a violation of this code for a dealer issued a license pursuant to this article to sell, offer for sale, or display any new vehicle, as follows:

(a) A new motorcycle unless there is securely attached thereto a statement as required by Section 24014.

(b) A new light duty truck with a manufacturer's gross vehicle weight rating of 8,500 pounds or less unless there is affixed to the light duty truck the label required by Section 24013.5.

SEC. 2. Section 24013.5 is added to the Vehicle Code, to read:

24013.5. (a) No dealer shall sell, offer for sale, or display for sale any new light duty truck with a manufacturer's gross vehicle weight rating of 8,500 pounds or less unless there is securely affixed to the windshield or side window of the light duty truck a label on which the manufacturer has endorsed clearly, distinctly, and legibly, true and correct entries disclosing the following information concerning the light duty truck:

(1) The make, model, and serial or identification number or numbers.

(2) The retail price of the light duty truck as suggested by the manufacturer.

(3) The retail delivered price, as suggested by the manufacturer, for each accessory or item of optional equipment which is physically attached to the light duty truck at the time of its delivery to the dealer and which is not included within the price of the light duty truck as stated pursuant to paragraph (2).

(4) The amount charged, if any, to the dealer for the

transportation of the light duty truck to the location at which it is delivered to the dealer.

(5) The total of the amounts specified pursuant to paragraphs (2), (3), and (4).

(b) Subdivision (a) applies to every light duty truck sold, offered for sale, or displayed in California which is manufactured on or after September 1, 1988.

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 419

An act to add and repeal Section 454.6 to the Public Utilities Code, relating to the Public Utilities Commission.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 454.6 is added to the Public Utilities Code, to read:

454.6. (a) The commisson shall establish rates for gas utilized in solar electric generation station technology projects at not higher than the rates established for gas utilized as a fuel by an electric plant in the generation of electricity.

For purposes of this section, a solar electric generation station technology project is a project which utilizes solar energy as the primary fuel in the generation of electricity, uses gas as a secondary fuel constituting 25 percent or less of the total fuel utilized on an equivalent basis, has a natural gas efficiency utilization rate of more than 60 percent, and qualifies as a small power production facility under the Public Utility Regulatory Policies Act of 1978 (Public Law 95-617; 16 U.S.C. Sec. 796).

(b) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

CHAPTER 420

An act to amend Sections 1922.1 and 1922.2 of the Civil Code, relating to appraisals.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 1922.1 of the Civil Code is amended to read:

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 written communication 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. "Certified appraisal report" also means an oral communication of an analysis, opinion, or conclusion relating to the value of real property which is orally identified as a certified appraisal report, provided a written confirmation of the oral communication, which writing specifies that the appraisal report is certified, is given by the appraiser within five business days following the oral communication or at the close of escrow, where applicable, whichever occurs later, however in no event later than the close of escrow.

(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.

SEC. 2. Section 1922.2 of the Civil Code is amended to read:

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.

CHAPTER 421

An act to add Article 5 (commencing with Section 8790.70) and Article 6 (commencing with Section 8790.80) to Chapter 9.7 of Division 1 of Title 2 of the Government Code, relating to state contracts.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Article 5 (commencing with Section 8790.70) is added to Chapter 9.7 of the Division 1 of Title 2 of the Government Code to read:

Article 5. Minority and Women Business Participation Goals for State Contracts

8790.70. Notwithstanding any other provision of law, all contracts awarded by any state agency, department, officer, or other state governmental entity pursuant to this chapter for construction, professional services (except those subject to Article 6 (commencing with Section 8790.80)), materials, supplies, equipment, alteration, repair, or improvement shall have statewide participation goals of

not less than 15 percent for minority business enterprises and not less than 5 percent for women business enterprises. These goals apply to the overall dollar amount expended each year by the awarding department, as defined by Section 8790.71, pursuant to this chapter.

8790.71. As used in this article, the following definitions apply:

(a) "Awarding department" means any state agency, department, governmental entity, or other officer or entity empowered by law to enter into contracts on behalf of the State of California.

(b) "Contract" includes any agreement or joint development agreement to provide labor, services, material, supplies, or equipment in the performance of a contract, franchise, concession, or lease granted, let, or awarded for and on behalf of the State of California.

(c) "Contractor" means any person or persons, firm, partnership, corporation, or combination thereof who submits a bid and enters into a contract with a representative of a state agency, department, governmental entity, or other officer empowered by law to enter into contracts on behalf of the State of California.

(d) "Minority" means an ethnic person of color including American Indians, Asians (including, but not limited to, Chinese, Japanese, Koreans, Pacific Islanders, Samoans, and Southeast Asians), Blacks, Filipinos, and Hispanics.

(e) "Minority business enterprise" means a business concern which is all of the following:

(1) At least 51 percent owned by one or more minorities, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more minorities.

(2) Managed by, and the daily business operations are controlled by, one or more minorities.

(3) A domestic corporation with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other business.

(f) "Women business enterprise" means a business concern which is all of the following:

(1) At least 51 percent owned by a woman or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more women.

(2) Managed by, and the daily business operations are controlled by, one or more women.

(3) A domestic corporation with its home office located in the United States.

(g) "Goal" means a numerically expressed objective which awarding departments and contractors are required to make efforts to achieve.

8790.72. In awarding contracts to the lowest responsible bidder, the awarding department shall consider the responsiveness of a bidder to minority business enterprise and women business enterprise goals set forth in this article. If a bidder fails to show a good

faith effort, the awarding department shall award the contract to the next lowest responsive and responsible bidder.

8790.73. (a) The awarding department shall establish a method of monitoring adherence to the goals specified in this article.

(b) The awarding department shall adopt rules and regulations for the purpose of implementing this article. Emergency regulations consistent with this section may be adopted without review and approval by the Office of Administrative Law if adopted within 90 days of the effective date of this article.

8790.74. In implementing this article, the awarding department shall utilize existing resources such as the Office of Small and Minority Business, the Minority Business Development Agency, and the Small Business Administration.

8790.75. Beginning July 1, 1988, and on January 1, 1989, and on January 1 of each year thereafter, each awarding department shall report to the Governor and the Legislature on the level of participation by minority and women business enterprises in contracts as identified in this article. If the established goals are not being met, the awarding department shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

8790.76. Notwithstanding any other provision of this article, the failure of an awarding department to meet the goals established under this article shall not affect the validity or enforceability of any contract or any bonds, notes, or other obligations issued by the awarding department to provide for the payment of any contract subject to this article.

8790.77. If another statute, which is chaptered and takes effect after this article, establishes minority and women business enterprise participation goals which are generally applicable to state contracts but are different than the goals established under this article, those goals of the subsequently enacted statute shall supersede the goals established under this article.

SEC. 2. Article 6 (commencing with Section 8790.80) is added to Chapter 9.7 of Division 1 of Title 2 of the Government Code, to read:

Article 6. Minority and Women Business Participation Goals for Professional Bond Services

8790.80. (a) Notwithstanding any other provision of law, each awarding department shall offer participation to minority and women business enterprises in all contracts for bonds issued pursuant to this chapter by the awarding department, except if a contract for professional bond services of an underwriter is to be obtained by competitive bid. Each awarding department shall have annual statewide participation goals of not less than 15 percent for minority business enterprises and 5 percent for women business enterprises for contracts entered into by the awarding department during the year for each of the professional bond services. These goals shall

apply to the overall dollar amount expended by the awarding department pursuant to this chapter with respect to the contracts for professional bond services relating to the issuance of bonds by the awarding department including amounts spent as underwriter's and market discounts.

(b) In attempting to meet the goals set forth in subdivision (a), the awarding department shall consider establishing cocounsel, joint venture, and subcontracting relationships including minority business enterprises and women business enterprises in all contracts for bonds awarded by the awarding department. However, nothing in this article shall preclude the awarding department from achieving the goals set forth in this section without requiring joint ventures, cocounsel, or subcontracting arrangements.

(c) This section shall not limit the ability of any awarding department to meet a goal higher than those set forth in subdivision (a) for participation of minority and women business enterprises in contracts awarded by the awarding department.

8790.81. As used in this article, the following definitions apply:

(a) "Awarding department" means any state agency, department, constitutional officer, governmental entity, or other officer or entity empowered by law to issue bonds on behalf of the State of California.

(b) "Bonds" means bonds, notes, warrants, certificates of participation, and other evidences of indebtedness issued by or on behalf of the State of California.

(c) "Contract" includes any contract, agreement, or joint agreement to provide professional bond services to the State of California or an awarding department.

(d) "Contractor" means any provider of professional bond services who enters into a contract with an awarding department.

(e) "Goal" means a numerically expressed objective which awarding departments and providers of professional bond services are required to make efforts to achieve.

(f) "Minority" means an ethnic person of color including American Indians, Asians (including, but not limited to, Chinese, Japanese, Koreans, Pacific Islanders, Samoans, and Southeast Asians), Blacks, Filipinos, and Hispanics.

(g) "Minority business enterprise" means a business concern which meets all of the following requirements:

(1) A sole proprietorship owned by a minority or a firm or partnership, 51 percent of the stock or partnership interests of which are owned by one or more minorities.

(2) Managed by, and the daily business operations are controlled by, one or more minorities.

(3) A sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other business.

(h) "Professional bond services" include services as financial advisors, bond counsel, underwriters in negotiated transactions,

underwriter's counsel, financial printers, feasibility consultants, and other professional services related to the issuance and sale of bonds.

(i) "Women business enterprise" means a business concern which meets all of the following requirements:

(1) A sole proprietorship owned by a woman or is a firm or partnership, 51 percent of the stock or partnership interests of which are owned by one or more women.

(2) Managed by, and the daily business operations are controlled by, one or more women.

(3) A sole proprietorship, corporation, or partnership with its home office located in the United States.

8790.82. Notwithstanding Section 8790.80, if a contract for professional bond services of an underwriter is to be obtained by competitive bid, the awarding department shall, at a minimum, take all of the following actions:

(a) Deliver the notice of sale or other notification of intention to issue the bonds to all minority and women business enterprises who have listed their names with the awarding department for the purpose of this notice and such other qualified minority and women business enterprises known to the awarding department.

(b) State in all notices of sale and other notifications of intention to issue bonds that minority and women business enterprises are encouraged to respond.

(c) Require all submitting bidders to certify their awareness of the goals of the awarding department in accordance with this article.

8790.83. (a) The awarding department shall establish a method of monitoring adherence to the goals specified in Section 8790 80, including requiring a followup report from all contractors upon the completion of any sale of bonds.

(b) The awarding department shall adopt rules and regulations for the purpose of implementing this section. Emergency regulations consistent with this section may be adopted without review and approval by the Office of Administrative Law if adopted within 90 days of the effective date of this article.

8790.84. In implementing this article, the awarding department shall utilize existing resources such as the Office of Small and Minority Business.

8790.85. Beginning July 1, 1988, and on January 1, 1989, and on January 1 of each year thereafter, each awarding department shall report to the Governor and the Legislature on the level of participation by minority and women business enterprises in contracts as identified in this article. If the established goals are not met, the awarding department shall report the reasons for its inability to achieve the goals and identify steps it shall take in an effort to achieve the goals.

8790.86. Notwithstanding anything in this article to the contrary, the validity or enforceability of any bonds to which this article applies shall not be affected in any way by the failure of an awarding department to meet the goals established under this article.

8790.87. If another statute, which is chaptered and takes effect after this article, establishes minority and women business enterprise participation goals which are generally applicable to professional bond services but are different than the goals established under this article, those goals of the subsequently enacted statute shall supersede the goals established under this article.

SEC. 3. This bill shall not become operative unless SB 566 of the 1987–88 Regular Session is enacted.

CHAPTER 422

An act to amend Sections 9802 and 9805 of, and to add Section 7054.5 to, the Business and Professions Code, relating to consumer affairs.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 7054.5 is added to the Business and Professions Code, to read:

7054.5. The licensing provisions of this chapter do not apply to any person registered under Chapter 20 (commencing with Section 9800) if that person's activities consist only of installing satellite antenna systems on residential structures or property.

SEC. 2. Section 9802 of the Business and Professions Code is amended to read:

9802. This chapter does not apply to:

(a) Any employee of a service dealer while the employee is engaged in activities within the normal scope of the employer's business.

(b) The repair, service, or maintenance of equipment used in commercial, nonresidential, industrial, or governmental establishments.

(c) The repair, services, or maintenance of equipment the ordinary and usual use of which requires a license or permit issued by the Federal Communications Commission.

(d) Any person licensed under Chapter 9 (commencing with Section 7000) as an electrical contractor (C10) or a low-voltage communications master contractor (C61-D05) and acting within the scope of his or her license.

SEC. 3. Section 9805 of the Business and Professions Code is amended to read:

9805. No person registered under this chapter shall be required to apply for a license pursuant to Chapter 9 (commencing with Section 7000) if that person's activities consist only of (a) installing satellite antenna systems on residential structures or property, or (b)

repairing, servicing, or maintaining televisions, radio, or audio or video recorder or playback equipment, video cameras, video games, video monitors, or computer systems normally used or sold for personal, family, or household use, or any appliances, and that repair, service, or maintenance is not subject to and regulated under Chapter 9.

CHAPTER 423

An act to amend Section 647a of the Penal Code, relating to crimes.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. 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 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. In any case in which a person is convicted of violating this section and probation is granted, the court shall require counseling as a condition of probation, unless the court makes a written statement in the court record, that counseling would be inappropriate or ineffective.

CHAPTER 424

An act to amend Section 11383 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 11383 of the Health and Safety Code is amended to read:

11383. (a) Any person who possesses both methylamine and

phenyl-2-propanone (phenylacetone) at the same time with the intent to manufacture methamphetamine, or who possesses both ethylamine and phenyl-2-propanone (phenylacetone) at the same time with the intent to manufacture N-ethylamphetamine, is guilty of a felony and shall be punished by imprisonment in the state prison for three, four, or five years.

(b) Any person who possesses at the same time any of the following combinations, or a combination product thereof, with intent to manufacture phencyclidine (PCP) or any of its analogs specified in paragraph (22) of subdivision (d) of Section 11054 or paragraph (3) of subdivision (e) of Section 11055 is guilty of a felony and shall be punished by imprisonment in the state prison for three, four, or five years:

(1) Piperidine and cyclohexanone.

(2) Pyrrolidine and cyclohexanone.

(3) Morpholine and cyclohexanone.

(c) Any person who possesses at the same time any of the following combinations, or a combination product thereof, with intent to manufacture methamphetamine or any of its analogs specified in subdivision (d) of Section 11055 is guilty of a felony and shall be punished by imprisonment in the state prison for three, four, or five years:

(1) Ephedrine, pseudoephedrine, norpseudoephedrine, or phenylpropanolamine, plus hydriotic acid.

(2) Ephedrine, pseudoephedrine, norpseudoephedrine, or phenylpropanolamine, thionyl chloride and hydrogen gas.

(3) Ephedrine, pseudoephedrine, norpseudoephedrine, or phenylpropanolamine, plus phosphorus pentachloride and hydrogen gas.

(4) Ephedrine, pseudoephedrine, norpseudoephedrine, or phenylpropanolamine, plus any "reduction" agent.

(d) For purposes of this section, "reduction" means a chemical reaction in which hydrogen combines with another substance or in which oxygen is removed from a substance.

(e) For purposes of this section, possession of immediate precursors sufficient for the manufacture of methylamine, ethylamine, phenyl-2-propanone, piperidine, cyclohexanone, pyrrolidine, morpholine, ephedrine, pseudoephedrine, norpseudophedrine, phenylpropanolamine, hydriotic acid, thionyl chloride, hydrogen gas, or phosphorus pentachloride shall be deemed to be possession of such a derivative substance. Additionally, possession of any compound or mixture containing piperidine, cyclohexanone, pyrrolidine, or morpholine ephedrine, pseudoephedrine, norpseudoephedrine, phenylpropanolamine, hydriotic acid, thionyl chloride, hydrogen gas, or phosphorus pentachloride shall be deemed to be possession of such substance.

(f) The provisions of subdivisions (a), (b), (c), (d), and (e) shall not apply to drug manufacturers licensed by this state or person authorized by regulation of the Board of Pharmacy to possess those

substances or combinations of substances.

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 425

An act to amend Sections 44013 and 44016 of, and to add Section 44003.5 to, the Health and Safety Code, relating to air pollution.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 44003.5 is added to the Health and Safety Code, to read:

44003.5. Any district that is not, or does not contain, a federally designated nonattainment area, but desires to utilize a motor vehicle inspection program meeting the requirements of this chapter as an air pollution control strategy, may request the department to implement the program within its area of jurisdiction if the requesting district finds, and the department concurs in, both of the following:

(a) It adjoins a district that has a motor vehicle inspection program.

(b) The adjoining district is the workweek destination of commuter trips originating from the requesting district.

The area of the district to be covered by the program shall be specified by the requesting district.

SEC. 2. Section 44013 of the Health and Safety Code is amended to read:

44013. (a) The department, in cooperation with the state board, shall prescribe maximum emission standards to be applied in inspecting motor vehicles under this chapter.

In prescribing the standards, the department shall undertake studies and experiments which are necessary and feasible, evaluate available data, and confer with automotive engineers.

The standards shall be set at a level reasonably achievable for each class and model of motor vehicle when operating in a reasonably sound mechanical condition, allowing for the effects of installed motor vehicle pollution control devices and the motor vehicle's age and total mileage. The standards shall be designed so that motor vehicles will be operated, as soon as possible, with a substantial reduction in emissions, and shall be revised from time to time as

experience justifies.

(b) The department, in cooperation with the state board, shall research and prescribe test procedures to be applied in inspecting motor vehicles under this chapter, which procedures shall be simple, cost effective, and consistent with the requirements of Section 44012. The department may revise the test procedures from time to time as experience justifies.

SEC. 3. Section 44016 of the Health and Safety Code is amended to read:

44016. The department shall, with the cooperation of the state board and after consultation with the motor vehicle manufacturers and representatives of the service industry, research, establish, and update as necessary, specifications and procedures for motor vehicle maintenance and tuneup procedures and for repair of motor vehicle pollution control devices and systems referred to in this chapter as low-emissions service and adjustment. Licensed repair stations and qualified mechanics shall perform low-emissions service and adjustment in accordance with specifications and procedures so established.

CHAPTER 426

An act to amend Sections 8880.56 and 8880.60 of the Government Code, relating to the California State Lottery.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. 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) To assure the fullest competition, the Commission shall adopt and publish competitive bidding procedures for the award of any procurement or contract involving an expenditure of more than one hundred thousand dollars ($100,000). The competitive bidding procedures shall include, but not be limited to, requirements for submission of bids and accompanying documentation, guidelines for the use of requests for proposals, invitations to bid, or other methods of bidding, and a bid protest procedure. The Director shall determine whether the goods or services subject to this paragraph are available through existing contracts or price schedules of the Department of General Services.

(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 and 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 and 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 and economically 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.

The Commission shall report to the Legislature by July 1, 1987, on the level of participation of small businesses, socially and economically disadvantaged businesses, and California businesses in all contracts awarded by the Commission.

(5) The Commission shall prepare and submit to the Legislature by October 1 of each year a report detailing the Lottery's purchase of goods and services through the Department of General Services. The report shall also include a listing of contracts awarded for more than one hundred thousand dollars ($100,000), the name of the contractor, amount and term of the contract, and the basis upon which the contract was awarded.

The Lottery shall fully comply with the requirements of paragraphs (2) to (4), inclusive, 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. 1.5. 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 pursuant to this chapter, 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. 2. The Legislature finds and declares that this act furthers the purpose of the California State Lottery Act of 1984.

CHAPTER 427

An act to add Section 3930.5 to the Business and Professions Code, and to amend Section 1422 of the Health and Safety Code, relating to long-term care.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 3930.5 is added to the Business and Professions Code, to read:

3930.5. Any nursing home administrator whose license has been suspended shall not be employed as an administrator of a long-term health care facility, or engage in the activities for which a license is issued by the board, during the period of suspension.

SEC. 2. Section 1422 of the Health and Safety Code is amended to read:

1422. (a) The Legislature finds and declares that it is the public policy of this state to assure that long-term health care facilities provide the highest level of care possible. The Legislature further finds that inspections are the most effective means of furthering this policy. It is not the intent of the Legislature by the amendment of subdivision (b) enacted by Chapter 1595 of the Statutes of 1982 to reduce in any way the resources available to the state department for inspections, but rather to provide the state department with the greatest flexibility to concentrate its resources where they can be most effective.

(b) Without providing notice of these inspections, the state department shall, in addition to any inspections conducted pursuant to complaints filed pursuant to Section 1419, conduct inspections annually, except with regard to those facilities which have no class "AA", class "A", or class "B" violations in the past twelve months. The state department shall also conduct inspections as may be necessary to assure the health, safety, and security of patients in long-term health care facilities. Every facility shall be inspected at least once every two years.

The state department shall submit to the federal Department of Health and Human Services on or before July 1, 1985, for review and approval, a request to implement a three-year pilot program designed to lessen the predictability of the long-term health care facility inspection process. Two components of the pilot program shall be (1) the elimination of the present practice of entering into a one-year certification agreement, and (2) the conduct of segmented inspections of a sample of facilities with poor inspection records, as defined by the state department. At the conclusion of the pilot project, an analysis of both components shall be conducted by the state department to determine effectiveness in reducing

inspection predictability and the respective cost benefits. Implementation of this pilot project is contingent upon federal approval. The state department shall report annually to the Legislature on progress of the pilot project with a final report at the end of the third year.

(c) Except as otherwise provided in subdivision (b), the state department shall conduct unannounced direct patient care inspections at least annually to inspect physician and surgeon services, nursing services, pharmacy services, dietary services, and activity programs of all the long-term health care facilities. Facilities evidencing repeated serious problems in complying with this chapter or a history of poor performance, or both, shall be subject to periodic unannounced direct patient care inspections during the inspection year. The direct patient care inspections shall assist the state department in the prioritization of its efforts to correct facility deficiencies.

(d) All long-term health care facilities shall report to the state department any changes in the nursing home administrator or the director of nursing services within 10 calendar days of the changes.

(e) Within 90 days after the receipt of notice of a change in the nursing home administrator or the director of nursing services, the state department may conduct an abbreviated inspection of the long-term health care facilities.

(f) If a change in a nursing home administrator occurs and the Board of Examiners of Nursing Home Administrators notifies the state department that the new administrator is on probation or has had his or her license suspended within the previous three years, the state department shall conduct an abbreviated survey of the long-term health care facility employing that administrator within 90 days of notification.

CHAPTER 428

An act to amend Sections 73362.1 and 74949.1 of the Government Code, relating to courts.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 73362.1 of the Government Code is amended to read:

73362.1. (a) Upon the adoption of a resolution by the board of supervisors finding that there are sufficient funds available in the budget for a particular municipal court district and acknowledging that the judges of that district have determined the business of the court requires such occasional service, there shall be one position of

temporary court commissioner to serve that municipal court district.

(b) A temporary court commissioner shall be appointed by the presiding judge of the court from a list of temporary court commissioners established and approved by a majority of the judges of that court. The number of temporary commissioners shall be such that each temporary commissioner serves on the bench an average of at least three days in each month, and the presiding judge shall assure that all temporary commissioners maintain current knowledge of the court's personnel and procedures. The court shall periodically review the performance of each temporary commissioner and shall maintain an ongoing training program to maintain their skills. Each temporary commissioner shall possess the same qualifications the law requires of a municipal court judge, and shall have completed an orientation program satisfactory to the presiding judge, including a review of the procedures and practices of the court, together with observation of each particular calendar to which the commissioner may be assigned, and shall not engage in the private practice of law before any court of the municipal court district to which he or she is appointed, and is subject to disqualification as provided for judges.

(c) A temporary court commissioner shall receive, as sole compensation for such service, an hourly fee for each hour or fraction of an hour of service which is equivalent of the hourly wage of the first step in the salary range for full-time official municipal court commissioners in Contra Costa County, without any other benefit included in the compensation of any other municipal court officer or employee in Contra Costa County.

(d) A temporary court commissioner shall perform those functions conferred by law and assigned by the presiding judge. Before any action or proceeding is tried or heard by a temporary court commissioner, any party to, or any attorney appearing in, the action or proceeding shall, however, be entitled to require, by oral or written motion without notice, that the action or proceeding be reassigned or transferred, whereupon the action or proceeding shall be reassigned or transferred as promptly as possible to a judge, court commissioner, or referee of the court. The court shall, prior to the commencement of any such trial or hearing, provide notice to each party or attorney of record in the action or proceeding of this entitlement to require reassignment or transfer.

SEC. 2. Section 74949.1 of the Government Code is amended to read:

74949.1. (a) The judges of the Napa Municipal Court may appoint one full-time or part-time commissioner who shall hold office at the pleasure of the judges making the appointment, and shall possess the same qualifications as are required of the judge of a municipal court. Within the jurisdiction of the court, and to the extent the judges so direct, the commissioner shall exercise the same powers and duties as a judge of the municipal court with respect to any infraction or small claims action, and shall exercise all other

powers and perform all other duties of a municipal court commissioner that may be prescribed by law. In addition, and notwithstanding the provisions of Section 72400, the commissioner shall act as a traffic referee and shall have the powers and duties specified in Article 9 (commencing with Section 72400) of Chapter 8.

(b) The commissioner shall receive a monthly salary at a rate equal to 65 percent of the salary of a municipal court judge. In addition to the monthly salary, the commissioner shall be entitled to and shall receive fringe benefits on the same basis as any employee of the municipal court, other than the clerk of the municipal court, who works an equivalent number of hours. The commissioner shall observe the same holidays as other court employees. If the appointment of the commissioner is on a part-time basis, any salary and fringe benefits to which the commissioner may be entitled shall be prorated on the basis of a 40-hour workweek.

A full-time commissioner shall not engage in the private practice of the law. Notwithstanding any other provisions of law, a part-time commissioner shall be entitled to engage in the private practice of the law so long as the commissioner does not practice law before any court of the municipal court district to which he or she is appointed.

(c) The court shall periodically review the performance of any part-time commissioner and shall maintain an ongoing training program to maintain his or her skills. The part-time commissioner shall have completed, prior to his or her appointment, an orientation program satisfactory to the presiding judge, including a review of the procedures and practices of the court, together with observation of each calendar to which the commissioner may be assigned. Each part-time commissioner shall serve on the bench an average of at least three days in each month, and the presiding judge shall ensure that the part-time commissioner maintains current knowledge of the court's personnel and procedures.

(d) If the part-time commissioner regularly serves on the bench less than three days each week, before any action or proceeding is tried or heard by a part-time court commissioner, any party to, or any attorney appearing in, the action or proceeding shall, be entitled to require, by oral or written motion without notice, that the action or proceeding be reassigned or transferred, whereupon the action or proceeding shall be reassigned or transferred as promptly as possible to a judge, court commissioner, or referee of the court. The court shall, prior to the commencement of any such trial or hearing provide notice to each party or attorney of record in the action or proceeding of this entitlement to require reassignment or transfer.

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 429

An act to amend Sections 12814.5 and 25258 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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 program to evaluate the traffic safety and other effects of renewing driver's licenses by mail. If a program is established under this subdivision, the director may 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.

(c) The director may terminate either or both of the renewal by mail programs authorized by this section at any time the department determines that either program has an adverse impact on traffic safety.

(d) 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.

(e) No renewal by mail shall be granted to any person who is 70 years of age or older.

(f) The department shall charge a fee of ten dollars ($10) for each license renewal granted pursuant to subdivision (a) or (b).

(g) 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.

(h) 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.

(i) 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.

SEC. 2. Section 25258 of the Vehicle Code is amended to read:

25258. (a) An authorized emergency vehicle operating under the conditions specified in Section 21055 may display a flashing white light from a gaseous discharge lamp designed and used for the purpose of controlling official traffic control signals.

(b) An authorized emergency vehicle used by a peace officer, as defined in Section 830.1, subdivision (a), (b), (d), (e), (g), or (h) of Section 830.2, subdivision (c), (g), (h), or (i) of Section 830.31, and subdivision (g), (j), or (k) of Section 830.4, of the Penal Code, in the performance of his or her duties may, in addition, display a steady or flashing blue warning light visible from the front, sides, or rear thereof.

CHAPTER 430

An act to amend Sections 73353, 73353.1, 73354, and 73360 of the Government Code, relating to courts.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 73353 of the Government Code is amended to read:

73353. Classes of positions provided in Section 73351 are allocated to the salary schedule as follows:

Class Title	Class Code	Pay Level
Deputy clerk I	C5-0966	1194-1451
Deputy clerk - DEO I	C5-1064	1317-1600
Deputy clerk II	C5-1106	1373-1669
Deputy clerk - DEO II	C5-1161	1451-1763
Deputy clerk - criminal process	C5-1165	1456-1770
Deputy clerk III	XB-1301	1668-2130
Deputy clerk - courtroom clerk	C5-1514	2064-2509

Deputy clerk - division supervisor	C5-1546	2131-2591
Deputy clerk - senior data entry operator	C5-1234	1560-1897
Chief deputy clerk	C5-1815	2789-3390
Clerk-administrator - A	C5-2145	3879-4714
Clerk-administrator - B	C5-2035	3475-4224
Executive secretary	C1-1502	2479
Administrative analyst	C5-1424	1887-2293
Municipal county systems specialist	C5-1784	2704-3286

SEC. 2. Section 73353.1 of the Government Code is amended to read:

73353.1. Classes of positions provided in Section 73351.1 are allocated to the salary schedule as follows:

Class Title	Class Code	Pay Level
Deputy clerk II	C5-1106	1373-1669
Deputy marshal recruit	C1-1207	1846
Marshal's process clerk	XB-1301	1668-2130
Secretary - advanced	TD-1085	1764-2203
Supervising process clerk	XB-1448	1933-2467
Deputy marshal	C5-1626	2309-2806
Deputy marshal sergeant	C5-1772	2672-3247
Marshal	C3-2132	4221-4654
Assistant Marshal	C5-2035	3475-4224

SEC. 3. Section 73354 of the Government Code is amended to read:

73354. Certain classifications in the municipal courts are deemed to be equivalent in job and salary level to certain classifications in the service of Contra Costa County and whenever the salary of a classification in the service of Contra Costa County is adjusted by the board of supervisors, the salary of the comparable classification in the municipal courts shall be adjusted a commensurate number of levels on the salary schedule. The adjustment shall be effective on the same day as the effective date of the action by the board of supervisors as it applies to the county classifications, but the adjustment shall be effective only until January 1 of the second year following the calendar year in which the adjustment is made.

(a) The class of deputy clerk I is equivalent in job and salary level to the class of Clerk (beginning level A2 to A6) in the service of Contra Costa County. The class of deputy clerk II is equivalent to Clerk (experienced level).

(b) The class of deputy clerk-data entry operator I is equivalent in job and salary level to the class of data entry operator I in the service of Contra Costa County. The class of deputy clerk-data entry operator II is equivalent to data entry operator II. The class of deputy clerk-senior data entry operator is equivalent to senior data entry operator.

(c) Whenever the salary of the class of deputy clerk II is adjusted

as described above, the class of deputy clerk-criminal process, deputy clerk III, deputy clerk-courtroom clerk, and supervising deputy clerk shall be adjusted an equivalent number of levels on the salary schedule.

(d) The position of municipal court reporter is equivalent in job responsibility to positions described and functioning as superior court reporters in Contra Costa County. Whenever the superior court reporters are authorized a basic salary adjustment, the salary of municipal court reporters shall be adjusted. The adjustment shall be effective on the same date as the superior court reporter salaries are adjusted.

(e) The class of deputy clerk-division supervisor shall be allocated to a salary level which is 245 salary levels on the salary schedule above that of deputy clerk III. The class of deputy clerk-courtroom clerk shall be allocated to a salary level which is 213 salary levels on the salary schedule above that of deputy clerk III.

(f) The class of chief deputy clerk shall be allocated to a salary level which is 269 salary levels on the salary schedule above that of deputy clerk division supervisor.

(g) The class of clerk-administrator of the court (Schedule B and Schedule A) shall be allocated to a salary level which is 220 and 330 salary levels, respectively, on the salary schedule above that of chief deputy clerk.

(h) For commissioners appointed prior to July 1, 1985, the class of court commissioner shall be allocated to a five-step salary schedule, in 5 percent incremental steps with the fifth step equivalent to 85 percent of the salary of a superior court judge in the County of Contra Costa. For commissioners appointed on and subsequent to July 1, 1985, the class of court commissioner shall be allocated to a three-step salary schedule, in 5 percent incremental steps with the third step equivalent to 85 percent of the salary of a municipal court judge in the County of Contra Costa. Upon appointment, a new court commissioner shall be allocated to the first step of the schedule, except that an appointee with exceptionally high qualifications and experience may be appointed at a higher step with the board of supervisors' approval.

(i) The class of executive secretary is equivalent in job and salary level to the class of executive secretary in the service of Contra Costa County.

(j) The class of administrative analyst is equivalent in job and salary level to the class of administrative analyst in the service of Contra Costa County.

(k) The class of municipal court systems specialist is equivalent in job and salary level to the class of municipal court systems specialist in the service of Contra Costa County.

SEC. 4. Section 73360 of the Government Code is amended to read:

73360. In a municipal court district having three judges, the following positions are authorized:

(a) One clerk-administrator of the court Schedule B).
(b) One chief deputy clerk.
(c) Three deputy clerk-division supervisors.
(d) Four deputy clerk-courtroom clerks.
(e) Fifteen deputy clerks III.
(f) Eight deputy clerks-criminal process.
(g) Six deputy clerks-data entry operator II or I, not to exceed a combined total of six positions at any one time.
(h) Twenty-two deputy clerks II or deputy clerks I, not to exceed a combined total of 22 positions at any one time.
(i) One executive secretary.
(j) Four supervising deputy clerks.
(k) One deputy clerk-senior data entry operator.
(*l*) One administrative analyst.
(m) One municipal court systems specialist.

SEC. 5. 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 431

An act to amend Sections 69051 and 69081 of the Food and Agricultural Code, relating to the California Pistachio Commission.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 69051 of the Food and Agricultural Code is amended to read:

69051. The powers and duties of the commission, subject to Sections 69032 and 69033, shall include, but are not limited to, all of the following powers and duties:

(a) To adopt and from time to time alter, rescind, modify, and amend all proper and necessary bylaws, rules, regulations, and orders for carrying out the provisions of this chapter, including rules for appeals from any bylaw, rule, regulation, or order of the commission.

(b) To administer and enforce this chapter, and to do and perform all acts and exercise all powers incidental to, or in connection with, or deemed reasonably necessary for, proper or advisable effectuation of the purposes of this chapter.

(c) To appoint its own officers, including a chairman, one or more vice chairmen, and any other officers as it deems necessary. The officers shall have the powers and duties delegated to them by the commission.

(d) To employ a manager to serve at the pleasure of the commission as president and chief executive officer of the commission, and other personnel, including legal counsel, that is necessary to carry out the provisions of this chapter. The commission may retain a management firm or the staff from any board, commission, or committee of the state to perform the functions prescribed by this subdivision under the control of the commission. If the manager engages in any conduct which the director determines is not in the public interest or which is in violation of this chapter, the director shall notify the commission of the conduct and request that corrective and, if appropriate, disciplinary action be taken by the commission. In the event that the commission fails or refuses to correct the situation or to take disciplinary action satisfactory to the director, the director may suspend or discharge the manager.

(e) To fix the compensation for all employees of the commission.

(f) To appoint committees composed of both members and nonmembers of the commission, such as a processor advisory committee, to advise the commission in carrying out the provisions of this chapter.

(g) To establish offices and incur expenses, and to enter into any and all contracts and agreements, and to create liabilities and borrow funds in advance of receipt of assessments as may be necessary, in the opinion of the commission, for the proper administration and enforcement of this chapter and the performance of its duties.

(h) To keep accurate books, records, and accounts of all of its dealings, which books, records, and accounts shall be subject to an annual audit by an auditing firm selected by the commission with the concurrence of the director. The audit shall be made a part of an annual report to all producers of pistachios, copies of which shall also be submitted to the Legislature and the Department of Food and Agriculture. In addition, the director may, as he or she determines necessary, conduct or cause to be conducted a fiscal and compliance audit of the commission. The Department of Finance may audit books, records, and accounts of the commission at any time.

(i) To promote the sale of pistachios by advertising and other promotional means, including cost-sharing advertising, for the purpose of maintaining and expending present markets and creating new and larger intrastate, interstate, and foreign markets for pistachios, and to educate and instruct the public with respect to the uses, healthful properties, and nutritional value of pistachios.

(j) To educate and instruct the wholesale and retail trade with respect to proper methods of handling and selling pistachios; to make market surveys and analyses; to present facts to, and negotiate with, state, federal, and foreign agencies on matters which affect the marketing of pistachios.

(k) To make, in the name of the commission, contracts to render service in formulating and conducting plans and programs, and any other contracts or agreements as the commission may deem

necessary for the promotion of the sale of pistachios.

(*l*) To conduct and contract with others to conduct scientific research, including the study, analysis, dissemination, and accumulation of information obtained from the research or elsewhere, respecting cultural and production practices, and marketing and distribution of pistachios. In connection with the research, the commission shall have the power to accept contributions of, or to match, private, state, or federal funds that may be available for these purposes, and to employ or make contributions of funds to other persons or state or federal agencies conducting the research.

(m) To publish and distribute, without charge, a bulletin or other communication for dissemination of information relating to the pistachio industry, to producers and processors.

(n) To establish an assessment rate to defray operating costs of the commission. Any assessment rate established pursuant to this chapter may be modified in accordance with Section 69081.

(o) To establish an annual budget according to accepted accounting practices. The budget shall be concurred in by the director prior to disbursement of funds, except for disbursements made pursuant to subdivision (e).

(p) To submit to the director for his or her concurrence, an annual statement of contemplated activities authorized under this chapter, including advertising, promotion, marketing research, and production research.

SEC. 2. Section 69081 of the Food and Agricultural Code is amended to read:

69081. The commission shall, not later than October 1 of each year, establish the assessment for the marketing season that begins September 1 and continues through August 31 of the following year which shall not exceed 5 percent of the average price paid to producers, computed on a per pound basis or computed in any other manner determined by the commission to be reasonably equivalent to the per pound computation. The commission may revise the assessment established prior to October 1 of each year if it determines, based on information including crop volume, that the action is necessary, and so long as the revision does not exceed the assessment limitations specified in this section and the modification is made prior to the date established by the commission for payment of the assessment.

CHAPTER 432

An act to amend the heading of Chapter 9.7 (commencing with Section 8790) of Division 1 of Title 2 of, to amend Sections 8790 and 8790.2 of, to add Sections 8790.6, 8790.9, 8790.10, and 8790.11 to, to add an Article 1 heading (commencing with Section 8790), to add Article 2 (commencing with Section 8790.20), Article 3 (commencing with Section 8790.40), and Article 4 (commencing with Section 8790.50), Chapter 9.7 of Division 1 of Title 2 of, the Government Code, relating to the Superconducting Super Collider, financing a Superconducting Super Collider program by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. It is the intent of the Legislature to provide full support and funding for additional enhancements to secure the Superconducting Super Collider project and to pay for those noncapital expenditures from future appropriations.

SEC. 2. The heading of Chapter 9.7 (commencing with Section 8790) of Division 1 of Title 2 of the Government Code is amended to read:

CHAPTER 9.7. SUPERCONDUCTING SUPER COLLIDER

SEC. 3. An article heading immediately preceding Section 8790 is added to Chapter 9.7 of Division 1 of Title 2 of the Government Code, to read:

Article 1. California Collider Commission

SEC. 4. Section 8790 of the Government Code is amended to read:

8790. (a) The Legislature finds and declares all of the following:

(1) It is to the advantage of the people of the State of California that the particle accelerator known as the Superconducting Super Collider, which the United States Department of Energy is planning to build, be built in California.

(2) The construction of the Superconducting Super Collider in California is in the public interest and serves a public purpose and will promote the health, welfare, and safety of the citizens of California.

(3) The Superconducting Super Collider will be a major

intellectual and economic asset to California, will provide jobs throughout California, and will be a source of ideas and inventions that ultimately will aid California industry in expanding and being competitive in world markets.

(4) The Superconducting Super Collider will assist in furthering research being conducted by universities located throughout California and will assure that universities in California continue to be at the forefront of research and attract the most able members of the world's engineers, computer scientists, and physicists.

(b) It is the intent of the Legislature to create a commission to represent the state before the Department of Energy and to take any reasonable and appropriate action needed to support a proposal to build the Superconducting Super Collider in the state.

SEC. 5. Section 8790.2 of the Government Code is amended to read:

8790.2. The California Collider Commission is created for the following purposes:

(a) To act as an agent of the State of California in presenting a site proposal for the Superconducting Super Collider to the federal Department of Energy.

(b) To represent the state in matters concerning the Superconducting Super Collider before the legislative and executive branches of the federal government, and the public.

(c) To represent the state in negotiations with the United States Department of Energy regarding the Superconducting Super Collider.

(d) To develop and implement both of the following:

(1) Plans for financing state participation in the Superconducting Super Collider project.

(2) Proposals for financing alternatives.

(e) To ascertain the availability of other governmental and private sector financial support for the Superconducting Super Collider project.

(f) To select a construction consultant to prepare construction schedules and cost estimates for the conventional facilities of the Superconducting Super Collider.

SEC. 6. Section 8790.6 is added to the Government Code, to read:

8790.6. The Treasurer may sell revenue bonds issued on behalf of the state for the purpose of financing the construction of the Superconducting Super Collider in California.

SEC. 7. Section 8790.9 is added to the Government Code, to read:

8790.9. (a) The siting of the Superconducting Super Collider shall not alter the existing land use zoning which protects prime agricultural land and preserves the agricultural economy of the area, except for the areas transferred to the federal government for the so-called "campus" areas of the Superconducting Super Collider site. Local governments shall not change the zoning of the agricultural lands, unless they make a special finding that doing so will not adversely affect agriculture and the change is not the result of

locating the Superconducting Super Collider in the area.

(b) Property owners whose land is purchased by the state under this chapter shall be exempt from the penalties of the Williamson Act for that land.

(c) Property owners whose lands are purchased under this chapter shall be allowed to reinvest the proceeds of the sale in comparable agricultural land within two years without being subject to state income taxes.

(d) During the construction of the Superconducting Super Collider, state assistance shall be provided to local governments affected by the project as follows:

(1) To property-based special districts to offset revenue loss determined by the Board of Equalization to be the result of removal of property from the tax rolls by the acquisition of the property by the federal government for the Superconducting Super Collider project. Following completion of the Superconducting Super Collider construction, continuing state assistance shall be contingent upon a finding by the Board of Equalization that the revenue loss is not exceeded by increased property tax revenue resulting from the siting of the Superconducting Super Collider.

(2) To local governments as determined by the Department of General Services for additional safety services identified in the Environmental Impact Report due to the siting of the Superconducting Super Collider. Following completion of the construction of the Superconducting Super Collider, that assistance shall be provided to the extent that additional costs are not offset by increased revenue from fees or taxes resulting from the siting of the Superconducting Super Collider.

(3) To local governments to the extent identified by the Environmental Impact Report and determined by the Department of General Services, for mitigation of the impact on the environment, local roads, and public facilities which are damaged due to the construction of the Superconducting Super Collider, and for enhancement of highways, roads and public facilities to accommodate increased capacity required by siting of the Superconducting Super Collider.

(e) The amounts determined in subdivision (d) shall be included in the annual Governor's Budget as submitted on or before January 10 of each year.

(f) Notwithstanding Sections 188 and 188.8 of the Streets and Highways Code, a project shall not count against these constraints if the project needed is primarily a result of the siting of the Superconducting Super Collider, as determined by the California Transportation Commission.

(g) It is the intent of the Legislature that any land acquired for the Superconducting Super Collider the use of which is not immediately required shall be made available for agricultural use and the current farmers shall have the first opportunity to lease the land.

SEC. 8. Section 8790.10 is added to the Government Code, to

read:

8790.10. The Employment Development Department, the Employment Training Panel, and the local Job Training Partnership Act service delivery area, and the local community colleges shall, to the extent funds are available, cooperate to develop and provide appropriate training programs for local workers for the construction and operation of the Superconducting Super Collider project. Preference shall be given to the hiring of qualified local workers. Workers who are displaced due to the project shall, if eligible, be targeted for training through the Employment Training Panel or the Job Training Partnership Act. These programs shall be funded in the annual Budget Act.

SEC. 9. Section 8790.11 is added to the Government Code, to read:

8790.11. (a) It is the intent of the Legislature that preference shall be provided in the distribution of emergency school facilities, as necessary, to school districts which have been impacted by increases in enrollment due to the construction and operation of the Superconducting Super Collider.

(b) The community colleges, local school districts, the California State University, and the University of California are encouraged to develop educational programs which utilize resources made available by the staff of the Superconducting Super Collider to enrich the students in the districts adjacent to the Superconducting Super Collider.

SEC. 10. Article 2 (commencing with Section 8790.20) is added to Chapter 9.7 of Division 1 of Title 2 of the Government Code, to read:

Article 2. Lease Purchase Financing

8790.20. As used in this article:

(a) "Board" means the State Public Works Board.

(b) "Bonds" means revenue bonds, notes, or bond anticipation notes issued as provided in this article, for certain of the costs of the collider.

(c) "Collider" means the Superconducting Super Collider and real and personal property, equipment, and other attendant and related facilities therefor, financed with the bonds.

(d) "Cost," as applied to the collider, means and includes all or any part of the cost of the following:

(1) Construction.

(2) Acquisition or improvement of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for the collider.

(3) Demolition, removal, or relocation of any buildings or structures on land acquired for the collider, including the acquisition of any lands to which the buildings or structures may be moved.

(4) All machinery and equipment.

(5) Financing charges.

(6) Interest prior to, during, and for a period following, the completion of such construction or improvement as determined by the board.

(7) Provisions for working capital.

(8) Reserves for principal and interest, and for extensions, enlargements, additions, replacements, renovations, and improvements.

(9) Engineering, architectural, financial, and legal services, plans, specifications, studies, surveys, estimates, administrative expenses, and other expenses necessary or incident to the construction, acquisition, or improvement of the collider, or any financing under this chapter.

(10) All expenses described in Section 8790.9 and all other expenses required by the findings of the Environmental Impact Report.

(e) "Lease-purchase financing" means the sale and lease or other transfer of state facilities for the purpose of securing bonds.

(f) "Lease" means any lease or other instrument of transfer of a state facility by and betweeen the state agency and the board, including any lease or other instrument of transfer from the state agency to the board, and any leaseback or other instrument of transfer from the board to the state agency.

(g) "State agency" means any state agency or department, including the University of California, from which the board leases or otherwise acquires the state facility.

(h) "State facility" means any real or personal property recommended by the Regents of the University of California or the commission, selected and acquired by, the board and leased or otherwise transferred to the state agency for the purpose of lease-purchase financing.

The recommended facility shall be authorized for lease-purchase financing by a subsequent statute.

8790.21. (a) Without obtaining further authorization under Section 15808, the board shall select, and accept the transfer of title to, any state facility at any site or sites for purposes of this article.

(b) The state agency shall transfer to the board the title of any state facility at any site or sites selected by the board pursuant to subdivision (a).

(c) The board shall have the power to enter into a lease with the state agency pursuant to terms and conditions approved by the board. In accordance with the terms of the lease, the board shall transfer title of the state facility to the state agency.

(d) The Department of General Services shall approve all transfers or leases or other agreements entered into pursuant to this article when that approval is required by law.

8790.22. (a) The board may issue bonds, including refunding bonds, pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 in an aggregate principal amount not to exceed

five hundred sixty million dollars ($560,000,000). The bonds shall be in the amounts, denominations, forms, executed in the manner, payable at the place or places, at the time or times, with the maturity date or dates, with terms of redemption and at the interest rate or rates, either fixed or variable, as the board shall provide.

(b) The acquisition and lease of a state facility and the financing of the cost of the collider constitutes the construction of public buildings for the purposes of Chapter 5 (commencing with Section 15830).

8790.23. Bonds authorized to be issued pursuant to this article shall be sold pursuant to Section 15832.

8790.24. Notwithstanding Section 15816, the public buildings financed by the board pursuant to this article shall, subject to the terms of the lease, be and remain under the jurisdiction and control of, and shall be operated and maintained by, the state agency.

8790.25. (a) It is the intent of the Legislature that lease payments required pursuant to this article be made from moneys received by the State Lands Commission pursuant to Section 6217 of the Public Resources Code.

(b) Amounts necessary for lease payments pursuant to a lease are hereby appropriated without regard to fiscal years from the General Fund, but shall become available for expenditure only if the Director of Finance certifies to the Controller that the amount required for the lease payments are not available under subdivision (a).

8790.26. The revenues, rentals, and receipts from the facility authorized to be financed under this article may be pledged for the payment of principal of, premium, if any, and interest on, the bonds issued pursuant to this article.

8790.27. The board, as additional security for the lease, may agree to pledge and assign all or any portion of any moneys as may be legally available from time to time, to secure payments of the bonds to a fiscal agent, the treasurer, or to a trustee in trust for the persons entitled thereto.

8790.28. In addition to any other powers granted by law, the board may, for the purposes of this chapter, do any or all of the following:

(a) Obtain insurance against loss by fire or other hazards on public buildings and obtain insurance against loss of revenues from any causes whatsoever, for the protection of the holders of bonds.

(b) Issue notes and bond anticipation notes as provided in this article to obtain interim funds to pay the cost of public buildings, secure the payment of notes and bond anticipation notes and interest thereon as provided in this article, and provide for the security of notes and bond anticipation notes and the rights of the holders thereof.

(c) Execute and deliver a standby purchase agreement, reimbursement agreement, or other similar credit enhancement vehicle the terms and conditions of which may be approved by the board, provided that any agreement or credit enhancement vehicle

shall be a special obligation of the board secured solely by the revenues, rentals, or receipts received from the operation of the state facility.

8790.29. A lease may be for any term not to exceed 40 years and may contain other terms, covenants, and conditions as the board and the state agency with the approval of the Department of General Services may approve.

8790.30. The board shall transfer any proceeds received from the sale of bonds issued pursuant to this article to the Department of General Services. The Department of General Services shall expend those funds as necessary pursuant to subdivision (b) of Section 8790.33.

8790.31. (a) There is under the jurisdiction of the Department of General Services the SSC Development Fund, which is hereby created. Moneys derived from the sale of the bonds and the lease-purchase financing of the state facility as authorized by this article shall be deposited in this fund or any other funds in the State Treasury as the board shall direct. The Controller and the Treasurer shall establish and maintain accounts and perform accounting transactions as they may determine to be necessary or convenient to the accomplishment of the purposes of this article.

(b) Notwithstanding Section 13340, funds derived from the lease financing authorized by this article and deposited in that fund are hereby continuously appropriated, without regard to fiscal years, to the Department of General Services for the purpose of paying for the costs of the collider.

8790.32. An amount not to exceed the amount of unsold bonds which the board has by resolution authorized to be sold for the purposes of carrying out this article is hereby appropriated from the General Fund to the Director of Finance, who may direct that any portion of that amount shall be deposited into a special account in the SSC Development Fund, to be used for the financing costs of the collider. Any amounts made available from the General Fund under this section to the Department of General Services shall be repaid by the Department of General Services to the General Fund from the proceeds received from the sale of bonds sold for the purpose of carrying out this article. 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.

8790.33. (a) Any bonds issued under this chapter, their transfer, and the income therefrom shall at all times be free from taxation of every kind by the state and by all political subdivisions of the state.

(b) The board is not required to pay any taxes or assessments upon, or with respect to, the state facility acquired by or for the board under this chapter, or upon any income therefrom, or on or from any other assets or operations of the board.

8790.34. (a) This chapter provides a complete, additional, and alternative method for accomplishing the acts authorized in this

chapter, and is supplemental and additional to the powers conferred by other applicable laws, except that the issuance of bonds and refunding bonds and the undertaking of the lease-purchase financing under this chapter need not comply with the requirements of any other laws applicable to the issuance of bonds, except as otherwise provided in the chapter.

8790.36. This chapter shall be liberally construed to carry out the objects and purposes and the declared policy of the state as set forth in this chapter.

SEC. 11. Article 3 (commencing with Section 8790.40) is added to Chapter 9.7 of Division 1 of Title 2 of the Government Code, to read:

Article 3. Land Acquisition

8790.40. (a) The State Public Works Board shall select and acquire, in the name of and on behalf of the state, pursuant to Part 11 (commencing with Section 15850) of Division 3, the fee or any lesser right or interest, including options, in real property recommended by the commission as a site for construction of the Superconducting Super Collider project.

The board may commence the acquisition of a right or an interest in property prior to final site designation by the federal Department of Energy.

(b) Property acquired pursuant to this section for the proposal to construct the Superconducting Super Collider is acquired for a public purpose for which the state's powers of eminent domain may, when appropriate, be exercised.

For purposes of this section, necessity is established if one or both of California's designated sites for the Superconducting Super Collider project are included on the Best Qualified List compiled by the federal Department of Energy.

8790.41. (a) Any land acquired by the State Public Works Board pursuant to Section 8790.40 shall be transferred to the Department of General Services.

(b) Notwithstanding Sections 11011 and 11011.1 of this code, Division 13 (commencing with Section 21000) of the Public Resources Code, or any other provision of law, all or any portion of the property transferred pursuant to subdivision (a) may be conveyed by the Department of General Services to the federal government, without cost, for the purposes for which the site was acquired. The Department of General Services may sell, hold, lease, exchange, or otherwise convey for its fair market value, the fee or any lesser right or interest in any property acquired hereunder, including mineral rights, which the State Public Works Board determines not to be necessary for site acquisition purposes. All costs incurred in connection with the sale, lease, exchange, or management of that property may be deducted from any of the proceeds received.

8790.42. Section 10295, Article 4 (commencing with Section 10335) of Chapter 2 of Division 2, and Section 10382 of, the Public Contract Code, do not apply to agreements entered into pursuant to this article.

8790.43. If, for any reason, the Superconducting Super Collider project is canceled, withdrawn, terminated, or the land is otherwise not needed, the Department of General Services shall thereupon offer the property to the grantor of the property acquired pursuant to this article who shall have the right of first refusal to repurchase the property.

8790.44. In determining the price to be paid for agricultural land, the department shall consider the price which the owner originally paid for the land, any special assessments paid by the landowner, mortgage liens against the property due to agricultural activity prior to July 1, 1987, and any other factors the department determines should be considered to ensure that the landowner receives a fair and reasonable price for the land.

8790.45. This article applies only to land acquired for purposes of the Superconducting Super Collider project.

SEC. 12. Article 4 (commencing with Section 8790.50) is added to Chapter 9.7 of Division 1 of Title 2 of the Government Code, to read:

Article 4. Super Collider Bond Act

8790.50. This article shall be known and may be cited as the Super Collider Bond Act.

8790.51. As used in this article, the following terms have the following meanings:

(a) "Committee" means the Super Collider Finance Committee created pursuant to Section 8790.55.

(b) "Fund" means the Super Collider Fund created pursuant to Section 8790.52.

8790.52. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Super Collider Fund, which is hereby created.

8790.53. Bonds in the total amount of five hundred sixty million dollars ($560,000,000), 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 article and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. 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.

8790.54. The bonds authorized by this article 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), and all of the provisions of that law apply to the bonds and to this article and are hereby incorporated in this article as though set forth in full in this article.

8790.55. (a) 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 Super Collider Finance Committee is hereby created. For purposes of this chapter, the Super Collider Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, and the Secretary of Business, Transportation and Housing Agency, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Public Works Board is designated the "board."

8790.56. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 8790.52, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

8790.57. 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 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 is necessary to collect that additional sum.

8790.58. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes 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 the principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of Section 8790.57, appropriated without regard to fiscal years.

8790.59. For the purposes of carrying out this chapter, the Director of Finance may 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 money made available under this section shall be returned to the General Fund from money received from the sale of bonds for the purpose of carrying out this chapter.

8790.60. 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.

8790.61. 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.

8790.62. Proceeds of bonds issued pursuant to this article shall be used to retire any outstanding revenue bonds, notes, or bond anticipation notes issued pursuant to Article 2 (commencing with Section 8790.20).

SEC. 14. Section 12 of this act shall take effect upon the adoption by the voters of the Super Collider Bond Act, as set forth in Section 12 of this act.

SEC. 15. Section 12 of this act shall be submitted to the voters at the election to be held in June 1988 in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 16. Notwithstanding any other provision of law, all ballots of the election pursuant to Section 15 shall have printed thereon and in a square thereof, the words: "Super Collider Bond Act," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of five hundred sixty million dollars ($560,000,000) to provide funds for a Superconducting Super Collider program." 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. 17. If Section 12 of this act is adopted by the voters at the election to be held in June 1988, the authority to issue revenue bonds pursuant to Section 10 of this act shall be terminated within a reasonable time.

SEC. 18. No proceeds of any bonds issued and sold pursuant to Article 2 (commencing with Section 8790.20) of, or Article 4 (commencing with Section 8790.50) of, Chapter 9.7 of Division 1 of Title 2 of the Government Code, shall be used for the payment of electrical utility service to the Superconducting Super Collider.

SEC. 19. Any incremental increases in the University of California Regents Opportunity Fund which are the result of federal grants received for the siting of the Superconducting Super Collider and used for overhead expenses of the University of California, shall be deposited in the SSC Development Fund established pursuant to Section 8790.31 of the Government Code or the Super Collider Fund, established pursuant to Section 8790.52 of the Government Code, whichever fund is appropriate, for the purpose of paying the debt on

bonds issued under this act.

SEC. 20. There is hereby appropriated three million four hundred forty thousand dollars ($3,440,000) from the General Fund to the University of California for allocation by the Director of Finance, subject to the reporting requirements of Section 28 of the Budget Act of 1987, for purposes of Sections 5 and 11 of this act.

Appropriations authorized by this section shall be made by January 30, 1988.

SEC. 21. If any provision of this act or the application thereof to any person 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. 22. 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 proposal to locate the Superconducting Super Collider in California can be made in time to meet the submission deadline of the federal Department of Energy, it is necessary that this act take effect immediately.

CHAPTER 433

An act relating to public utilities.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. The Public Utilities Commission, on or before June 1, 1988, shall submit a report containing information on the following matters to the Legislature after holding a public meeting:

(a) The return on equity with respect to public utility operations, and the rate of return on the value of property devoted to public utility purposes authorized by the commission in the last three years for each electrical, gas, and telephone corporation having annual gross revenues exceeding twenty-five million dollars ($25,000,000) subject to the commission's jurisdiction.

(b) A summary of the policies, criteria, and procedures used by the commission in reviewing and approving those returns on equity and rates of return.

(c) The return on equity, and rates of return on investments, achieved by other major industrial companies in California during the same three-year period.

(d) The average return on equity with respect to public utility operations, and the rate of return on the value of property devoted

to public utility purposes, authorized by other state public utility commissions and the federal government during the three-year period for major electrical, gas, and telephone corporations subject to their jurisdiction.

(e) An estimate of the costs or savings to customers and subscribers if California electrical, gas, and telephone corporation rates of return on investment more closely conformed to those of other major industrial companies in California or major electrical, gas, and telephone public utilities regulated by public utility regulatory agencies of other states and by the federal government.

CHAPTER 434

An act to amend Section 25355 of the Health and Safety Code, relating to hazardous substances.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987]

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

SECTION 1. Section 25355 of the Health and Safety Code is amended to read:

25355. (a) The Governor shall be responsible for the coordination of all state response actions for sites identified in Section 25356 in order to assure the maximum use of available federal funds.

(b) The director may initiate removal or remedial action pursuant to this chapter unless these actions have been taken, or are being taken properly and in a timely fashion, by any responsible party.

(c) At least 30 days before initiating removal or remedial actions, the department shall make a reasonable effort to notify the persons identified by the department as potentially responsible parties and shall also publish a notification of this action in a newspaper of general circulation pursuant to the method specified in Section 6061 of the Government Code. This subdivision does not apply to actions taken pursuant to subdivision (b) of Section 25358.3 or immediate corrective actions taken pursuant to Section 25354. A responsible party may be held liable pursuant to this chapter whether or not the person was given the notice specified in this subdivision.

(d) The department shall notify the owner of the real property of the site of a hazardous substance release within 30 days after listing a site pursuant to Section 25356, and at least 30 days before initiating a removal or remedial action pursuant to this chapter, by sending the notification by certified mail to the person to whom the real property is assessed, as shown upon the last equalized assessment roll of the county, at the address shown on the assessment roll. The requirements of this subdivision do not apply to actions taken pursuant to subdivision (b) of Section 25358.3 or to immediate corrective actions taken pursuant to Section 25354.

CHAPTER 435

An act to add Section 76140.5 to the Education Code, relating to education.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 76140.5 is added to the Education Code, to read:

76140.5. Notwithstanding Section 76140, a community college may classify a nonresident student who has been hired by a public agency, as a resident for purposes of enrollment in and completion of police academy training courses at a community college, if the student has passed all other requirements of the public agency and if written assurances are provided by the public agency that it intends to classify the student as a peace officer upon successful completion of the police academy training course.

CHAPTER 436

An act to amend Section 8 of the County Water Authority Act (Chapter 545 of the Statutes of 1943), relating to county water authorities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 3, 1987. Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 8 of the County Water Authority Act (Chapter 545 of the Statutes of 1943) is amended to read:

Sec. 8. (a) An authority may incur indebtedness by contract other than by voting bonds or expenditure of bond proceeds up to a total amount equal to one-tenth of 1 percent of the assessed valuation, as defined in Section 135 of the Revenue and Taxation Code, or as otherwise hereafter defined by an act of the Legislature, of property taxable for authority purposes by a vote of three-fourths or more of the aggregate number of votes of all members of the board of directors. Any proposal to incur an indebtedness in excess of an amount equal to one-tenth of 1 percent of the assessed valuation, as defined in Section 135 of the Revenue and Taxation

Code, or as otherwise hereafter defined by an act of the Legislature, of property taxable for authority purposes by contract other than by voting bonds or expenditure of bond proceeds, and any proposal to purchase, lease, or otherwise acquire rights, privileges, or services by contract, the compensation for which shall be payable over a period of time exceeding 20 years, shall be submitted to the qualified electors of the authority for their approval and shall be voted upon at an election where the proceedings are held, insofar as applicable, in the manner provided in this act for the authorization and issuance of the bonds of the authority, except that the vote of a majority of the electors voting upon the proposition shall be sufficient to authorize the incurring of the indebtedness. Notice of the election shall contain, in addition to the information required in the case of bond elections, a statement of the maximum amount of money to be paid under the contract, exclusive of penalties and interest, for what purposes the money is to be expended, and the property, improvements, works, rights, privileges, or services to be acquired thereby. The ballots at the election shall contain a brief statement of the general purposes of the contract and the amount of the obligation to be assumed, with the words "Contract—Yes" and "Contract—No." The board of directors may submit the contract or proposed contract to the superior court of the county where the authority is located to determine the validity thereof and the legal authority of the board to enter into the contract, with the same proceedings to be held as provided in this act in the case of the judicial determination of the validity of bonds issued pursuant to this act and with like effect.

(b) If a proposition to consider the issuance of revenue bonds under the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 6 of the Government Code) has been submitted to the qualified voters of an authority at an election held for that purpose and received the affirmative vote of a majority of the electors voting upon the proposition and, therefore, constitutes authority to issue revenue bonds under the Revenue Bond Law of 1941, the authority may, in lieu of issuing those revenue bonds, incur an indebtedness by contract, in addition to the indebtedness authorized by subdivision (a), in an amount, excluding penalties and interest, up to the amount authorized by and for the purpose authorized by the revenue bond proposition. The indebtedness shall be payable over a period of not to exceed 30 years, as provided in the resolution of the board of directors.

(c) If a contract of indebtedness incurred pursuant to subdivision (b) is repaid in full because construction of the project approved by the electorate was not commenced due to administrative, court, or other delays, resulting in failure to obtain necessary governmental permits, an authority may incur a second contract of indebtedness pursuant to subdivision (b) to fund construction of the project. The second indebtedness shall not exceed the amount authorized by the proposition approved by the electorate as provided in subdivision

(b).

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 permit county water authorities to finance urgently needed water facilities at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 437

An act to amend Section 17913 of, and add Section 14418 to, the Business and Professions Code, relating to trade names.

[Approved by Governor September 3, 1987 Filed with Secretary of State September 3, 1987.]

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

SECTION 1. Section 14418 is added to the Business and Professions Code, to read:

14418. The filing of any fictitious business name statement pursuant to Section 17910 does not, of itself, authorize the use in this state of a fictitious business name in violation of the rights of another as established under this chapter, the federal law relating to trademarks (15 U.S.C. Sec. 1051 et seq.), or the common law, including rights in a trade name.

SEC. 2. Section 17913 of the Business and Professions Code is amended to read:

17913. (a) The fictitious business name statement shall contain all of the information required by this subdivision and shall be substantially in the following form:

FICTITIOUS BUSINESS NAME STATEMENT

The following person (persons) is (are) doing business as

* _____

at ** _____ :

*** _____

_____

_____

_____

This business is conducted by **** _____

The registrant commenced to transact business under the fictitious business name or names listed above on

***** _____

Signed _____

Statement filed with the County Clerk of _____ County on

_____

NOTICE—THIS FICTITIOUS NAME STATEMENT EXPIRES ON DECEMBER 31, 19____. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED PRIOR TO DECEMBER 31, 19____.
THE FILING OF THIS STATEMENT DOES NOT OF ITSELF AUTHORIZE THE USE IN THIS STATE OF A FICTITIOUS BUSINESS NAME IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER FEDERAL, STATE, OR COMMON LAW (SEE SECTION 14400 ET SEQ., BUSINESS AND PROFESSIONS CODE).

(b) The statement shall contain the following information set forth in the manner indicated in the form provided by subdivision (a):

(1) Where the asterisk (*) appears in the form, insert the fictitious business name or names. Only those businesses operated at the same address may be listed on one statement.

(2) Where the two asterisks (**) appear in the form: If the registrant has a place of business in this state, insert the street address of his or her principal place of business in this state. If the registrant has no place of business in this state, insert the street address of his or her principal place of business outside this state.

(3) Where the three asterisks (***) appear in the form: If the registrant is an individual, insert his or her full name and residence address. If the registrant is a partnership or other association of persons, insert the full name and residence address of each general partner. If the registrant is a business trust, insert the full name and residence address of each trustee. If the registrant is a corporation, insert the name of the corporation as set out in its articles of incorporation and the state of incorporation.

(4) Where the four asterisks (****) appear in the form, insert whichever of the following best describes the nature of the business: (i) "an individual," (ii) "a general partnership," (iii) "a limited partnership," (iv) "an unincorporated association other than a partnership," (v) "a corporation," (vi) "a business trust," (vii) "copartners," (viii) "husband and wife," (ix) "joint venture," or (x) "other—please specify."

(5) Where the five asterisks (*****) appear in the form, insert the date on which the registrant first commenced to transact business under the fictitious business name or names listed, if already transacting business under that name or names. If the registrant has not yet commenced to transact business under the fictitious business name or names listed, insert the statement, "Not applicable."

SEC. 3. Section 2 of this act shall be operative July 1, 1988.

CHAPTER 438

An act to amend Sections 7.1, 18, 19, and 37 of, to add Sections 12.3, 20.1, 20.3, 20.5, 20.6, 20.7, 20.8, 20.9, 20.10, 20.11, 20.12, 37.1, and 37.2 to, and to repeal and add Sections 16, 17, 20.2, and 20.4 of, the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), relating to the Ventura County Flood Control District.

[Became law without Governor's signature Filed with Secretary of State September 8, 1987.]

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

SECTION 1. Section 7.1 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 7.1. (a) In addition to the powers described in Section 7, the district shall have the power by ordinance or resolution to prescribe, revise, and collect fees and charges in any zone and in any special zone as a condition of development of land. Land to be developed within a special zone shall be subject both to the fees and charges of the zone in which it is located and the fees and charges of the special zone in which it is located. Development of land for the purposes of this section shall include, but not be limited to, subdivision development as governed by the Subdivision Map Act; construction of new buildings, structures, and improvements for residential, commercial, or industrial purposes; and any development of land requiring either zone variance or special use permit.

(b) (1) The amount of fees and charges levied for each zone and for each special zone shall be determined separately and shall be based upon the need created by development of land for flood control facilities within the zone or special zone.

(2) The amount of fees and charges levied for any zone, other than a special zone, shall not exceed two thousand four hundred dollars ($2,400) for each acre or portion thereof of land to be developed. The district, by ordinance or resolution, may annually adjust the maximum amount of the fees and charges for each acre or portion thereof of land to be developed in a zone based upon a recognized cost index. An ordinance or resolution adjusting the maximum amount of the fees and charges in a zone shall become operative upon approval of two-thirds of the electors voting on the proposition in the zone.

(3) Fees and charges prescribed as a condition of development of land pursuant to this section shall be in addition to any other conditions imposed on the development by any other agency having power to prescribe such other conditions.

(c) Except as hereinafter provided, revenues derived from fees and charges prescribed for any zone may be used only for the

acquisition, engineering, design, construction, reconstruction, maintenance, or operation of flood control or storm drainage facilities within that zone, or within any special zone located in that zone, or used to pay the interest on or reduce the principal of any bonded indebtedness of that zone. At the discretion of the board of supervisors, all or part of the fees and charges prescribed for any zone which are collected as a condition of development of land located within a special zone may be used to pay the interest on or reduce the principal of any bonded indebtedness of that special zone.

(d) Except as hereinafter provided, revenues derived from fees and charges prescribed for any special zone shall be used only for the acquisition, engineering, design, construction, reconstruction, maintenance, or operation of flood control or storm drainage facilities within that special zone or used to pay the interest on or reduce the principal of any bonded indebtedness of that special zone.

(e) Whenever the development of land within any zone or within any special zone is made subject to fees or charges by the board of supervisors pursuant to this section, the board of supervisors may allow a credit against those fees for the acquisition, engineering, design, construction, reconstruction, maintenance, or operation costs of any flood control or storm drainage facility within the zone or special zone which has been constructed or paid for in connection with the development of land within that zone or special zone.

(f) The board of supervisors may also reduce fees or charges prescribed for any part of the land to be developed within the zone or special zone if it finds that because of special circumstances the payment thereof would be inequitable or would cause undue hardship and the reduction of the fees would be in the public interest.

(g) The consent and approval of the legislative body of a city shall be necessary before any fees or charges may be levied on the development of land located within the corporate boundaries of a city which are higher than any fees or charges levied on the development of land located outside the corporate boundaries of that city.

SEC. 2. Section 12.3 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 12.3. (a) The Legislature hereby finds and declares that a county may face substantial expense in maintaining a roll or system which reflects both current values of property for purposes of ad valorem assessments, as well as the property values for general taxation mandated by Article XIII A of the California Constitution. The Legislature further finds and declares that a fair and proper assessment for flood control purposes may be levied according to the benefits derived or to be derived by the real property within a zone, which benefit may be determined on the basis of proportionate storm water runoff from each parcel of real property in a zone.

(b) In addition to and not in derogation of existing authority to

levy assessments pursuant to Section 12 and other provisions of this act, the board of supervisors may, in any year, levy an assessment on taxable real property in the district based upon the benefit which each parcel of real property to be assessed will derive from the works and improvements to be constructed, maintained, operated, extended, or repaired. The assessments may be imposed and used to finance the maintenance and operation costs of flood control services and the cost of installation and improvement of flood control facilities. The assessments may also be used to pay for the costs of maintaining a roll or system which reflects current values of property for the purposes of ad valorem assessments. For purposes of levying any assessment, the board of supervisors may establish one or more areas of benefit, including parcels of real property which benefit similarly from those works and improvements, and may levy different assessments within those areas of benefit. The areas of benefit shall be identified and described in a resolution adopted by the board of supervisors. In the case of any assessment levied pursuant to this act, the benefit may be determined on the basis of proportionate storm water runoff from each parcel of real property. In levying assessments pursuant to this act, the board of supervisors shall be subject to the substantive requirements of Section 54711 of the Government Code and shall employ the procedures provided for in Sections 54710 to 54716, inclusive, of the Government Code. 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 line right-of-way, or other utility right-of-way, shall be subject to assessment only if, and to the extent that, it is found that it will benefit from the service. Proceedings for levying assessments pursuant to this act may be combined with proceedings for issuance of bonds prescribed in Sections 20.2 to 20.12, inclusive, and the proceedings prescribed by those sections may be modified as the board of supervisors deems necessary to accommodate the combination of proceedings.

SEC. 3. Section 16 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is repealed.

SEC. 4. Section 16 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 16. The board of supervisors shall, subject to this act, prescribe by ordinance or resolution the form for all bonds authorized to be issued or sold under this act. Bonds shall be issued in registered form. Bonds shall be payable substantially in accordance with this section. The board of supervisors may divide the principal amount of any issue into two or more series and fix different dates for the bonds of each series. The bonds of one series may be made payable at different times from those of any other

series, except that the earliest maturity of each issue or series, as the case may be, shall not be more than two years from the date of the bonds of that issue or series. The final maturity date of any bond shall not exceed 40 years from the date of the bond. The board of supervisors may determine in the resolution authorizing the issuance of the bonds that the principal amount of the bonds maturing each year shall be other than an amount equal to an equal annual proportion of the aggregate principal of the bonds, and it may determine that the amount of principal maturing in each year plus the amount of interest payable in that year shall as nearly as possible be an aggregate amount that is equal each year, except for the principal and interest due on the first series of the bonds which shall be adjusted to reflect the amount of interest earned from the date when the bonds bear interest to the date when the first interest is payable on the bonds, or it may make such other determination as to the amount of the aggregate principal of the bonds which shall mature in each year as it shall choose.

The bonds shall be issued in such denominations as the board of supervisors may determine, and shall be payable on the date and at the place fixed in the bonds, and with interest payable semiannually at the rate specified in the bonds, which rate shall not be in excess of the rate permitted under Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code. The bonds shall be signed by the chairperson of the board of supervisors, and countersigned by the auditor of the County of Ventura, and the seal of the district shall be affixed thereto. The bonds may be authenticated by a paying agent selected by the board of supervisors, and the signatures of the chairperson and auditor thereon may be facsimile signatures. In case any officer whose signatures or countersignatures appear on the bonds shall cease to be such an officer before the delivery of the bonds to the purchaser, the signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery of the bonds.

SEC. 5. Section 17 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is repealed.

SEC. 6. Section 17 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 17. The board of supervisors may issue and sell the bonds of the district authorized as provided in this act at not less than 95 percent of par value. The proceeds of the sale of the bonds shall be placed in the Treasury of the County of Ventura to the credit of the district and the zone or special zone for which the bonds were issued, and the proper record of the transactions shall be placed upon the books of the county treasury. The district fund shall be applied exclusively to the purposes and objects mentioned in the ordinance or resolution calling the bond election or, if pursuant to Sections 20.2

to 20.12, inclusive, no election is required, in the resolution confirming the engineer's report. Payments from the district fund shall be made upon demands prepared, presented, allowed, and audited in the same manner as demands upon the funds of the County of Ventura.

SEC. 7. Section 18 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 18. Any bonds issued under the provisions of Section 15 shall be a lien upon all but only the taxable property of the zone of issuance, and the lien for the bonds of any issue shall be a preferred lien to that of any subsequent issue. The bonds and the interest thereon shall be paid by revenue derived from an annual tax upon all the taxable property within the zone or out of any other funds of the zone and all the taxable property in the zone shall be and remain liable to be taxed for those payments as hereinafter provided. No zone of the Ventura County Flood Control District, nor the property therein, shall be liable for the bonded indebtedness of any other zone, nor shall any moneys derived from taxation in any of the several zones be used in payment of principal or interest or otherwise of the bonded indebtedness of any other zone.

SEC. 8. Section 19 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 19. The board of supervisors shall levy a tax or assessment each year upon all the taxable or real property in the zone of issuance sufficient to pay so much of the interest as is due upon the bonds for that year and that portion of the principal thereof as is to become due before the time for making the next general tax levy which will not otherwise be paid out of other funds. The tax or assessment shall be levied and collected in the zone of issuance together with and not separately from taxes for county purposes, and when collected shall be paid into the county treasury of Ventura County to the credit of the zone of issuance, and be used for the payment of the principal and interest on the bonds, and for no other purpose. The principal and interest on the bonds shall be paid by the county treasurer of Ventura County in the manner provided by law for the payment of principal and interest on bonds of the county.

SEC. 9. Section 20.1 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.1. The provisions of Sections 20.2 to 20.12, inclusive, establish a separate and alternative authorization and procedure for making improvements, or paying the local share of the cost thereof, and issuing bonds of the district.

SEC. 10. Section 20.2 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is repealed.

SEC. 11. Section 20.2 is added to the Ventura County Flood

Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.2. The board of supervisors may determine that it may be necessary to sell bonds of the district to finance needed flood control improvements for the protection and benefit of a zone or special zone of the district which the board determines cannot be financed from annual revenues from taxes or assessments, or both, over a period of years without selling bonds. The board of supervisors may also determine that it may be necessary to sell bonds of the district to finance the local share of the cost of any flood control improvements or projects undertaken by the federal government or the state, or both. The board of supervisors shall make these determinations by adopting a resolution indicating its intention to finance the improvements through the issuance of bonds, generally describing the improvements to be financed with the proceeds of the bonds, and referring the improvements to an engineer selected by the board and therein named for the preparation and filing with the board of a report with regard to the proposed improvements. The zone or special zone of the district which will benefit from the sale of the bonds and the flood control improvements to be financed shall be designated in the resolution of the board making those determinations.

The report shall contain, among other things, all of the following:

(a) A general description of the improvements.

(b) Estimates of the cost of the improvements, the cost of land, rights-of-way, and easements, incidental expenses in connection with the improvements, and expenses in connection with the issuance of the bonds, and if part of the cost of the improvements will be paid from contributions from the federal government or the state, or both, an estimate of the expected total amount of those contributions.

(c) A map which shows the location of the proposed improvements and lands, rights-of-way, easements, and property to be taken, acquired, or injured in carrying out the construction of the improvements, and any other information in regard to those matters as may be deemed useful. However, improvements, lands, rights-of-way, easements, and property which will be located outside the district or outside the zone or special zone need not be shown on the map.

(d) A general analysis by the engineer as to how the real property to be assessed in the zone or special zone and each proposed area of benefit therein will derive benefit from the proposed improvements.

The engineer may propose in the report that parcels of real property in the zone or special zone which benefit similarly but differently from other parcels from the improvements be included in different areas of benefit which shall be identified by boundary lines on a map or maps of the zone or special zone. The engineer may also propose assessments based on special benefit determined in accordance with Section 20.3.

SEC. 12. Section 20.3 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.3. If the improvements proposed provide protection against flooding in a floodway or floodplain designated in the general plan of the County of Ventura or any city therein or a floodplain area or flood-risk zone established by the Secretary of Housing and Urban Development of the United States pursuant to Section 4101, et seq. of Title 42 of the United States Code, the fact that a lot or parcel of property is located within the floodway or plain or flood-risk area shall be conclusive evidence that it will derive special benefit from the improvements. Assessments based on special benefit may be levied on lots and parcels of property in addition to assessments determined on the basis of proportionate stormwater runoff.

SEC. 13. Section 20.4 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is repealed.

SEC. 14. Section 20.4 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.4. (a) When the report of the engineer is filed with the board of supervisors, the board may at a regular or special meeting approve the report and schedule a hearing thereon. The hearing shall be scheduled not earlier than 30 days and not later than 90 days following approval of the report. Notice of the hearing shall be published pursuant to Section 6066 of the Government Code in a newspaper of general circulation in the zone or special zone, and the first publication shall occur not later than 20 days before the date of the hearing. The notice to be published shall be entitled "Notice of Flood Control Improvements," shall include the time and place of the hearing on the proposed improvements and on the proposed bonds and annual assessments, shall generally describe the proposed improvements and refer to the report of the engineer for further particulars, shall state that the board of supervisors is considering issuing bonds to finance the cost of the proposed improvements, or the local share thereof, and the amount of the bonds which would be issued, shall also state that the board of supervisors is considering levying annual assessments on lots and parcels of real property in the zone or special zone to pay principal and interest on the bonds, and shall contain the name and telephone number of an officer or employee of the district to answer inquiries regarding the protest proceedings.

(b) A notice of the time and place of the hearing shall also be mailed, postage prepaid, to all persons owning real property in the zone or special zone as their names and addresses appear on the last equalized assessment roll for county taxes. The notices shall be mailed not later than 20 days before the date of the hearing. The notice to be mailed shall be entitled "Notice of Flood Control Improvements" and shall contain all of the following:

(1) A statement of the time, place, and purpose of the hearing on improvements and the proposed annual assessments.

(2) A statement of the total estimated cost of the proposed improvements.

(3) A statement that the board of supervisors proposes to issue and sell bonds to finance the cost of the proposed improvements, or the local share thereof, and to levy annual assessments on lots and parcels of real property within the zone or special zone to pay the principal of, and interest on, the bonds.

(4) The estimated amount of the typical annual assessments to be levied on the real property in the zone or special zone.

(5) A statement that any owner of a lot or parcel of real property in the zone or special zone may file a written protest with the clerk.

(6) The name and telephone number of an officer or employee of the district designated by the board of supervisors to answer inquiries regarding the protest proceedings.

(c) If the engineer's report proposes any assessments based on special benefit, separate notice shall be given to the owners of all real property on which assessments based on special benefit are proposed.

SEC. 15. Section 20.5 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.5. Any owner of real property in the zone or special zone may file a written protest with the clerk at or before the time set for the hearing. Each protest shall contain a description of the lot or parcel in which each signer thereof has an ownership interest sufficient to identify the same and, if the signers are not shown on the last equalized assessment roll as the owners of the lot or parcel, the protest shall contain or be accompanied by written evidence that the signers are the owners of the property. The clerk shall endorse on each protest the date of its receipt, and at the time appointed for the hearing shall represent to the board of supervisors all protests filed with the clerk.

SEC. 16. Section 20.6 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.6. At the time of the hearing, the engineer's report shall be summarized and the board of supervisors shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to, the proposed improvements, the issuance and sale of the bonds, the proposed estimated annual assessment against any lot or parcel of property, or any other matter relating thereto. At the conclusion of the hearing, the board of supervisors may confirm the report of the engineer or direct its modification in any respect, and thereafter confirm the report as modified. The hearing may be continued from time to time not exceeding a total of 180 days.

SEC. 17. Section 20.7 is added to the Ventura County Flood

Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.7. If the board of supervisors finds that written protests filed at or before the time of the hearing are signed by the owners of more than 25 percent of the area of land in the zone or special zone, and protests are not withdrawn at the time of the hearing or continued hearing so as to reduce the protest in the zone or special zone below that percentage, the board of supervisors shall either abandon the proceedings or by duly adopted resolution submit the propositions of the issuance of the bonds and the levy of the assessments to the qualified electors within the zone or special zone from which the protest was received and not so reduced, and shall not proceed further with the proceedings as to a zone or special zone unless a majority of the votes cast at the election in the zone or special zone wherein it is held are in favor of the issuance of bonds and the levy of assessments. The election shall be held in conformity with the general election laws of the state.

Notwithstanding any other provision of the law, bonds shall not be issued pursuant to Sections 20.2 to 20.12, inclusive, in amounts greater than that required to finance flood control projects or improvements identified pursuant to Sections 20.2 and 20.4, unless the issuance of the bonds is first approved by a majority of the voters within the district voting on the proposition of the issuance of the bonds.

SEC. 18. Section 20.8 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.8. If the board of supervisors abandons the proceedings rather than call an election, or if an election is held and a majority vote in favor of the propositions is not received, the board shall not initiate similar proceedings within a period of 180 days from the date of adoption of the resolution ordering abandonment of the proceedings or the date of the election.

SEC. 19. Section 20.9 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.9. If, at the conclusion of the hearing, the board of supervisors determines that protests received from the zone or special zone are below the percentage set forth in Section 20.7 or if the propositions regarding issuance of the bonds and the levy of annual assessments are submitted to election in the zone or special zone and the votes cast are in favor of the propositions, the board may adopt a resolution confirming the engineer's report, and ordering the improvements, or payment of the local share of the cost thereof, if the improvements are to be undertaken by the federal government or the state, or both, and the issuance of the bonds.

SEC. 20. Section 20.10 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.10. The board of supervisors may authorize the issuance

of bonds on the basis of competitive bids or negotiated sale. The board of supervisors shall establish a process for selecting bond counsel and, if the bonds are to be sold on the basis of a negotiated sale, the process of selecting underwriters. If competitive bids are to be received, notice of the time and place of the receipt of bids shall be published in a financial journal of general circulation in the state as provided in Section 6066 of the Government Code. The bonds shall be issued and sold as provided in and be subject to Sections 16 and 17.

SEC. 21. Section 20.11 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.11. After the authorization and sale of bonds pursuant to Sections 20.2 to 20.10, inclusive, the board of supervisors shall levy an assessment each year upon the real property in the zone or special zone in the manner prescribed herein in a total amount sufficient to pay interest on the bonds for that year and that portion of the principal thereof as is to become due before the time for making the next general tax levy. The board may also include in the total amount of the assessment levied in any year the estimated amount of the district's cost of levying and collecting the assessments, the cost of registration, transfer, and payment of the bonds, the expected amount of delinquency in payment of assessments, and the amount, if any, needed to replenish the reserve fund for the bonds as a result of past delinquencies in payment of assessments. The annual assessments shall be levied, collected, and become delinquent at the same time and in the same manner and have the same lien priority and bear the same penalties and interest after delinquency as the general tax levy for county purposes. When collected, the assessments collected shall be paid into the county treasury of the County of Ventura to the credit of the district, and be used for the purposes for which it was levied, and for no other purpose. The principal of, and interest on, the bonds shall be paid by the county treasurer of the county in the manner provided by law for the payment of principal of, and interest on, bonds of the county, except that the board of supervisors may determine in the resolution authorizing the issuance of the bonds that the principal and interest shall be paid by a paying agent, other than the county treasurer, named therein.

SEC. 22. Section 20.12 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 20.12. The board of supervisors may include in the aggregate principal amount of the bonds an amount for a reserve fund for the payment of the principal of, and interest on, the bonds in the event that as a result of delinquencies in the payment of annual assessments levied in the zone or special zone there is a deficiency in the amount needed for the payment of principal and interest. The amount to be included for the reserve fund shall not exceed 15 percent of the total

principal amount of the bonds. The reserve fund and all interest earned thereon shall be used for the payment of the principal of, and interest on, the bonds, if there is a deficiency, and then only to the extent of the deficiency, or such funds may be transferred to the redemption fund for the bonds for advance or final retirement of the bonds.

Notwithstanding any provision of this section, the amount and disposition of the reserve fund shall conform to the provisions of the Internal Revenue Code (Title 26 of the United States Code) or the regulations of the Department of the Treasury thereunder.

SEC. 23. Section 37 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 37. An action to determine the validity of bonds, levy of any assessment, or a contract may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. In any such action, all findings of fact or conclusions of the board of supervisors upon all matters shall be conclusive unless the action was instituted within six months after the finding or conclusion was made.

SEC. 24. Section 37.1 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 37.1. The validity of any proceedings conducted pursuant to Sections 20.2 to 20.12, inclusive, shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the adoption by the board of supervisors of a resolution or resolutions confirming, or modifying and confirming as modified, the engineer's report and authorizing the issuance of bonds. An appeal from a final judgment in such an action or proceeding shall be perfected within 30 days after the entry of judgment. Bonds issued pursuant to Sections 20.2 to 20.12, inclusive, shall be conclusive evidence of the regularity of all proceedings leading up to the issuance of the bonds.

SEC. 25. Section 37.2 is added to the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), to read:

Sec. 37.2. The Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800) of the Streets and Highways Code) does not apply to assessments levied pursuant to this act.

CHAPTER 439

An act to amend Section 17504 of the Business and Professions Code, relating to advertising of consumer goods.

[Approved by Governor September 4, 1987. Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 17504 of the Business and Professions Code is amended to read:

17504. (a) Any person, partnership, corporation, firm, joint stock company, association, or organization engaged in business in this state as a retail seller who sells any consumer good or service which is sold only in multiple units and which is advertised by price shall advertise those goods or services at the price of the minimum multiple unit in which they are offered.

(b) Nothing contained in subdivision (a) shall prohibit a retail seller from advertising any consumer good or service for sale at a single unit price where the goods or services are sold only in multiple units and not in single units as long as the advertisement also discloses, at least as prominently, the price of the minimum multiple unit in which they are offered.

(c) For purposes of subdivisions (a) and (b), "consumer good" means any article which is used or bought for use primarily for personal, family, or household purposes, but does not include any food item.

(d) For the purposes of subdivisions (a) and (b), "consumer service" means any service which is obtained for use primarily for personal, family, or household purposes.

(e) For purposes of subdivisions (a) and (b), "retail seller" means an individual, firm, partnership, corporation, joint stock company, association, organization, or other legal relationship which engages in the business of selling consumer goods or services to retail buyers.

CHAPTER 440

An act to amend Sections 17063.2, 17133, 18521, 20563, 23333, 23731, and 23778 of, to add Section 35 to, and to repeal Section 17061.5 of, the Revenue and Taxation Code, and to amend Section 45 of Chapter 1490 of the Statutes of 1984, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 4, 1987. Filed with Secretary of State September 8, 1987.]

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

SECTION 1. Section 35 is added to the Revenue and Taxation Code, to read:

35. Commencing with its January 1, 1985, population base and continuing until the date of certification of the 1990 Federal Census, the population to be used by the Controller and by all other state and county agencies for all purposes of allocation and distribution of grant funds and subventions, including, without limitation, the annual allocation from the Public Library Fund and from the Motor Vehicle License Fee Account in the Transportation Tax Fund, for any general law city located in a county of the 11th class, which city's population as of January 1, 1985, was 38,925 based upon an estimate validated by the Department of Finance, shall be 38,925, adjusted annually, commencing January 1, 1986, by the percentage of population growth of the State of California as a whole.

SEC. 1.5. Section 17061.5 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 17063.2 of the Revenue and Taxation Code is amended to read:

17063.2. (a) For purposes of subdivision (a) of Section 17063, the amount of the excess itemized deductions for any taxable year is the amount by which the sum of the itemized deductions for the taxable year other than—

(1) The deduction for state and local taxes provided by Section 164(a) of the Internal Revenue Code,

(2) The deduction for medical, dental, etc., expenses provided by Section 213 of the Internal Revenue Code,

(3) The deduction for casualty losses described in Section 165(c)(3) of the Internal Revenue Code, exceeds 60 percent of the taxpayer's adjusted gross income reduced by the items in paragraphs (1) through (3) for the taxable year.

(b) In the case of a trust or estate, any deduction allowed or allowable for the taxable year—

(1) Under Section 642(c) of the Internal Revenue Code (but only to the extent that the amount of the deduction allowable under such section is included in the income of the beneficiary under Section 662(a) of the Internal Revenue Code for the taxable year of the beneficiary with which or within which the taxable year of the trust ends);

(2) Under Section 642(e), 642(f), 651, 661, or 691 of the Internal Revenue Code; or

(3) For costs paid or incurred in connection with the administration of the trust or estate shall, for purposes of subdivision (a), be treated as a deduction allowable in arriving at an adjusted gross income.

SEC. 2.5. Section 17133 of the Revenue and Taxation Code is amended to read:

17133. Income which this state is prohibited from taxing includes interest on bonds issued by this state or a local government in this state, and the determination of whether a bond is issued by this state or a local government in this state shall be made without regard to (a) the source of payment of that bond or the security for that bond, public or private, and (b) whether or not public improvements are financed. If there is at any time following the original issuance of such a bond a separation in ownership between the bond and any right to receive interest on the bond (whether or not evidenced by a coupon), payments or accruals on that stripped bond and stripped coupon shall be treated in a manner consistent with Section 1286(d) of the Internal Revenue Code, as amended by Public Law 99-514.

SEC. 3. Section 18521 of the Revenue and Taxation Code is amended to read:

18521. (a) The Franchise Tax Board shall determine annually the total amount designated and available pursuant to this article and notify the Controller of that amount.

(b) The Controller shall transfer that amount, less the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article, to the Fish and Game Preservation Fund to be credited by the Department of Fish and Game to the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account. Notwithstanding Section 13340 of the Government Code, all money transferred to the Fish and Game Preservation Fund, under this article, is hereby continuously appropriated to the Department of Fish and Game for the purposes specified in Section 1771 of the Fish and Game Code, and is subject to review by the budget committees of the Legislature. The Controller shall transfer the amount of the costs of the Franchise Tax Board to the Franchise Tax Board.

SEC. 4. Section 20563 of the Revenue and Taxation Code is amended to read:

20563. (a) The claim on which the assistance is based shall be filed after May 15 of the fiscal year for which assistance is claimed but on or before August 31 succeeding the fiscal year for which assistance is claimed. The Franchise Tax Board may thereafter accept claims through June 30 succeeding the fiscal year for which assistance is claimed.

(b) The state shall assist the claimant after June 30 and before October 31 of the calendar year in which the claim is filed, except that if the claim is defective, assistance shall be made as promptly as is practicable after the claim has been perfected.

(c) A claimant who, because of a medical incapacity, is prevented from filing a timely claim, shall be permitted to file a claim within six months after the end of his or her medical incapacity or three (3) years succeeding the end of the fiscal year for which assistance is claimed, whichever date is earlier.

SEC. 5. Section 23333 of the Revenue and Taxation Code is amended to read:

23333. (a) A taxpayer subject to Section 23186 shall, if it dissolves or withdraws prior to the date the rate is determined under Section 23186, pay a tax under Section 23332 at the maximum rate prescribed by Section 23186. If the rate is subsequently determined to be less than the maximum prescribed by Section 23186, a refund shall, within 30 days of that determination, be made as prescribed by Article 1 (commencing with Section 26071) of Chapter 22.

(b) That part of the tax thus determined which is in excess of the rate specified in Section 23151 shall be collected as a demand for second installment under Article 3 (commencing with Section 25551) of Chapter 19.

SEC. 6. Section 23731 of the Revenue and Taxation Code is amended to read:

23731. Every organization or trust exempt under this chapter, except as provided in this article, is subject to the tax imposed upon its unrelated business taxable income as defined in Section 23732.

(a) Corporations, associations and business trusts are subject to the tax rates imposed under Section 23151 or Section 23501.

(b) Trusts will be subject to the tax rates imposed by subdivision (e) of Section 17041.

This section applies to income years beginning after December 31, 1970.

SEC. 7. Section 23778 of the Revenue and Taxation Code is amended to read:

23778. An organization whose exemption was revoked under Section 23777 may be reestablished as an exempt organization upon the filing of—

(a) A new application for exemption and payment of the filing fee required under Section 23701;

(b) Any information returns, statements, notifications, or amounts due under Section 23772, 23774, or 23775 which were not previously submitted or paid and which resulted in the revocation; and

(c) When revocation occurred under subdivision (c) of Section 23777, satisfactory proof that—

(1) The organization has corrected its nonexempt activities; and

(2) That it will operate in an exempt manner in the future; and

(3) The payment of any tax for periods the organization was not qualified for exemption.

SEC. 8. Section 45 of Chapter 1490 of the Statutes of 1984 is amended to read:

Sec. 45. Regulations adopted to implement this act shall not be subject to the review and approval of the Office of Administrative Law pursuant to the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 9. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

However, the provisions of this act shall be applied in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year following the effective date.

CHAPTER 441

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 September 4, 1987 Filed with Secretary of State September 8, 1987.]

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

SECTION 1. This act may be cited as the Second Validating Act of 1987.

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.
Integrated financing districts.
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 service areas.
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 442

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.

[Approved by Governor September 4, 1987 Filed with Secretary of State September 8, 1987.]

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

SECTION 1. This act may be cited as the Third Validating Act of 1987.

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.
Integrated financing districts.
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 service areas.
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 or, 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.

CHAPTER 443

An act to amend Sections 10270.5, 10270.97, and 11512.2 of, and to add Section 11512.27 to, the Insurance Code, relating to insurance.

[Approved by Governor September 4, 1987 Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 10270.5 of the Insurance Code is amended to read:

10270.5. Group disability insurance is that form of disability insurance which conforms to all of the following conditions:

(a) Written under a master policy,

(1) Issued either to the federal or state government, or to any federal or state agency, political subdivision or district, or to any public, governmental, or municipal corporation, or to any unit, agency or department thereof, or to any corporation, copartnership or individual employer, or to the trustee of any association of employers, offering insurance to all the employees of any such employer or of the employer members of such association or to all of any class or classes thereof determined by conditions pertaining to employment and covering not less than three such employees or such employees together with their dependents or spouses for amounts of insurance based upon some plan which will preclude individual selection by the employee as to the amount of his or her insurance coverage thereunder; or

(2) Issued to a principal eligible to have issued to him or her a policy of group life insurance under the provisions of Section 10203.7 and insuring not less than three agents as defined in that section and eligible thereunder to be insured, or such agents together with their dependents or spouses; or

(3) Issued to any association having a constitution and bylaws and formed and continuously maintained in good faith for purposes other than that of obtaining insurance, offering insurance to all the eligible members, or class of members, of such association and covering not less than three such members or such members together with their dependents or spouses and not less than 25 percent of all eligible members, or class of members, for amounts of insurance based upon some plan which will preclude individual selection by the member as to the amount of his or her insurance coverage thereunder. If the master policy is to be issued to cover members of labor unions, it may be issued to more than one such union; or

(4) Issued to an association or to a trust, or to the trustees of a fund established, created, or maintained for the benefit of members of one or more associations. The association or associations shall have at the outset a minimum membership of 100 persons, and shall be organized and maintained in good faith for purposes other than that

of obtaining insurance. The association or associations shall have been in active existence for at least two years, and shall have a constitution and bylaws which require regular meetings not less than annually to further purposes of the members. The members shall have voting privileges and representation on the governing board or boards and committees. The policy shall be subject to the following requirements:

(A) The policy may insure members of the association or associations, and employees thereof.

(B) The premium for the policy shall be paid from funds contributed by the association or associations, or by members, or by both, or from funds contributed by the covered persons, or from both the covered persons and the association.

(C) A policy on which no part of the premium is to be derived from funds contributed by the covered persons specifically for the insurance shall insure all eligible persons, except those who, in writing, reject the coverage.

(5) Issued to any trustees eligible to have issued to them a policy of group life insurance under the provisions of Section 10202.8 and insuring not less than three employees or members eligible thereunder to be insured or such employees or members together with their dependents or spouses; or

(6) Issued to a school district or districts or to the governing board of any school district or districts or to a private or parochial school or schools or to the governing board or person in charge of the operation of any private or parochial school or schools, insuring not less than 50 pupils of the school or district and providing benefits to pupils or persons responsible for their support for death or dismemberment resulting from accident or for hospital, medical and surgical expenses resulting from accident to such pupils while they are in or on buildings or premises of the schools or districts during the time such pupils are required to be therein or thereon by reason of their attendance upon a college or a regular day school or any regular day school of a school district or districts or while being transported by the school or schools or district or districts to and from school or other place of instruction or while at any other place as an incident to school sponsored activities and while being transported to, from and between such places; and under which

(b) Transmission or collection of all premiums or premium contributions shall be performed by the policyholder, except where the policy specifies the persons other than the policyholder by whom such transmission or collection shall be made, and in one of the following situations:

(1) If such policy covers the employees of more than one employer, the insurer may collect premium contributions from individual employers whose employees are insured or may assist the policyholder in making such collections. If the employees of more than 100 such employers are covered under such policy, it shall state as a separate part of the premium to be charged for the policy the

amount to be charged by the insurer for such collection.

(2) If the policy covers a group of governmental employees and the governmental unit paying such employees will not transmit their premium contribution after payroll deduction, the insurer may collect from the individual employees. If more than 100 such employees are covered under such policy, it shall state as a separate part of the premium to be charged for the policy the amount to be charged by the insurer for such collection.

(3) If individual members of the group make payment of their share of the premium contribution to the insurer with or without billing or solicitation by the insurer during a period of temporary absence from active work of not exceeding 90 days, such payment may be received without the necessity of any separately stated charge by the insurer.

(4) If the policy covers the members of an association, the insurer may collect premium contributions from individual members or may assist the policyholder in making such collections. If more than 100 such members are covered under such policy, it shall state as a part of the premium to be charged for the policy the amount to be charged by the insurer for such collection.

(c) There is issued and delivered in accordance with the policy provision required by subdivision (b) of Section 10270.6 an individual certificate setting forth the benefits and the exceptions under, and referring to, the master policy under which the certificate is issued.

Such certificates are not subject to the provisions of this chapter relating to the master policy, but the forms thereof shall be submitted to the commissioner for his or her approval and shall not be issued without such approval of such forms in the manner provided in the case of the master policy.

SEC. 2. Section 10270.97 of the Insurance Code is amended to read:

10270.97. Selected group disability insurance is that form of disability insurance conforming to the following conditions:

(a) Written under individual policies

(1) Issued to not less than three employees of the federal or state government, or of any federal or state agency, political subdivision or district, or of any public, governmental, or municipal corporation, or of any unit, agency, or department thereof, or of any corporation, copartnership or individual employer; or

(2) Issued to not less than three members of any association, which shall have been in existence for at least two years, having a constitution and bylaws and formed and continuously maintained in good faith for purposes other than that of obtaining insurance; and

(3) For amounts of insurance based upon individual selection by the insured employee or member, as the case may be.

(b) Notwithstanding the provisions of Section 10401 insurers may be permitted to file (for use in connection with selected group disability insurance), rate schedules that reflect a differential from the rates charged for identical policies issued on the individual basis,

provided they do not make or permit any discrimination between selected groups.

SEC. 3. Section 11512.2 of the Insurance Code is amended to read:

11512.2. Group hospital service contracts may be issued in conformity with all of the following conditions:

(a) Written under a master hospital service contract,

(1) Issued either to the federal or state government, or to any federal or state agency, political subdivision or district, or to any public, governmental, or municipal corporation, or to any unit, agency, or department thereof, or to any corporation, copartnership or individual employer, or to the trustee of any association of employers, offering hospital services to all the employees of any such employer or of the employer members of such association or to all of any class or classes thereof determined by conditions pertaining to employment and covering not less than three such employees or such employees together with their dependents or spouses for amounts of hospital services based upon some plan which will preclude individual selection by the employee as to the amount of hospital services he or she may obtain thereunder; or

(2) Issued to any association having a constitution and bylaws and formed in good faith for purposes other than that of obtaining insurance offering hospital services to all the members, or class of members, of such association and covering not less than three such members or such members together with their dependents or spouses and not less than 25 percent of all eligible members, or class of members, for amounts of hospital services based upon some plan which will preclude individual selection by the member as to the amount of hospital services he may obtain thereunder. Any such master hospital service contract shall by its terms require the rates, dues, fees or other periodic charges to be paid to the corporation either by means of payroll deduction or periodically by some designated person acting on behalf of the association covered; or

(3) Issued to an association or to a trust, or to the trustees of a fund established, created, or maintained for the benefit of members of one or more associations. The association or associations shall have at the outset a minimum membership of 100 persons, and shall be organized and maintained in good faith for purposes other than that of obtaining insurance. The association or associations shall have been in active existence for at least two years, and shall have a constitution and bylaws which require regular meetings not less than annually to further purposes of the members. The members shall have voting privileges and representation on the governing board or boards and committees. The policy shall be subject to the following requirements:

(A) The policy may insure members of the association or associations, and employees thereof.

(B) The premium for the policy shall be paid from funds contributed by the association or associations, or by members, or by

both, or from funds contributed by the covered persons, or from both the covered persons and the association.

(C) A policy on which no part of the premium is to be derived from funds contributed by the covered persons specifically for the insurance shall insure all eligible persons, except those who, in writing, reject the coverage.

(4) Issued to any trustees eligible to have issued to them a policy of group life insurance under the provisions of Section 10202.8 and covering not less than 10 employees or members eligible thereunder to be covered or such employees or members together with their dependents or spouses; and under which

(b) For delivery to each person covered under the master hospital service contract, other than dependents or spouses of an insured employee or person, there is issued to the holder of such master hospital service contract by the corporation an individual certificate setting forth the benefits and the exceptions under, and referring to, the master hospital service contract under which the certificate is issued.

(c) In the case of a group contract providing comprehensive health care services issued under Section 11493(e), no such group contract may be offered to any group unless at least one alternative arrangement providing health care services is available to all members of the group which affords free choice among physicians, dentists, other practitioners of the healing arts, pharmacists, pharmacies and health facilities to individual members of the group to the extent such services are made available thereunder.

SEC. 4. Section 11512.27 is added to the Insurance Code, to read:

11512.27. (a) A selected group hospital service plan contract is that form of hospital service plan contract conforming to the following conditions:

(1) Written under individual contracts that are either:

(A) Issued to not less than three employees of the federal or state government, or of any federal or state agency, political subdivision or district, or of any public, governmental, or municipal corporation, or of any unit, agency, or department thereof, or of any corporation, copartnership, or individual employer.

(B) Issued to not less than three members of any association, which shall have been in existence for at least two years, having a constitution and bylaws and formed and continuously maintained in good faith for purposes other than that of obtaining insurance or similar coverage.

(2) Issued for amounts of coverage based upon individual selection by the insured employee or member, as the case may be.

(b) Notwithstanding any provision of law to the contrary, the hospital service plan may be permitted to file (for use in connection with selected group hospital service plan contracts) rate schedules that reflect a differential from the rates charged for identical contracts issued on the individual basis, provided they do not make or permit any discrimination between selected groups.

CHAPTER 444

An act to amend Section 11714 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 4, 1987 Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 11714 of the Vehicle Code is amended to read:

11714. (a) The department, upon granting a license, shall issue to the applicant a license containing the applicant's name and address and the general distinguishing number assigned to the applicant.

(b) A dealer shall not sell any vehicle at retail at a location that is not posted pursuant to Section 11709.

(c) A dealer who is authorized by the department to sell motor vehicles only at wholesale shall not sell any vehicle at retail and shall report every sale to the department on the wholesale report of sale form prescribed by the department.

(d) When the department has issued a license pursuant to subdivision (a), the licensee may apply for and the department shall issue special plates which shall have displayed thereon the general distinguishing number assigned to the applicant. Each plate so issued shall also contain a number or symbol identifying the plate from every other plate bearing a like general distinguishing number.

(e) The department shall also furnish books and forms as it may determine necessary. Such books and forms are and shall remain the property of the department and may be taken up at any time for inspection.

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 445

An act to amend Section 27282 of, and to add Sections 12527, 12528, and 27331 to, the Government Code, relating to the Attorney General.

[Approved by Governor September 4, 1987. Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 12527 is added to the Government Code, to read:

12527. (a) This section applies to every action brought in the name of the people of the State of California by the Attorney General.

(b) The court may appoint a receiver, in actions in which the appointment of a receiver is authorized by law, upon the application of the Attorney General if the court determines both of the following:

(1) The Attorney General has a reasonable probability of prevailing on the merits at trial in establishing that the defendant obtained real or personal property by any unlawful means.

(2) The appointment of a receiver would facilitate the maintenance, preservation, operation, or recovery of that property for any restitutionary purpose.

(c) The receiver may do any of the following subject to the direction of the court:

(1) Sue for, collect, receive, and take into possession all the real and personal property derived by any unlawful means, including property with which that property or the proceeds thereof has been commingled if that property or the proceeds thereof cannot be identified in kind because of the commingling.

(2) Take possession of all books, records, and documents relating to any unlawfully obtained property and the proceeds thereof. In addition, the receiver shall have the same right as a defendant to request, obtain, inspect, copy, and obtain copies of books, records, and documents maintained by third parties that relate to unlawfully obtained property and the proceeds thereof.

(3) Transfer, encumber, manage, control, and hold all property subject to the receivership, including the proceeds thereof, in the manner directed or ratified by the court.

(4) Avoid a transfer of any interest in any unlawfully obtained property including the proceeds thereof to any person who committed, aided or abetted, or participated in the commission of unlawful acts or who had knowledge that the property had been unlawfully obtained.

(5) Avoid a transfer of any interest in any unlawfully obtained property including the proceeds thereof made with the intent to

hinder or delay the recovery of that property or any interest in it by the receiver or any person from whom the property was unlawfully obtained.

(6) Avoid a transfer of any interest in any unlawfully obtained property including the proceeds thereof that was made within one year before the date of the entry of the receivership order if less than a reasonably equivalent value was given in exchange for the transfer, except that a bona fide transferee for value and without notice that the property had been unlawfully obtained may retain the interest transferred until the value given in exchange for the transfer is returned to the transferee.

(7) Avoid a transfer of any interest in any unlawfully obtained property including the proceeds thereof made within 90 days before the date of the entry of the receivership order to a transferee from whom the defendant unlawfully obtained some property if (A) the receiver establishes that the avoidance of the transfer will promote a fair pro rata distribution of restitution among all people from whom defendants unlawfully obtained property and (B) the transferee cannot establish that the specific property transferred was the same property which had been unlawfully obtained from the transferee.

(8) Exercise any power authorized by statute or ordered by the court.

(d) (1) All property in the possession, management, or control of the receiver is in the custody of the court. The court may order that the expenses of the receivership, including receiver's fees, be paid from the property held by the receiver, but neither the state, the Attorney General, nor any state department, agency, or bureau shall be liable for any receivership expense, including receiver's fees, unless otherwise expressly provided by written contract.

(2) No person with actual or constructive notice of the receivership shall interfere with the discharge of the receiver's duties.

(3) No person may file any action or enforce or create any lien, or cause to be issued, served, or levied any summons, subpoena, attachment, or writ of execution against the receiver or any property subject to the receivership without first obtaining prior court approval upon motion with notice to the receiver and the Attorney General. Any legal procedure described herein commenced without prior court approval is void except as to a bona fide purchaser or encumbrancer for value and without notice of the receivership. No person without notice of the receivership shall incur any liability for commencing or maintaining any legal procedure described by this paragraph.

(e) The court may appoint the Attorney General, with the Attorney General's consent, to serve as receiver or as attorney for the receiver.

(f) The court has jurisdiction of all questions arising in the receivership proceedings and may make any orders and judgments as may be required, including orders after noticed motion by the

receiver to avoid transfers as provided in paragraphs (4), (5), (6), and (7) of subdivision (c).

(g) If the court determines that the Attorney General has a reasonable probability of prevailing on the merits at trial in establishing that the defendant obtained real or personal property by unlawful means but that the appointment of a receiver is not requested or that the conditions for the appointment of a receiver described in subdivision (b) have not been shown, the court shall issue any necessary orders to assure that the defendant does not transfer or encumber any property which may be used to satisfy a judgment in the action.

(h) This section is cumulative to all other provisions of law.

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

(j) This section does not provide for the appointment of a receiver in actions in which the appointment of a receiver is not otherwise authorized by law.

(k) The recordation of a copy of the receivership order imparts constructive notice of the receivership in connection with any matter involving real property located in the county in which the receivership order is recorded.

SEC. 2. Section 12528 is added to the Government Code, to read:

12528. For purposes of this article, any property which is obtained in connection with any deceptive or misleading statements or conduct shall be deemed obtained through constructive fraud.

SEC. 3. Section 27282 of the Government Code is amended to read:

27282. (a) The following documents may be recorded without acknowledgment, certificate of acknowledgment, or further proof:

(1) A judgment affecting the title to or possession of real property, authenticated by the certificate of the clerk of the court in which the judgment was rendered.

(2) A notice of location of mining claim.

(3) Certificates of amounts of taxes, interest and penalties due, notices of state tax liens and extensions thereof executed by the state, county, or city taxing agencies or officials pursuant to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code, and Sections 2191.3, 2191.4, and 11495 of the Revenue and Taxation Code, and releases, partial releases, and subordinations executed pursuant to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code, and Sections 2191.4, 11496, 14307, and 14308 of the Revenue and Taxation Code.

(4) Notices of lien for postponed property taxes executed pursuant to Section 16182.

(5) A release, discharge, or subordination of a lien for postponed

property taxes as authorized by Chapter 6 (commencing with Section 16180) of Part 1 of Division 4 of Title 2.

(6) A fixture filing as defined by paragraph (b) of subdivision (1) of Section 9313 of the Commercial Code.

(7) An order affecting title to or possession of real property issued by a court in an action subject to Section 12527, authenticated by the certificate of the clerk of the court in which the order was issued or a copy of that order authenticated by a declaration under penalty of perjury by the Attorney General or by an assistant or deputy of the Attorney General attesting that the contents of the copy are the same as the original order issued by the court.

(b) Any document described in this section, from the time it is filed with the recorder for record, is constructive notice of the contents thereof to subsequent purchasers and mortgagees.

SEC. 4. Section 27331 is added to the Government Code, to read:

27331. An order affecting title to or possession of real property issued by a court in an action subject to Section 12527 may be recorded in any of the indices described in Section 27232, 27233, 27248, 27249, 27250, or 27257.

SEC. 5. It is the intent of the Legislature that paragraph (6) of subdivision (c) of Section 12527 be construed in a manner consistent with similar provisions contained in Section 548 of Title 11 of the United States Code.

CHAPTER 446

An act to amend Sections 53601 and 53635 of the Government Code, relating to local agency funds.

[Approved by Governor September 4, 1987 Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 53601 of the Government Code, as amended by Section 2.5 of Chapter 853 of the Statutes of 1986, is amended to read:

53601. The legislative body of a local agency having money in a sinking fund of, or surplus money in, its treasury not required for the immediate necessities of the local agency may invest any portion of the money which it deems wise or expedient in:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(e) Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System. Purchases of bankers acceptances may not exceed 270 days maturity or 40 percent of the agency's surplus money which may be invested pursuant to this section. However, no more than 30 percent of the agency's surplus funds may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any surplus money in its treasury in any manner authorized by the Municipal Utility District Act, Division 6 (commencing with Section 11501) of the Public Utilities Code.

(g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars ($500,000,000) and having an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section. An additional 15 percent, or a total of 30 percent of the agency's surplus money, may be invested pursuant to this subdivision. The additional 15 percent may be so invested only if the dollar-weighted average maturity of the entire amount does not exceed 31 days. "Dollar-weighted average maturity" means the sum of the amount of each outstanding commercial paper

investment multiplied by the number of days to maturity, divided by the total amount of outstanding commercial paper.

(h) Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by Section 5102 of the Financial Code) or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's surplus money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5, except that the amount so invested shall be subject to the limitations of Section 53638.

(i) Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section, so long as the proceeds of the reverse repurchase agreement are invested solely to supplement the income normally received from these securities. Investment in a reverse repurchase agreement shall be made only upon prior approval of the legislative body of the local agency. For purposes of this section, the term "repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the seller will repurchase the securities on or before a specified date and for a specified amount and will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. The term "counterparty" for the purposes of this subdivision, means the other party to the transaction. A counterparty bank's trust department or safekeeping department may be used for physical delivery of the underlying security. The term of repurchase agreements shall be for one year or less. The term "securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

The term "reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase such securities on or before a specified date and for a specified amount.

(j) Medium-term notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes may not exceed 30 percent of the agency's surplus money which may be invested pursuant to this section.

(k) Shares of beneficial interest issued by diversified management companies, as defined in Section 23701m of the Revenue and Taxation Code, investing in the securities and obligations as

authorized by subdivisions (a) to (*l*), inclusive, of this section and which comply with the investment and deposit restrictions of this article and Article 2 (commencing with Section 53630). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in the securities and obligations as authorized by subdivisions (a) to (m), inclusive, of this section and with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge and shall not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section.

(*l*) Notwithstanding anything to the contrary contained in this section, Section 53635 or any other provision of law, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(m) Notes, bonds, or other obligations which are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

SEC. 2. Section 53635 of the Government Code as amended by Section 4.5 of Chapter 853 of the Statutes of 1986, is amended to read:

53635. As far as possible, all money belonging to, or in the custody of, a local agency, including money paid to the treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations or credit unions in this state selected by the treasurer or other official having the legal custody of the money; or, unless otherwise directed by the legislative body

pursuant to Section 53601, may be invested in the following:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(e) Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the federal home loan bank, the Tennessee Valley Authority, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, federal agency or a United States government-sponsored enterprise.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System. Purchases of bankers acceptances may not exceed 270 days maturity or 40 percent of the agency's surplus funds which may be invested pursuant to this section. However, no more than 30 percent of the agency's surplus funds may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any surplus money in its treasury in any manner authorized by the Municipal Utility District Act, Division 6 (commencing with Section 11501) of the Public Utilities Code.

(g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars ($500,000,000) and having an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an

issuing corporation. Purchases of commercial paper may not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section. An additional 15 percent, or a total of 30 percent of the agency's money or money in its custody, may be invested pursuant to this subdivision. The additional 15 percent may be so invested only if the dollar-weighted average maturity of the entire amount does not exceed 31 days. "Dollar-weighted average maturity" means the sum of the amount of each outstanding commercial paper investment multiplied by the number of days to maturity, divided by the total amount of outstanding commercial paper.

(h) Negotiable certificates of deposit issued by a nationally or state-chartered bank or a savings association or federal association or a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's surplus money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5, except that the amount so invested shall be subject to the limitations of Section 53638. For purposes of this section, the legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from depositing or investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or an employee of the administrative officer, manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(i) Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section, so long as the proceeds of the reverse repurchase agreement are invested solely to supplement the income normally received from these securities. Investment in a reverse repurchase agreement shall be made only upon prior approval of the legislative body of the local agency. For purposes of this section, the term "repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the seller will repurchase the securities on or before a specified date and for a specified amount and will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. The term "counterparty" for the purposes of this subdivision, means the other party to the transaction. A counterparty bank's trust department or safekeeping department may be used for physical delivery of the

underlying security. The term of repurchase agreements shall be for one year or less. The term "securities," for purpose of repurchase under this subdivision, shall mean securities of the same issuer, description, issue date, and maturity.

The term "reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase such securities on or before a specified date and for a specified amount.

(j) Medium-term notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes may not exceed 30 percent of the agency's surplus money which may be invested pursuant to this section.

(k) Shares of beneficial interest issued by diversified management companies, as defined in Section 23701m of the Revenue and Taxation Code, investing in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, of this section and which comply with the investment and deposit restrictions of this article and Article 2 (commencing with Section 53630). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in the securities and obligations as authorized by subdivisions (a) to (m), inclusive, of this section and with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge and shall not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section.

(*l*) Notes, bonds, or other obligations which are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

CHAPTER 447

An act to amend Section 4062 of, and to add Section 4061 to, the Business and Professions Code, relating to pharmacy.

[Approved by Governor September 4, 1987. Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 4061 is added to the Business and Professions Code, to read:

4061. Notwithstanding Section 2038 or any other provision of law to the contrary, a licensed pharmacist may perform skin puncture for purposes of training patients to withdraw their blood in order to perform self-assessment tests to monitor medical conditions including, but not limited to, diabetes. Any pharmacist who performs such service shall not be in violation of Section 2052.

This section does not authorize a pharmacist to withdraw blood for purposes of Section 1242.

SEC. 2. Section 4062 of the Business and Professions Code, is amended to read:

4062. Notwithstanding Section 2038, or any other provision of law to the contrary, a licensed pharmacist may take a person's blood pressure and may inform the person of the results, render an opinion as to whether the reading is within a high, low or normal range, and may advise the person to consult a physician of the person's choice. Prior to undertaking blood pressure measurement, a pharmacist shall have received training in the standard method of blood pressure measurement. Pharmacists rendering such service shall utilize commonly accepted community standards in rendering opinions and referring patients to physicians. Enforcement of this section is vested in the Board of Pharmacy. Any pharmacist who performs such service shall not be in violation of Section 2052.

CHAPTER 448

An act to amend Sections 2982, 2982.3, 2982.8, 2983.2, and 2983.3 of the Civil Code, relating to contracts.

[Approved by Governor September 4, 1987 Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 2982 of the Civil Code is amended to read:

2982. Every conditional sale contract subject to this chapter shall contain the disclosures required by Regulation Z whether or not

Regulation Z applies to the transaction. In addition, to the extent applicable, the contract shall contain the other disclosures and notices required by, and shall satisfy the requirements and limitations of, this section. The disclosures required by subdivision (a) may be itemized or subtotaled to a greater extent than as required by that subdivision and shall be made together and in the sequence set forth in that subdivision. All other disclosures and notices may appear in the contract in any location or sequence and may be combined or interspersed with other provisions of the contract.

(a) The contract shall contain the following disclosures, as applicable, which shall be labeled "itemization of the amount financed":

(1) (A) The cash price, exclusive of document preparation fees, taxes imposed on the sale, pollution control certification fees, and the amount charged for a service contract.

(B) The fee to be retained by the seller for document preparation.

(C) The fee charged by the seller for certifying that the motor vehicle complies with applicable pollution control requirements.

(D) Taxes imposed on the sale.

(E) The amount charged for a service contract.

(F) The total cash price, which is the sum of subparagraphs (A) to (E), inclusive.

(2) An itemization of the amounts to be paid to any public officer for license, certificate of title, and registration.

(3) The aggregate amount of premiums agreed, upon execution of the contract, to be paid for policies of insurance included in the contract, excluding the amount of any insurance premium included in the finance charge.

(4) The amount of the state fee for issuance of a certificate of compliance, noncompliance, or waiver pursuant to any applicable pollution control statute.

(5) A subtotal representing the sum of the foregoing items.

(6) The amount of the buyer's downpayment itemized to show the following:

(A) The net agreed value of the property being traded in.

(B) The amount of any portion of the downpayment to be deferred until not later than the due date of the second regularly scheduled installment under the contract and which is not subject to a finance charge.

(C) The amount of any manufacturer's rebate applied or to be applied to the downpayment.

(D) The remaining amount paid or to be paid by the buyer as a downpayment.

(7) The amount of any administrative finance charge, labeled "prepaid finance charge."

(8) The difference between item (5) and the sum of items (6) and (7), labeled "amount financed."

(b) No particular terminology is required to disclose the items set

forth in subdivision (a) except as therein expressly provided.

(c) If payment of all or a portion of the downpayment is to be deferred, the deferred payment shall be reflected in the payment schedule disclosed pursuant to Regulation Z.

(d) If the downpayment includes property being traded in, the contract shall contain a brief description of that property.

(e) The contract shall contain the names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 is to be sent.

(f) (1) Where the contract includes a finance charge determined on the precomputed basis, the contract shall identify the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and contain a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the actuarial method if the computation will be under that method. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the Rule of 78's, the sum of the digits, or the sum of the periodic time balances method in all other cases, and those references shall be deemed to be equivalent for disclosure purposes.

(2) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, the contract shall contain a statement of that fact and the amount of the minimum finance charge or its method of calculation.

(g) (1) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, the contract shall contain a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(2) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial

method for computing the unearned portion of the finance charge upon prepayment in full, the contract shall contain a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(3) Where the contract includes a finance charge which is determined on the simple-interest basis, the contract shall contain a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(h) The contract shall contain a notice, in at least 8-point bold type if the contract is printed, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

(i) (1) The contract shall contain an itemization of any insurance included as part of the amount financed disclosed pursuant to paragraph (3) of subdivision (a) and of any insurance included as part of the finance charge. The itemization shall identify the type of insurance coverage and the premium charged therefor, and, if the insurance expires before the date of the last scheduled installment included in the repayment schedule, the term of the insurance shall be stated.

(2) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof is to be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(j) (1) The dollar amount of the disclosed finance charge shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1 ⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred

dollars ($900), 5/6 of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and 13/24 of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650), or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect, or receive a finance charge which exceeds the disclosed finance charge, except to the extent (A) caused by the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) permitted by paragraph (2), (3), or (4) of subdivision (c) of Section 226.17 of Regulation Z, or (C) permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received, or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(4) When a contract provides for unequal or irregular payments, or payments on other than a monthly basis, the maximum finance charge shall be at the effective rate provided for in paragraph (1), having due regard for the schedule of installments.

(k) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the

delinquent installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge unless the charge is permitted by Section 2982.3. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(*l*) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, including any additional finance charge imposed pursuant to Section 2982.8 or other additional charge imposed because the contract has been extended, deferred, or refinanced, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred, or refinanced, as so extended, deferred, or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (j), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (k) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary,

whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(m) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made, except that permitted by paragraph (2) of subdivision (c) of Section 226.18 of Regulation Z, provided that all of the requirements and limitations set forth in subdivision (a) of this section are satisfied. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(n) If the seller imposes a fee for document preparation, the contract shall contain a disclosure that such fee is not a governmental fee.

(o) No seller may impose an application fee for a transaction governed by this chapter.

(p) The contract may provide that the seller or holder may charge and collect a five-dollar ($5) fee for the return by depository institution of a dishonored check, negotiated order of withdrawal, or share draft issued in connection with the contract.

SEC. 2. Section 2982.3 of the Civil Code is amended to read:

2982.3. (a) The holder of a conditional sale contract may, upon agreement with the buyer, extend the scheduled due date or defer the scheduled payment of all or of any part of any installment or installments payable thereunder. No charge shall be made for any such extension or deferment unless the agreement for such extension or deferment is in writing and signed by the parties thereto. However, the seller or holder may, as an adjunct to or to assist in efforts to collect one or more delinquent installments on the contract, advise one or more obligors on the contract, either in writing or orally, that the due date for one or more installments under the contract shall be extended, with no charge being made for such extension other than any applicable late charge provided for in the contract.

(b) Where the contract includes a finance charge determined on the precomputed basis, the holder may charge and contract for the payment of an extension or deferral agreement charge by the buyer and collect and receive the same, but such charge may not exceed

an amount equal to 1 percent per month simple interest on the amount of the installment or installments, or part thereof, extended or deferred for the period of extension or deferral. Such period shall not exceed the period from the date when such extended or deferred installment or installments, or part thereof, would have been payable in the absence of such extension or deferral to the date when such installment or installments, or part thereof, are made payable under the agreement of extension or deferment; except that a minimum charge of one dollar ($1) for the period of extension or deferral may be made in any case where the extension or deferral agreement charge, when computed at such rate, amounts to less than one dollar ($1).

(c) Where the contract includes a finance charge determined on the simple-interest basis, the holder may charge and contract for the payment of an extension or deferral agreement charge by the buyer and collect and receive the same, but the charge for the extension or deferral agreement may not exceed the lesser of twenty-five dollars ($25) or 10 percent of the then outstanding principal balance of the contract. Such charge shall be in addition to any finance charges which accrue because such extended or deferred payments are received at a time other than as originally scheduled.

SEC. 3. 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 (e).

(b) 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).

(c) The written notification described in subdivision (b) 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."

(d) 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 (e) and shall be secured as provided in the contract and permitted by Section 2984.2.

(e) 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.

SEC. 4. Section 2983.2 of the Civil Code is amended to read:

2983.2. (a) Except where the motor vehicle has been seized as described in paragraph (6) of subdivision (b) of Section 2983.3, any provision in any conditional sale contract for the sale of a motor vehicle to the contrary notwithstanding, at least 15 days' written notice of intent to dispose of a repossessed or surrendered motor vehicle must be given to all persons liable on the contract. The notice shall be personally served or shall be sent by certified mail, return receipt requested, or first-class mail, postage prepaid, directed to the last known address of the persons liable on the contract. Except as otherwise provided in Section 2983.8, those persons shall be liable for any deficiency after disposition of the repossessed or surrendered motor vehicle only if the notice prescribed by this section is given within 60 days of repossession or surrender and does all of the following:

(1) Sets forth that those persons shall have a right to redeem the motor vehicle by paying in full the indebtedness evidenced by the contract until the expiration of 15 days from the date of giving or mailing the notice and provides an itemization of the contract balance and of any deliquency, collection or repossession costs and

fees and sets forth the computation or estimate of the amount of any credit for unearned finance charges or canceled insurance as of the date of the notice.

(2) States either that there is a conditional right to reinstate the contract until the expiration of 15 days from the date of giving or mailing the notice and all the conditions precedent thereto or that there is no right of reinstatement and provides a statement of reasons therefor.

(3) States that, upon written request, the seller or holder shall extend for an additional 10 days the redemption period or, if entitled to the conditional right of reinstatement, both the redemption and reinstatement periods. The seller or holder shall provide the proper form for applying for the extensions with the substance of the form being limited to the extension request, spaces for the requesting party to sign and date the form, and instructions that it must be personally served or sent by certified or registered mail, return receipt requested, to a person or office and address designated by the seller or holder and received before the expiration of the initial redemption and reinstatement periods.

(4) Discloses the place at which the motor vehicle will be returned to those persons upon redemption or reinstatement.

(5) Designates the name and address of the person or office to whom payment shall be made.

(6) States the seller's or holder's intent to dispose of the motor vehicle upon the expiration of 15 days from the date of giving or mailing the notice, or if by mail and either the place of deposit in the mail or the place of address is outside of this state, the period shall be 20 days instead of 15 days, and further, that upon written request to extend the redemption period and any applicable reinstatement period for 10 days, the seller or holder shall without further notice extend the period accordingly.

(7) Informs such persons that upon written request, the seller or holder shall furnish a written accounting regarding the disposition of the motor vehicle as provided for in subdivision (b). The seller or holder shall advise them that such request must be personally served or sent first-class mail, postage prepaid, or certified mail, return receipt requested, to a person or office and address designated by the seller or holder.

(8) Includes notice, in at least 10-point bold type if the notice is printed, reading as follows: "NOTICE. YOU MAY BE SUBJECT TO SUIT AND LIABILITY IF THE AMOUNT OBTAINED UPON DISPOSITION OF THE VEHICLE IS INSUFFICIENT TO PAY THE CONTRACT BALANCE AND ANY OTHER AMOUNTS DUE."

(b) Unless automatically provided to the buyer within 45 days after the disposition of the motor vehicle, the seller or holder shall provide to any person liable on the contract within 45 days after their written request, if the request is made within one year after the disposition, a written accounting regarding the disposition. The

accounting shall itemize:

(1) The gross proceeds of the disposition.

(2) The reasonable and necessary expenses incurred for retaking, holding, preparing for and conducting the sale and to the extent provided for in the agreement and not prohibited by law, reasonable attorney fees and legal expenses incurred by the seller or holder in retaking the vehicle from any person not a party to the contract.

(3) The satisfaction of indebtedness secured by any subordinate lien or encumbrance on the motor vehicle if written notification of demand therefor is received before distribution of the proceeds is completed. If requested by the seller or holder, the holder of a subordinate lien or encumbrance must seasonably furnish reasonable proof of its interest, and unless it does so, the seller or holder need not comply with its demand.

(c) In all sales which result in a surplus, the seller or holder shall furnish an accounting as provided in subdivision (b) whether or not requested by the buyer. Any surplus shall be returned to the buyer within 45 days after the sale is conducted.

(d) This section shall not apply to a loan made by a lender licensed under Division 9 (commencing with Section 22000) or Division 10 (commencing with Section 24000) of the Financial Code.

SEC. 5. Section 2983.3 of the Civil Code is amended to read:

2983.3. (a) In the absence of default in the performance of any of the buyer's obligations under the contract, the seller or holder may not accelerate the maturity of any part or all of the amount due thereunder or repossess the motor vehicle.

(b) If after default by the buyer, the seller or holder repossesses or voluntarily accepts surrender of the motor vehicle, any person liable on the contract shall have a right to reinstate the contract and the seller or holder shall not accelerate the maturity of any part or all of the contract prior to expiration of the right to reinstate, unless the seller or holder reasonably and in good faith determines that any of the following has occurred:

(1) The buyer or any other person liable on the contract by omission or commission intentionally provided false or misleading information of material importance on his or her credit application.

(2) The buyer, any other person liable on the contract, or any permissive user in possession of the motor vehicle, in order to avoid repossession has concealed the motor vehicle or removed it from the state.

(3) The buyer, any other person liable on the contract, or any permissive user in possession of the motor vehicle, has committed or threatens to commit acts of destruction, or has failed to take care of the motor vehicle in a reasonable manner, so that the motor vehicle has become substantially impaired in value, or the buyer, any other person liable on the contract, or any nonoccasional permissive user in possession of the motor vehicle has failed to take care of the motor vehicle in a reasonable manner, so that the motor vehicle may become substantially impaired in value.

(4) The buyer or any other person liable on the contract has committed, attempted to commit, or threatened to commit criminal acts of violence or bodily harm against an agent, employee, or officer of the seller or holder in connection with the seller's or holder's repossession of or attempt to repossess the motor vehicle.

(5) The buyer has knowingly used the motor vehicle, or has knowingly permitted it to be used, in connection with the commission of a criminal offense, other than an infraction, as a consequence of which the motor vehicle has been seized by a federal, state, or local agency or authority pursuant to federal, state, or local law.

(6) The motor vehicle has been seized by a federal, state, or local public agency or authority pursuant to (A) Section 1324 of Title 8 of the United States Code or Part 274 of Title 8 of the Code of Federal Regulations, (B) Section 881 of Title 21 of the United States Code or Part 9 of Title 28 of the Code of Federal Regulations, or (C) other federal, state, or local law, including regulations, and, pursuant to that other law, the seizing authority, as a precondition to the return of the motor vehicle to the seller or holder, prohibits the return of the motor vehicle to the buyer or other person liable on the contract or any third person claiming the motor vehicle by or through them or otherwise effects or requires the termination of the property rights in the motor vehicle of the buyer or other person liable on the contract or claimants by or through them.

(c) Exercise of the right to reinstate the contract shall be limited to once in any 12-month period and twice during the term of the contract.

(d) The provisions of this subdivision cover the method by which a contract shall be reinstated with respect to curing events of default which were a ground for repossession or occurred subsequent to repossession:

(1) Where the default is the result of the buyer's failure to make any payment due under the contract, the buyer or any other person liable on the contract shall make the defaulted payments and pay any applicable delinquency charges.

(2) Where the default is the result of the buyer's failure to keep and maintain the motor vehicle free from all encumbrances and liens of every kind, the buyer or any other person liable on the contract shall either satisfy all encumbrances and liens or, in the event the seller or holder satisfies the encumbrances and liens, the buyer or any other person liable on the contract shall reimburse the seller or holder for all reasonable costs and expenses incurred therefor.

(3) Where the default is the result of the buyer's failure to keep and maintain insurance on the motor vehicle, the buyer or any other person liable on the contract shall either obtain the insurance or, in the event the seller or holder has obtained the insurance, the buyer or any other person liable on the contract shall reimburse the seller or holder for premiums paid and all reasonable costs and expenses, including, but not limited to, any finance charge in connection with

the premiums permitted by Section 2982.8, incurred therefor.

(4) Where the default is the result of the buyer's failure to perform any other obligation under the contract, unless the seller or holder has made a good faith determination that the default is so substantial as to be incurable, the buyer or any other person liable on the contract shall either cure the default or, if the seller or holder has performed the obligation, reimburse the seller or holder for all reasonable costs and expenses incurred in connection therewith.

(5) Additionally, the buyer or any other person liable on the contract shall, in all cases, reimburse the seller or holder for all reasonable and necessary collection and repossession costs and fees incurred, including attorney's fees and legal expenses expended in retaking and holding the vehicle.

(e) If the seller or holder denies the right to reinstatement under subdivision (b) or paragraph (4) of subdivision (d), the seller or holder shall have the burden of proof that the denial was justified in that it was reasonable and made in good faith. If the seller or holder fails to sustain the burden of proof, the seller or holder shall not be entitled to a deficiency, but it shall not be presumed that the buyer is entitled to damages by reason of the failure of the seller or holder to sustain the burden of proof.

(f) This section shall not apply to a loan made by a lender licensed under Division 9 (commencing with Section 22000) or Division 10 (commencing with Section 24000) of the Financial Code.

CHAPTER 449

An act to amend Sections 1812.50, 1812.51, 1812.52, 1812.53, 1812.54, 1812.55, 1812.56, 1812.57, 1812.59, 1812.60, 1812.63, 1812.64, 1812.65, and 1812.67 of, to amend the heading of Title 2.4 (commencing with Section 1812.50) of Part 4 of Division 3, and to add Section 1812.51a to, the Civil Code, relating to contracts.

[Approved by Governor September 4, 1987. Filed with Secretary of State September 8, 1987]

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

SECTION 1. The heading of Title 2.4 (commencing with Section 1812.50) of Part 4 of Division 3 of the Civil Code is amended to read:

TITLE 2.4. CONTRACTS FOR COMMERCIAL DANCE STUDIO LESSONS AND OTHER SERVICES

SEC. 2. Section 1812.50 of the Civil Code is amended to read:

1812.50. (a) The Legislature finds that there exists in connection with a substantial number of contracts for commercial dance studio lessons and other services, sales practices, and business and financing

methods which have worked a fraud, deceit, imposition, and financial hardship upon the people of this state; that existing legal remedies are inadequate to correct these abuses; that the commercial dance studio industry has a significant impact upon the economy and well-being of this state and its local communities; and that the provisions of this title relating to these contracts are necessary for the public welfare.

(b) The Legislature declares that the purpose of this title is to safeguard the public against fraud, deceit, imposition, and financial hardship, and to foster and encourage competition, fair dealing, and prosperity in the field of commercial dance studio lessons and other services by prohibiting or restricting false or misleading advertising, onerous contract terms, harmful financial practices, and other unfair, dishonest, deceptive, destructive, unscrupulous, fraudulent, and discriminatory practices by which the public has been injured in connection with contracts for commercial dance studio lessons and other services.

SEC. 3. Section 1812.51 of the Civil Code is amended to read:

1812.51. As used in this title, "contract for commercial dance studio lessons and other services" means a contract for instruction in ballroom or other types of dancing where the purpose of the instruction is not primarily performance oriented, and includes lessons and other services, whether given to students individually or in groups. This title does not include contracts for professional services rendered or furnished by a person licensed under Division 2 (commencing with Section 500) of the Business and Professions Code, contracts for educational dance instruction, or contracts for instruction at schools operating pursuant to the Education Code.

SEC. 4. Section 1812.51a is added to the Civil Code, to read:

1812.51a. As used in this title, "educational dance instruction" means any of the following:

(a) A program of instruction which meets all of the following criteria:

(1) The person or organization providing the instruction employs no more than three instructors.

(2) A gross amount of not more than one hundred thousand dollars ($100,000) per year is received for contracts or fees for services.

(3) The program gives instruction primarily to students under the age of 18.

(4) The program gives instruction in ballet, tap, or other performance-oriented forms of dance.

(5) The program is not affiliated with, or franchised by, any national or statewide commercial, for profit, dance organization, company, or corporation.

(b) A program of dance instruction which operates under the auspices of a recognized nonprofit performing dance organization, including, but not limited to, conservatory or academy instruction by ballet companies, modern dance companies, theatrical dance

academies, or other similar organizations.

(c) A program which is operated by any park or recreation agency, community arts nonprofit organization, or local arts agency.

SEC. 5. Section 1812.52 of the Civil Code is amended to read:

1812.52. Every contract for commercial dance studio lessons and other services shall be in writing and shall be subject to this title. A copy of the written contract shall be given to the customer at the time he or she signs the contract.

SEC. 6. Section 1812.53 of the Civil Code is amended to read:

1812.53. (a) No contract for commercial dance studio lessons and other services shall require payment by the person receiving the lessons and other services or the use of the facilities of a total amount in excess of three thousand seven hundred fifty dollars ($3,750).

(b) No contract for commercial dance studio lessons and other services shall require payments or financing by the buyer over a period in excess of two years from the date the contract is entered into, nor shall the term of any such contract be measured by the life of the buyer. However, the lessons and other services to be rendered to the buyer under the contract may extend over a period not to exceed seven years from the date the contract is entered into.

(c) All contracts for commercial dance studio lessons and other services which may be in effect between the same seller and the same buyer, the terms of which overlap for any period, shall be considered as one contract for the purposes of this title.

SEC. 7. Section 1812.54 of the Civil Code is amended to read:

1812.54. (a) Every contract for commercial dance studio lessons and other services shall provide that performance of the agreed-upon lessons will begin within 12 months from the date the contract is entered into.

(b) Every contract for commercial dance studio lessons and other services shall further provide all of the following:

(1) That the contract may be canceled within 180 days after the date of receipt by the customer of a copy of the contract by written notice to the other party at the address specified in the contract, and all moneys paid pursuant to the contract shall be refunded within 10 days of receipt of the notice of cancellation, except that payment shall be made for any dance studio lessons and other services received prior to the cancellation.

(2) That the contract may be canceled after 180 days after the date of receipt by the customer of a copy of the contract by written notice to the other party at the address specified in the contract, and the student canceling the contract shall be thereafter entitled to a refund, within 10 days of receipt by the dance studio of notice of cancellation, of all moneys paid pursuant to the canceled contract with the exception that the dance studio shall be entitled to 10 percent of the unpaid balance pursuant to the terms of the canceled contract, and except further that, in addition to the foregoing, payment shall be made for any dance studio lessons and other services received prior to the cancellation.

(c) Every contract for commercial dance studio lessons and other services shall contain a written statement of the hourly rate charged for each type of lesson for which the student has contracted. If the contract includes dance studio lessons which are sold at different per-hour rates, the contract shall contain separate hourly rates for each different type of lesson sold. All other services for which the student has contracted which are not capable of a per-hour charge shall be set forth in writing in specific terms. The statement shall be contained in the dance studio contract before the contract is signed by the buyer.

(d) Every commercial dance studio subject to Sections 1812.64 to 1812.66, inclusive, shall include in every contract for dance studio lessons or other services a statement that the studio is bonded and that information concerning the bond may be obtained by writing to the office of the Secretary of State, 1230 J Street, Sacramento, California 95814. If the studio has elected to make a cash deposit in lieu of procuring a bond, the contract shall contain a description of the cash deposit.

SEC. 8. Section 1812.55 of the Civil Code is amended to read:

1812.55. No contract for commercial dance studio lessons and other services shall require or entail the execution of any note or series of notes by the buyer which, when separately negotiated, will cut off as to third parties any right of action or defense which the buyer may have against the seller.

SEC. 9. Section 1812.56 of the Civil Code is amended to read:

1812.56. No right of action or defense arising out of a contract for commercial dance studio lessons and other services which the buyer has against the seller, and which would be cut off by assignment, shall be cut off by assignment of the contract to any third party whether or not he or she acquires the contract in good faith and for value unless the assignee gives notice of the assignment to the buyer as provided in this section and, within 30 days of the mailing of notice, receives no written notice of the facts giving rise to the claim or defense of the buyer. A notice of assignment shall be in writing addressed to the buyer at the address shown on the contract and shall identify the contract and inform the buyer that he or she shall, within 30 days of the date of mailing of the notice, notify the assignee in writing of any facts giving rise to a claim or defense which he or she may have. The notice of assignment shall state the name of the seller and buyer, a description of the lessons and other services, the contract balance, and the number and amount of the installments.

SEC. 10. Section 1812.57 of the Civil Code is amended to read:

1812.57. (a) Every contract for commercial dance studio lessons and other services shall contain a clause providing that if, by reason of death or disability, the person agreeing to receive lessons and other services is unable to receive all lessons and other services for which he or she has contracted, the person and his or her estate shall be relieved from the obligation of making payment for lessons and other services other than those received prior to death or the onset

of disability, and that if the buyer has prepaid any sum for lessons and other services so much of that sum as is allocable to lessons and other services he or she has not taken shall be promptly refunded to the buyer or his or her representative.

(b) Notwithstanding the provisions of any contract to the contrary, whenever the contract price is payable in installments and the buyer is relieved from making further payments or entitled to a refund under this section, the buyer shall be entitled to receive a refund or refund credit of so much of the cash price as is allocable to the lessons or other services not actually received by the buyer. The refund of the finance charge shall be computed according to the "sum of the balances method," also known as the "Rule of 78".

SEC. 11. Section 1812.59 of the Civil Code is amended to read:

1812.59. Any contract for commercial dance studio lessons and other services which does not comply with the applicable provisions of this title shall be void and unenforceable as contrary to public policy.

SEC. 12. Section 1812.60 of the Civil Code is amended to read:

1812.60. Any contract for commercial dance studio lessons and other services entered into in reliance upon any willful and false, fraudulent, or misleading information, representation, notice, or advertisement of the seller shall be void and unenforceable.

SEC. 13. Section 1812.63 of the Civil Code is amended to read:

1812.63. Any person who violates any provision of this title relating to commercial dance studio contracts is guilty of a misdemeanor. Any superior court of this state has jurisdiction in equity to restrain and enjoin the violation of any of the provisions of this title relating to commercial dance studio contracts.

The duty to institute actions for violation of those provisions of this title, including equity proceedings to restrain and enjoin violations, is hereby vested in the Attorney General, district attorneys, and city attorneys. The Attorney General, any district attorney, or any city attorney may prosecute misdemeanor actions or institute equity proceedings, or both.

This section shall not be deemed to prohibit the enforcement by any person of any right provided by this or any other law.

SEC. 14. Section 1812.64 of the Civil Code is amended to read:

1812.64. Every commercial dance studio shall maintain a bond issued by a surety company admitted to do business in this state. The principal sum of the bond shall be 25 percent of the dance studio's gross income from the studio business in this state during the studio's last fiscal year, except that the principal sum of the bond shall not be less than ten thousand dollars ($10,000) in the first or any subsequent year of operation.

A copy of the bond shall be filed with the Secretary of State, together with a declaration under penalty of perjury signed by the owner of the studio stating the dance studio's gross income from the dance studio business in this state during the last fiscal year. The information contained in the declaration shall not be subject to

public inspection. If the person in whose name the bond is issued severs his or her relationship with the bonded dance studio, the new owner shall, as a condition of doing business, notify the Secretary of State of the change of ownership and of proof of compliance with Sections 1812.64 to 1812.66, inclusive.

SEC. 15. Section 1812.65 of the Civil Code is amended to read:

1812.65. The bond required by Section 1812.64 shall be in favor of the State of California for the benefit of any person who, after entering into a contract for commercial dance studio lessons and other services with the dance studio, is damaged by fraud or dishonesty or failure to provide the services of the studio in performance of the contract.

SEC. 16. Section 1812.67 of the Civil Code is amended to read:

1812.67. Sections 1812.64 and 1812.65 do not apply to any commercial dance studio which requires or receives less than fifty dollars ($50) in advance payments from or on behalf of each student for commercial dance studio lessons or other services which are to be rendered by the studio in the future and such advance payments are not required or received by the studio from each student more frequently than once every 30 days.

CHAPTER 450

An act to amend Section 8610.5 of the Government Code, relating to emergencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 4, 1987. Filed with Secretary of State September 8, 1987]

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

SECTION 1. Section 8610.5 of the Government Code is amended to read:

8610.5. The Office of Emergency Services, in consultation with the State Department of Health Services and affected counties, shall investigate the consequences of a serious nuclear powerplant accident for each of the four nuclear powerplants in California with a generating capacity of 50 megawatts or more. This study, to be completed within six months of the effective date of this section, shall include the preparation of specific site maps showing the areas likely to be affected by such an accident. These maps shall delineate Emergency Planning Zones, which shall reflect inhalation, ingestion, and other radiation pathways.

A similar study shall be made by the office for any subsequent nuclear powerplant with a generating capacity of 50 megawatts or more proposed for certification in California.

The Office of Emergency Services shall revise its Nuclear Power

Plant Emergency Response Plan to reflect the information provided in the study. The Office of Emergency Services shall assist local authorities in preparing or upgrading their emergency response plans to reflect its new planning guidelines. The state plan shall be updated within six months after the study has been made. Local plans shall be updated and approved by the Office of Emergency Services in accordance with the following: (1) an initial draft plan shall be submitted to the office within six months after the study has been made, and (2) a final plan shall be completed, reviewed, and approved within 18 months after the effective date of this section. Neither the state plan nor any local plan shall become effective or be implemented until approved by the Office of Emergency Services of this state or the Federal Emergency Management Agency.

The current State Nuclear Power Plant Emergency Response Plan shall continue in full force and effect unless and until revised pursuant to this section. Local plans shall remain in full force and effect unless and until revised pursuant to this section.

It is the intent of the Legislature that state and local costs related to carrying out the provisions of this section which are not reimbursed by federal funds shall be borne by the utility with existing nuclear powerplants having a generating capacity of 50 megawatts or more, and that local agencies shall be reimbursed for their costs incurred in preparing or updating their plans for the affected area surrounding these powerplants by the utility operating each powerplant. The Public Utilities Commission shall develop and transmit to the Office of Emergency Services an equitable method of assessing the utilities operating the powerplants for their reasonable pro rata share of state agency costs. Each local agency involved shall submit a statement of its costs in such manner as the Office of Emergency Services shall require. Upon each utility's notification by the Office of Emergency Services, from time to time, of the amount of its share of the actual or anticipated state and local agency costs, the utility shall pay such amount to the Controller for deposit in the Nuclear Planning Assessment Special Account, which is hereby created in the General Fund for use by the Controller, upon appropriation by the Legislature, to carry out this section. The Controller shall pay from this account the state and local costs relative to carrying out the provisions of this section upon certification thereof by the Office of Emergency Services. Each utility operating a nuclear powerplant shall, within one month of the effective date of this section, pay to the Controller for deposit into the Nuclear Planning Assessment Special Account the sum of twenty-five thousand dollars ($25,000) for each nuclear powerplant for the purpose of funding initial planning costs. Upon repeal of this section, any amounts remaining in the special account shall be refunded pro rata to the utilities contributing thereto. Commencing on the effective date of the amendment of this section during the 1987 portion of the 1987–88 Regular Session of the Legislature, the

total annual reimbursement of state and local costs from the utilities operating the nuclear powerplants within the state pursuant to this section shall not exceed the lesser of the actual costs or five hundred thousand dollars ($500,000) annually for state costs to be shared equally among the utilities and the lesser of the actual costs or one hundred thousand dollars ($100,000) per reactor unit annually for local costs. Of the five hundred thousand dollars ($500,000) for state costs, up to two hundred thousand dollars ($200,000) are in support of an annual interagency agreement between the Office of Emergency Services and the State Department of Health Services for activities of the department pursuant to this section. The amounts paid by privately owned utilities under this section shall be allowed for ratemaking purposes by the Public Utilities Commission. Publicly owned public utilities may include amounts paid under this section in their rates.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute which is chaptered on or before January 1, 1993, 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 fund emergency actions under the State Nuclear Power Plant Emergency Response Plan at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 451

An act to amend Section 9543 of the Welfare and Institutions Code, relating to the Foster Grandparent Program.

[Approved by Governor September 8, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 9543 of the Welfare and Institutions Code is amended to read:

9543. The functions and goals of the program shall be:

(a) To provide benefits and meaningful service opportunities to low-income persons 60 years of age and older.

(b) To serve children 20 years of age and under, who have special needs and are deprived of normal relationships with adults.

(c) To provide services to, but not limited to:

(1) Premature and failure-to-thrive babies, abused, neglected, battered, and chronically ill children in hospitals.

(2) Autistic children, children with cerebral palsy, and mentally retarded children placed in institutions for the developmentally

disabled.

(3) Physically handicapped children, mentally disabled children, emotionally disturbed children, developmentally disabled children, and children who are socially and culturally deprived in school settings and child care centers.

(4) Dependent, neglected children, mentally disabled children, emotionally disturbed or physically handicapped children, and battered and abused children in residential settings.

(5) Delinquent children and adolescents in correctional institutions.

(6) Children up to the age of 18 when the child has been charged with committing, or adjudged to have committed, an offense which is the equivalent to a misdemeanor. This shall be known as the Foster Grandparent Delinquent Childrens' Advocacy Program.

CHAPTER 452

An act to amend Section 20281 of the Public Contract Code, and to amend Section 95492 of the Public Utilities Code, relating to transit districts.

[Approved by Governor September 8, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 20281 of the Public Contract Code is amended to read:

20281. The purchase of all supplies, equipment and materials, when the expenditure required exceeds ten thousand dollars ($10,000), and the construction of facilities and works, when the expenditure exceeds three thousand dollars ($3,000), 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, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

SEC. 2. Section 95492 of the Public Utilities Code is amended to read:

95492. The board shall establish rules for its proceedings and may provide by ordinance or resolution that each member shall receive for each attendance at the meetings of the board the sum of sixty dollars ($60) but not to exceed one hundred eighty dollars ($180) in any calendar month and shall be allowed such necessary traveling and personal expenses incurred in the performance of his or her duties as authorized by the board.

CHAPTER 453

An act to add and repeal Section 41701.5 of the Health and Safety Code, relating to air pollution.

[Approved by Governor September 8, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 41701.5 is added to the Health and Safety Code, to read:

41701.5. (a) Neither the state board nor any district shall impose a discharge requirement on emissions of visible smoke from diesel pile-driving hammers which is more stringent than that designated as No. 2 on the Ringelmann Chart, as published by the United States Bureau of Mines.

(b) No person shall operate a diesel pile-driving hammer so as to exceed the limits specified in subdivision (a) for any period or periods aggregating more than four minutes during the driving of a single pile.

(c) On or before July 1, 1988, the state board, in consultation with the districts, shall prepare and submit to the Legislature a study to determine whether it is technically and economically feasible for diesel pile-driving hammers to meet shade and opacity standards which are more stringent than No. 2 on the Ringlemann Chart, as published by the United States Bureau of Mines.

(d) 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. 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 454

An act to add Section 1214.2 to the Penal Code, relating to fines, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 1214.2 is added to the Penal Code, to read:

1214.2. (a) Except as provided in subdivision (c), if a defendant is ordered to pay a fine as a condition of probation, the order to pay a fine may be enforced during the term of probation in the same manner as is provided for the enforcement of money judgments.

(b) Except as provided in subdivision (c), an order to pay a fine as a condition of probation may also be enforced as follows:

(1) With respect to a willful failure to pay during the term of probation, in the same manner as a violation of the terms and conditions of probation.

(2) If any balance remains unpaid at the end of the term of probation, in the same manner as a judgment in a civil action.

(c) If an order to pay a fine as a condition of probation is stayed, a writ of execution shall not issue until the stay is lifted.

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 minimize revenue losses to local government, it is necessary that this act take effect immediately.

CHAPTER 455

An act to amend Sections 21800, 22505, 22506, and 22507 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 8, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 21800 of the Vehicle Code is amended to read:

21800. (a) The driver of a vehicle approaching an intersection shall yield the right-of-way to a vehicle which has entered the intersection from a different highway.

(b) When two vehicles enter an intersection from different highways at the same time, the driver of the vehicle on the left shall yield the right-of-way to the driver of the vehicle on his right, except that the driver of a vehicle on a terminating highway shall yield the right-of-way to the driver of any vehicle on the intersecting continuing cross highway.

For the purposes of this subdivision, "terminating highway" means a highway which intersects, but does not continue beyond the intersection, with another highway which does continue in each direction beyond the intersection.

(c) When two vehicles enter an intersection, controlled from all directions by stop signs, from different highways at the same time, the driver of the vehicle on the left shall yield the right-of-way to the

driver of the vehicle on his immediate right.

(d) This section shall not apply at an intersection controlled by an official traffic control signal or yield right-of-way sign or controlled by stop signs but not from all directions, or to vehicles approaching each other from opposite directions when the driver of one of the vehicles is intending to or is making a left turn.

(e) The driver of a vehicle approaching an intersection that has official traffic control signals that are inoperative, shall stop and may proceed with caution when it is safe. When two vehicles enter an intersection that has official traffic control signals that are inoperative from different highways at the same time, the driver of the vehicle on the left shall yield the right-of-way to the driver of a vehicle on his or her right except that the driver of a vehicle on a terminating highway shall yield the right-of-way to the driver of any vehicle on the intersecting continuing cross highway.

SEC. 2. Section 22505 of the Vehicle Code is amended to read:

22505. (a) The Department of Transportation with respect to highways under its jurisdiction may place signs or markings prohibiting or restricting the stopping, standing, or parking of vehicles, including, but not limited to, vehicles which are six feet or more in height (including any load thereon), in any of the following areas and under the following conditions:

(1) In areas where, in its opinion, stopping, standing, or parking is dangerous to those using the highway or where the stopping, standing, or parking of vehicles would unduly interfere with the free movement of traffic thereon.

(2) In areas within one-half mile of the boundary of any unit of the state park system which the Director of Conservation has determined are unusually high fire hazard areas, upon notification of the Department of Transportation of such determination by the Director of Conservation.

(3) In areas within one-half mile of the boundary of any unit of the state park system which the county health officer has determined are areas where a substantial public health hazard would result if camping were allowed, upon notification of the Department of Transportation of such determination by the county health officer.

(b) No person shall stop, park, or leave standing any vehicle in violation of the restrictions stated on the signs or markings.

(c) This section does not apply to any of the following:

(1) Public utility vehicles while performing a work operation.

(2) The driver of any vehicle which is disabled in such a manner and to such an extent that it is impossible to avoid stopping, parking, or leaving the disabled vehicle standing on the roadway.

SEC. 3. Section 22506 of the Vehicle Code is amended to read:

22506. Local authorities may by ordinance or resolution prohibit or restrict the stopping, standing, or parking of vehicles on a state highway, in their respective jurisdictions, if the ordinance or resolution is first submitted to and approved in writing by the Department of Transportation, except that where maintenance of

any state highway is delegated by the Department of Transportation to a city, the department may also delegate to the city the powers conferred on the department.

SEC. 4. Section 22507 of the Vehicle Code is amended to read:

22507. Local authorities may, by ordinance or resolution, prohibit or restrict the stopping, parking, or standing of vehicles, including, but not limited to, vehicles which are six feet or more in height (including any load thereon) within 100 feet of any intersection, on certain streets or highways, or portions thereof, during all or certain hours of the day. The ordinance or resolution may include a designation of certain streets upon which preferential parking privileges are given to residents and merchants adjacent to the streets for their use and the use of their guests, under which the residents and merchants may be issued a permit or permits which exempt them from the prohibition or restriction of the ordinance or resolution. With the exception of alleys, no such ordinance or resolution shall apply until signs or markings giving adequate notice thereof have been placed. A local ordinance or resolution adopted pursuant to this section may contain provisions which are reasonable and necessary to ensure the effectiveness of a preferential parking program.

CHAPTER 456

An act to amend Section 1204.1 of the Health and Safety Code, relating to clinics.

[Approved by Governor September 8, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 1204.1 of the Health and Safety Code is amended to read:

1204.1. In addition to the primary care clinics and specialty clinics specified in Section 1204, clinics eligible for licensure pursuant to this chapter include psychology clinics. A "psychology clinic" is a clinic which provides psychological advice, services, or treatment to patients, under the direction of a clinical psychologist as defined in Section 1316.5, and is 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 psychology 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 taxation under paragraph (3), subsection (c) of Section 501 of the Internal Revenue Code of 1954, as amended, or a statutory successor thereof, shall

operate a psychology clinic.

Each psychology clinic licensed pursuant to this section shall comply with the provisions of Part 2 (commencing with Section 13100) of Division 12.

Only a psychology clinic may be licensed under this chapter to exclusively provide psychological advice, services, or treatment. However, nothing in this subdivision precludes clinics specified in Section 1204 from providing psychological advice, services, or treatment as included within, or adjunctive to, medical advice, services, or treatment provided by such clinics. Failure to comply with the requirements of this section may be grounds for denial, revocation, or suspension of the license.

CHAPTER 457

An act to amend Sections 931.5 and 1026 of, to amend and repeal Sections 13053 and 13054 of, and to repeal and add Section 805 of, the Unemployment Insurance Code, relating to unemployment insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 931.5 of the Unemployment Insurance Code is amended to read:

931.5. (a) Except for Part 2 (commencing with Section 2601) of this division and Division 6 (commencing with Section 13000), any third party which makes a payment included in the term "wages" solely by reason of subdivision (a) of Section 931 shall be the employer with respect to those wages unless the third-party payer notifies the last employer, who is a member of the plan and for whom the services were performed, within 15 days of payment, and provides all of the following information to that last employer:

(1) The name and social security account number of the recipients of the wages paid pursuant to subdivision (a) of Section 931.

(2) The amount of gross wages paid pursuant to subdivision (a) of Section 931.

(b) The special rule prescribed by this subdivision applies to the payment of sick pay made by a third-party payer, such as an insurer, under a contract of insurance pursuant to a multiple employer plan that is obligated to make payments for sick pay to employees of participating employers. If the third-party payer provides the plan with the notification required by subdivision (a) within the time required, the plan, not the third-party payer, shall be treated as the

employer under subdivision (a). If within six business days after receipt of the notification the plan similarly notifies the last employer for whom the services are performed, and who is a plan member, that employer, not the plan, shall be required to report and pay the contributions due with respect to the wages.

(c) The employer, as determined by subdivision (a) or (b), shall pay contributions, required by this part, except as provided in Sections 984 and 986, and shall comply with the requirements of subdivision (a) of Section 1088.

(d) When an employer receives the notification prescribed in subdivision (a) or (b), the wages described therein shall be deemed paid when the notice is received.

(e) The director shall not make an assessment pursuant to Section 1126, 1127, or 1137 to assess employee contributions required by Sections 984 and 13020 on third-party sick pay as described in subdivision (a) for the period from January 1, 1987, through the date on which this subdivision became effective.

(f) Except as provided by Section 1176 and Section 19051 of the Revenue and Taxation Code, no refunds may be made for employee contributions required by Sections 984 and 13020 paid on third-party sick pay as described in subdivision (a) for the period from January 1, 1987, through the date on which this subdivision became effective.

SEC. 2. Section 1026 of the Unemployment Insurance Code is amended to read:

1026. (a) The director shall maintain a separate account for each employer, and shall credit each account with all the contributions paid on his or her behalf.

(b) Unemployment compensation benefits paid to an unemployed individual during any benefit year shall be charged against the account of his or her employer during his or her base period, but if the individual performed services in employment for more than one employer during his or her base period, unemployment compensation benefits paid to him or her shall be charged against the respective accounts of the employers in the proportion that the total wages paid to the individual in employment for each employer bears to the total wages paid to the individual in employment for all employers during the base period.

(c) The director shall credit the interest earned by the Unemployment Fund to each positive reserve employer account in proportion to the amount the account bears to the total of all positive reserve accounts.

(d) Except as provided by Sections 803, 804, 821, and 1032.7, and Chapter 5.8 (commencing with Section 1480), in proportion to the amount each employer's taxable wages bears to the total of all employers' taxable wages, the director shall credit to each employer account all of the following:

(1) Benefit overpayments collected in the four quarters prior to the computation date.

(2) Positive balances in reserve accounts canceled pursuant to

Section 1029.

(3) Other nontax income.

(e) Except as provided by Sections 803, 804, 821, and 1032.7, and Chapter 5.8 (commencing with Section 1480), in the same proportion as provided in subdivision (d), the director shall charge to each employer account all of the following:

(1) The amount of negative reserve balances accrued to the computation date each year.

(2) Benefit overpayments established in the four quarters prior to the computation date.

(3) Benefits not charged to employer reserve accounts pursuant to Section 1032, 1032.5, 1034, 1035, 1036, 1335, 1338, or 1380.

(4) Other items of expense and benefit charges not included in active employer reserve accounts.

SEC. 3. Section 13053 of the Unemployment Insurance Code, as amended by Chapter 1475 of the Statutes of 1984, is amended to read:

13053. Every employer shall file an annual return with the department, on forms prescribed by the department, reporting the total tax withheld for the year pursuant to Section 13020 at the time prescribed by the director. The employer shall include with the return, in a manner prescribed by the director, duplicates of the statements required pursuant to Section 13050.

SEC. 4. Section 13053 of the Unemployment Insurance Code, as added by Chapter 1007 of the Statutes of 1980, is repealed.

SEC. 5. Section 13054 of the Unemployment Insurance Code, as amended by Chapter 1475 of the Statutes of 1984, is amended to read:

13054. If an employer fails to file the annual report of compensation paid and taxes withheld, required under Section 13053, on or before 30 days after notice has been given to the employer of his or her failure to file, unless the failure is due to reasonable cause, the employer, in addition to any other penalties imposed by this division and Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code, shall pay a penalty of two hundred fifty dollars ($250) or 100 percent of the tax amount required to be reported by Section 13053, whichever is less. The penalty shall be assessed and collected in the same manner as the tax.

SEC. 6. Section 13054 of the Unemployment Insurance Code, as added by Chapter 1007 of the Statutes of 1980, is repealed.

SEC. 7. Section 805 of the Unemployment Insurance Code is repealed.

SEC. 8. Section 805 is added to the Unemployment Insurance Code, to read:

805. An unregistered organization described in Section 608, and which has been determined by the Internal Revenue Service to be exempt under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code, may elect reimbursement financing under Section 801 when the director finds that it has good cause for failing to register as an employer under this division. The

election under Section 801 shall be from the time the organization became an employer. The organization shall, upon election, be liable for reimbursement of the cost of benefits chargeable to the organization from the time it became an employer. Payment of the cost of benefits shall be as provided in Section 803 except that benefits paid more than 30 days prior to the date of election under Section 801 shall accrue interest as provided in Section 1113. The election under Section 801 shall be subject to all provisions of Section 803.

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:

In order to alleviate the financial hardship on nonprofit organization employers which have not participated in the payment of unemployment insurance under current law, it is necessary for this act to take effect immediately.

CHAPTER 458

An act to amend Section 488.5, 557.5, and 557.6 of the Insurance Code, relating to insurance.

[Approved by Governor September 8, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 488.5 of the Insurance Code is amended to read:

488.5. No insurer shall, in issuing or renewing a private automobile insurance policy to a peace officer, member of the California Highway Patrol, or firefighter, with respect to his or her operation of a private motor vehicle, increase the premium on that policy for the reason that the insured or applicant for insurance has been involved in an accident while operating an authorized emergency vehicle, as defined in subdivision (a) of Section 165 of the Vehicle Code or in paragraph (1) or (2) of subdivision (b) of Section 165 of the Vehicle Code, in performance of his or her duty during the hours of his or her employment.

As used in this section:

(a) "Peace officer" means every person defined in Section 830.1, subdivisions (a), (b), (d), (e), (g), and (h) of Section 830.2, subdivisions (b), (c), (g), and (h) of Section 830.31, subdivisions (e), (g), (h), (i), (j), and (k) of Section 830.4, subdivision (b) of Section 830.5, and Section 830.6, of the Penal Code.

(b) "Policy" shall have the same meaning as defined in subdivision (a) of Section 660.

SEC. 2. Section 557.5 of the Insurance Code is amended to read:

557.5. No peace officer, member of the California Highway Patrol, or firefighter shall be required to report any accident in which he or she is involved while operating an authorized emergency vehicle, as defined in subdivision (a) of Section 165 of the Vehicle Code or in paragraph (1) or (2) of subdivision (b) of Section 165 of the Vehicle Code, in performance of his or her duty during the hours of his or her employment, to any person who has issued that peace officer, member of the California Highway Patrol, or firefighter a private automobile insurance policy.

As used in this section:

(a) "Peace officer" means every person defined in Section 830.1, subdivisions (a), (b), (d), (e), (g), and (h) of Section 830.2, subdivisions (b), (c), (g), and (h) of Section 830.31, subdivisions (e), (g), (h), (i), (j), and (k) of Section 830.4, subdivision (b) of Section 830.5, and Section 830.6, of the Penal Code.

(b) "Policy" shall have the same meaning as defined in subdivision (a) of Section 660.

SEC. 3. Section 557.6 of the Insurance Code is amended to read:

557.6. Any peace officer as defined pursuant to this section who has been involved in an accident shall submit to his or her private automobile insurer within 30 days of the accident his or her written declaration under penalty of perjury stating whether or not at the time of the accident he or she was operating an authorized emergency vehicle, as defined in subdivision (a) of Section 165 of the Vehicle Code or in paragraph (1) or (2) of subdivision (b) of Section 165 of the Vehicle Code, in performance of his or her duty during the hours of his or her employment. In lieu of a written declaration, the peace officer may submit to the private automobile insurer a copy of the incident report filed by the peace officer with his or her employer.

As used in this section, "peace officer" means every person defined in Section 830.1, subdivisions (a), (b), (d), (e), (g), and (h) of Section 830.2, subdivisions (b), (c), (g), and (h) of Section 830.31, subdivisions (e), (g), (h), (i), (j), and (k) of Section 830.4, subdivision (b) of Section 830.5, and Section 830.6, of the Penal Code.

CHAPTER 459

An act to amend Sections 86104, 86105, and 86116 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 8, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 86104 of the Government Code is amended to read:

86104. The registration of a lobbying firm shall include:

(a) The full name, business address, and telephone number of the lobbying firm.

(b) A list of the lobbyists who are partners, owners, officers, or employees of the lobbying firm.

(c) The lobbyist certification of each lobbyist in the lobbying firm.

(d) For each person with whom the lobbying firm contracts to provide the following lobbying services:

(1) The full name, business address, and telephone number of the person.

(2) A written authorization signed by the person.

(3) The time period of the contract.

(4) Information sufficient to identify the nature and interests of the person including:

(A) If the person is an individual, the name and address of his or her employer, if any, or his or her principal place of business if the person is self-employed, and a description of the business activity in which the person or his or her employer is engaged.

(B) If the person is a business entity, a description of the business activity in which it is engaged.

(C) If the person is an industry, trade, or professional association, a description of the industry, trade, or profession which it represents including a specific description of any portion or faction of the industry, trade, or profession which the association exclusively or primarily represents and, if the association has not more than 50 members, the names of the members.

(D) If the person is not an individual, business entity, or industry, trade, or professional association, a statement of the person's nature and purposes, including a description of any industry, trade, profession, or other group with a common economic interest which the person principally represents or from which its membership or financial support is principally derived.

(5) The lobbying interests of the person.

(6) A list of the state agencies whose legislative or administrative actions the lobbying firm will attempt to influence for the person.

(e) The name and title of a partner, owner, or officer of the lobbying firm who is responsible for filing statements and reports and

keeping records required by this chapter on behalf of the lobbying firm, and a statement signed by the designated responsible person that he or she has read and understands the prohibitions contained in Sections 86203 and 86205.

(f) Any other information required by the commission consistent with the purposes and provisions of this chapter.

SEC. 2. Section 86105 of the Government Code is amended to read:

86105. The registration of a lobbyist employer shall include:

(a) The full name, business address, and telephone number of the lobbyist employer.

(b) A list of the lobbyists who are employed by the lobbyist employer.

(c) The lobbyist certification of each lobbyist employed by the lobbyist employer.

(d) Information sufficient to identify the nature and interests of the filer, including:

(1) If the filer is an individual, the name and address of the filer's employer, if any, or his or her principal place of business if the filer is self-employed, and a description of the business activity in which the filer or his or her employer is engaged.

(2) If the filer is a business entity, a description of the business activity in which it is engaged.

(3) If the filer is an industry, trade, or professional association, a description of the industry, trade, or profession which it represents including a specific description of any portion or faction of the industry, trade, or profession which the association exclusively or primarily represents and, if the association has not more than 50 members, the names of the members.

(4) If the filer is not an individual, business entity, or industry, trade, or professional association, a statement of the person's nature and purposes, including a description of any industry, trade, profession, or other group with a common economic interest which the person principally represents or from which its membership or financial support is principally derived.

(e) The lobbying interests of the lobbyist employer, and a list of the state agencies whose legislative or administrative actions the lobbyist employer will attempt to influence.

(f) Any other information required by the commission consistent with the purposes and provisions of this chapter.

SEC. 3. Section 86116 of the Government Code is amended to read:

86116. Every person described in Section 86115 shall file periodic reports containing:

(a) The name, business address, and telephone number of the lobbyist employer or other person filing the report.

(b) The total amount of payments to each lobbying firm.

(c) The total amount of all payments to lobbyists employed by the filer.

(d) A description of the specific lobbying interests of the filer.

(e) A periodic report completed and verified by each lobbyist employed by a lobbyist employer pursuant to Section 86113.

(f) Each activity expense of the filer. A total of all activity expenses of the filer shall be included.

(g) The date, amount, and the name of the recipient of any contribution of one hundred dollars ($100) or more made by the filer to an elected state officer, a state candidate, or a committee controlled by an elected state officer or state candidate, or a committee primarily formed to support such officer or candidate. If this contribution is reported by the filer or by a committee sponsored by the filer in a campaign statement filed pursuant to Chapter 4 which is required to be filed with the Secretary of State, the filer may report only the name of the committee, and the identification number of the committee.

(h) The total of all other payments to influence legislative or administrative action including overhead expenses and all payments to employees who spend 10 percent or more of their compensated time in any one month in activities related to influencing legislative or administrative action.

(i) Any other information required by the commission consistent with the purposes and provisions of this chapter.

SEC. 4. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 460

An act to amend Section 1182.7 of the Labor Code, relating to wages, hours, and working conditions.

[Approved by Governor September 8, 1987 Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 1182.7 of the Labor Code is amended to read:

1182.7. (a) The Legislature finds that the time permitted the Industrial Welfare Commission to consider petitions, including, but not limited to, daily overtime compensation petitions that are to be given priority attention by the commission pursuant to Section 20 of Chapter 1083 of the Statutes of 1980, has created unanticipated and unwarranted delays in the review and possible modification of applicable commission orders. The Legislature finds further that legislation is necessary to provide redress of hardships resulting from these delays by the enactment of special commission review

procedures that augment, and do not limit in any way, the rights and privileges of parties before the Industrial Welfare Commission under this chapter.

(b) Notwithstanding any other provisions of this chapter to the contrary, if a labor organization or a trade association recognized in the health care industry files or has filed a petition with the commission that requests an amendment to an order of the commission that would directly regulate only the health care industry, the petitioner may request that the ordinary procedure established by this chapter for the review of petitions of this nature not be used and that the procedure specified in subdivisions (c) and (d) be followed instead. If the request is made by the petitioner, the commission shall be required to follow the procedure specified in subdivisions (c) and (d).

(c) Upon the filing of a request under subdivision (b), the procedure to revise an order of the commission provided in Sections 1178 to 1182, inclusive, shall be waived. In lieu of that procedure, the commission shall propose the adoption of or may reject the petition, in whole or in part, without appointing a wage board. The commission shall act on the petition within 45 days of the date the petition is originally filed. If the commission rejects the petition, it shall state its reasons for rejection.

The commission shall thereafter conduct hearings on any proposal to adopt the petition in whole or in part in the manner specified in subdivision (c) of Section 1178.5 and publish the proposed action in the manner provided in Section 1181. However, the hearings shall be conducted within 90 days of the date the petition is originally filed.

(d) Not more than 30 days following the hearings specified in subdivision (c), the commission shall take final action with respect to its proposal. No later than 15 days following final action, notice of the action taken shall be given in the manner provided for in Sections 1182.1 and 1183. Any action adopting, amending, or repealing an order of the commission pursuant to this section shall take effect 60 days following the date of this notice.

(e) Notwithstanding any other provisions of this chapter, the commission shall not adopt, amend, or repeal a proposal which has been changed from that which has originally been made available to the public, unless the change is nonsubstantive in nature and the commission complies with the procedure specified in this subdivision.

If a substantive change is made to the original proposal after the close of the public hearing, the full text of the resulting change shall be noticed within five days and made available to the public for comments for at least 10 days before the commission adopts, amends, or repeals the regulation. No later than 10 days following the close of the public comment period, the commission shall take final action with respect to its modified proposal, and give notice of that action within 10 days in the manner provided in Sections 1182.1 and 1183. In no case shall any action adopting, amending, or repealing an order

take effect more than 60 days following the close of the public comment period.

CHAPTER 461

An act to amend Sections 859b and 1050 of, and to add Section 1048.1 to, the Penal Code, relating to criminal procedure, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 859b of the Penal Code is amended to read:

859b. At the time the defendant appears before the magistrate for arraignment, if the public offense is a felony to which the defendant has not pleaded guilty in accordance with Section 859a, the magistrate, immediately upon the appearance of counsel, or if none appears, after waiting a reasonable time therefor as provided in Section 859, shall set a time for the examination of the case and shall allow not less than two days, excluding Sundays and holidays, for the district attorney and the defendant to prepare for the examination. The magistrate shall also issue subpoenas, duly subscribed, for witnesses within the state, required either by the prosecution or the defense.

Both the defendant and the people have the right to a preliminary examination at the earliest possible time, and unless both waive that right or good cause for a continuance is found as provided for in Section 1050, the preliminary examination shall be held within 10 court days of the date the defendant is arraigned or pleads, whichever occurs later.

Whenever the defendant is in custody, the magistrate shall dismiss the complaint if the preliminary examination is set or continued beyond 10 court days from the time of the arraignment or plea and the defendant has remained in custody for 10 or more court days solely on that complaint, unless either of the following occur:

(a) The defendant personally waives his or her right to preliminary examination within the 10 court days.

(b) The prosecution establishes good cause for a continuance beyond the 10-court-day period.

For purposes of this subdivision, "good cause" includes, but is not limited to, those cases involving allegations that a violation of one or more of the sections specified in paragraph (1) of subdivision (b) of Section 11165 or in subdivision (g) of Section 11165 has occurred and the prosecuting attorney assigned to the case has another trial, preliminary hearing, or motion to suppress in progress in that court or another court. Any continuance under this paragraph shall be

limited to a maximum of three additional court days.

If the preliminary examination is set or continued beyond the 10-court-day period, the defendant shall be released pursuant to Section 1318 unless:

(1) The defendant requests the setting of continuance of the preliminary examination beyond the 10-court-day period.

(2) The defendant is charged with a capital offense in a cause where the proof is evident and the presumption great.

(3) A witness necessary for the preliminary examination is unavailable due to the actions of the defendant.

(4) The illness of counsel.

(5) The unexpected engagement of counsel in a jury trial.

(6) Unforeseen conflicts of interest which require appointment of new counsel.

The magistrate shall dismiss the complaint if the preliminary examination is set or continued more than 60 days from the date of the arraignment or plea, unless the defendant personally waives his or her right to a preliminary examination within the 60 days.

SEC. 2. Section 1048.1 is added to the Penal Code, to read:

1048.1. In scheduling a trial date at an arraignment in superior court involving an alleged sexual assault offense, as described in paragraph (1) of subdivision (b) of Section 11165, or an alleged child abuse offense, as described in subdivision (g) of Section 11165, reasonable efforts shall be made to avoid setting that trial, as assigned to a particular prosecuting attorney, on the same day that another trial is set involving the same prosecuting attorney.

SEC. 3. Section 1050 of the Penal Code is amended to read:

1050. (a) The welfare of the people of the State of California requires that all proceedings in criminal cases shall be set for trial and heard and determined at the earliest possible time. To this end the Legislature finds that the criminal courts are becoming increasingly congested with resulting adverse consequences to the welfare of the people and the defendant. Excessive continuances contribute substantially to this congestion and cause substantial hardship to victims and other witnesses. Continuances also lead to longer periods of presentence confinement for those defendants in custody and the concomitant overcrowding and increased expenses of local jails. It is therefore recognized that the people, the defendant, and the victims and other witnesses have the right to an expeditious disposition, and to that end it shall be the duty of all courts and judicial officers and of all counsel, both for the prosecution and the defense, to expedite these proceedings to the greatest degree that is consistent with the ends of justice. In accordance with this policy, criminal cases shall be given precedence over, and set for trial and heard without regard to the pendency of, any civil matters or proceedings.

(b) To continue any hearing in a criminal proceeding, including the trial, (1) a written notice shall be filed and served on all parties to the proceeding at least two court days before the hearing sought to be continued, together with affidavits or declarations detailing

specific facts showing that a continuance is necessary; and (2), within two court days of learning that he or she has a conflict in the scheduling of any court hearing, including a trial, an attorney shall notify the calendar clerk of each court involved, in writing, indicating which hearing was set first. A party shall not be deemed to have been served within the meaning of this section until that party actually has received a copy of the documents to be served, unless the party, after receiving actual notice of the request for continuance, waives the right to have the documents served in a timely manner. Regardless of the proponent of the motion, the prosecuting attorney shall notify people's witnesses and the defense attorney shall notify defense's witnesses of the notice of motion, the date of the hearing, and the witnesses' right to be heard by the court. The superior and municipal courts of a county may adopt rules, which shall be consistent, regarding the method of giving the notice or waiver of service required by this subdivision, where a continuance is sought because of a conflict between scheduled appearances in the courts of that county.

(c) Notwithstanding subdivision (b), a party may make a motion for a continuance without complying with the requirements of that subdivision. However, unless the moving party shows good cause for the failure to comply with those requirements, the court may impose sanctions as provided in Section 1050.5.

(d) When a party makes a motion for a continuance without complying with the requirements of subdivision (b), the court shall hold a hearing on whether there is good cause for the failure to comply with those requirements. At the conclusion of the hearing the court shall make a finding whether good cause has been shown and, if it finds that there is good cause, shall state on the record the facts proved that justify its finding. A statement of the finding and a statement of facts proved shall be entered in the minutes. If the moving party is unable to show good cause for the failure to give notice, the motion for continuance shall not be granted.

(e) Continuances shall be granted only upon a showing of good cause. Neither the convenience of the parties nor a stipulation of the parties is in and of itself good cause.

(f) At the conclusion of the motion for continuance, the court shall make a finding whether good cause has been shown and, if it finds that there is good cause, shall state on the record the facts proved that justify its finding. A statement of facts proved shall be entered in the minutes.

(g) When deciding whether or not good cause for a continuance has been shown, the court shall consider the general convenience and prior commitments of all witnesses, including peace officers. Both the general convenience and prior commitments of each witness also shall be considered in selecting a continuance date if the motion is granted. The facts as to inconvenience or prior commitments may be offered by the witness or by a party to the case.

For purposes of this section, "good cause" includes, but is not

limited to, those cases involving allegations that a violation of one or more of the sections specified in paragraph (1) of subdivision (b) of Section 11165 or in subdivision (g) of Section 11165 has occurred and the prosecuting attorney assigned to the case has another trial, preliminary hearing, or motion to suppress in progress in that court or another court. A continuance under this paragraph shall be limited to a maximum of 10 additional court days.

(h) Upon a showing that the attorney of record at the time of the defendant's first appearance in the superior court is a Member of the Legislature of this state and that the Legislature is in session or that a legislative interim committee of which the attorney is a duly appointed member is meeting or is to meet within the next seven days, the defendant shall be entitled to a reasonable continuance not to exceed 30 days.

(i) A continuance shall be granted only for that period of time shown to be necessary by the evidence considered at the hearing on the motion. Whenever any continuance is granted, the court shall state on the record the facts proved that justify the length of the continuance, and those facts shall be entered in the minutes.

(j) Whenever it shall appear that any court may be required, because of the condition of its calendar, to dismiss an action pursuant to Section 1382, the court must immediately notify the Chairman of the Judicial Council.

(k) This section shall not apply when the preliminary examination is set on a date less than 10 court days from the date of the defendant's arraignment on the complaint, and the prosecution or the defendant moves to continue the preliminary examination to a date not more than 10 court days from the date of the defendant's arraignment on the complaint.

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:

This bill, which provides for proper scheduling of certain felony criminal trials, and which provides for continuances for good cause, is necessary in order to provide a less threatening judicial environment for minors who are alleged victims in sexual assault or child abuse crimes by minimizing the number of prosecuting attorneys that the minors will face, thereby enabling them to speak freely and accurately of the experiences to which they were subjected. In order to achieve its intended results, it is necessary that this act take effect immediately.

CHAPTER 462

An act to add and repeal Section 8215 of the Education Code, relating to child care.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 8215 is added to the Education Code, to read:

8215. (a) There is hereby established a three-year pilot project known as the California Child Care Initiative Project. It is the intent of the Legislature to promote and foster the project in cooperation with private corporations and local governments. The objective of the project is to increase the availability of quality child care programs in the state.

(b) For purposes of this section, the California Child Care Initiative Project means a demonstration project to expand the role and functions of selected resource and referral agencies in activities including needs assessment, recruitment and screening of providers, technical assistance, and staff development and training, in order to aid communities in increasing their capability in the number of child care spaces available and the quality of child care services offered.

(c) The Superintendent of Public Instruction shall allocate all state funds appropriated for the California Child Care Initiative Project for the purpose of making grants to those child care resource and referral agencies that have been selected as pilot sites for the project.

(d) The project shall ensure that each dollar of state funds allocated pursuant to subdivision (c) is matched by four dollars ($4) from other sources, including private corporations, the federal government, or a local government.

(e) The grants to the pilot sites made available by the project shall be comprised of a combination of state funds and other funds pursuant to subdivision (d).

(f) The Superintendent of Public Instruction shall develop a data base for the project.

(g) The California Child Care Resource and Referral Network, in consultation with the Office of the Legislative Analyst and the State Department of Education, shall evaluate the California Child Care Initiative Project. The evaluation shall be submitted to the appropriate policy and fiscal committees of the Legislature on or before March 1, 1990.

The evaluation of the project shall address, but need not be limited to, the following:

(1) The characteristics of the project and its data base.

(2) The effectiveness of the project in attaining its legislative goals

and purposes.

(3) The appropriateness of the funding allocation mechanism.

(4) The appropriateness of amounts spent to administer the project.

(5) The extent to which the services provided by the project are duplicative of other state or local services.

(6) The extent to which there is a need to expand the project on a statewide basis.

(h) This section shall become inoperative on June 30, 1990, and, as of January 1, 1991, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1991, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. It is the intent of the Legislature that the California Child Care Initiative Project established by this act shall be funded through the annual Budget Act for the 1987–88, 1988–89, and 1989–90 fiscal years.

CHAPTER 463

An act to repeal Section 6 of Chapter 413 of the Statutes of 1983, relating to real estate licenses.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 6 of Chapter 413 of the Statutes of 1983 is repealed.

CHAPTER 464

An act to amend Sections 2728, 2728.5, and 4548 of, and to add Section 4510.1 to, the Business and Professions Code, relating to psychiatric technicians, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 2728 of the Business and Professions Code is amended to read:

2728. If adequate medical and nursing supervision by a professional nurse or nurses is provided, nursing service may be given by attendants, psychiatric technicians, or psychiatric

technician interim permittees in institutions under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services or subject to visitation by the State Department of Health Services or the Department of Corrections. Services so given by a psychiatric technician shall be limited to services which he or she is authorized to perform by his or her license as a psychiatric technician. Services so given by a psychiatric technician interim permittee shall be limited to skills included in his or her basic course of study and performed under the supervision of a licensed psychiatric technician or registered nurse.

The Directors of Mental Health, Developmental Services, and Health Services shall determine what shall constitute adequate medical and nursing supervision in any institution under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services or subject to visitation by the State Department of Health Services.

Notwithstanding any other provision of law, institutions under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services may utilize graduates of accredited psychiatric technician training programs who are not licensed psychiatric technicians or psychiatric technician interim permittees to perform skills included in their basic course of study when supervised by a licensed psychiatric technician or registered nurse, for a period not to exceed nine months.

SEC. 2. Section 2728.5 of the Business and Professions Code is amended to read:

2728.5. Except for those provisions of law relating to directors of nursing services, nothing in this chapter or any other provision of law shall prevent the utilization of a licensed psychiatric technician or psychiatric technician interim permittee in performing services used in the care, treatment, and rehabilitation of mentally ill, emotionally disturbed, or developmentally disabled persons within the scope of practice for which he or she is licensed or authorized in facilities under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services or licensed by the State Department of Health Services, that he or she is licensed to perform as a psychiatric technician, or authorized to perform as a psychiatric technician interim permittee including any nursing services under Section 2728, in facilities under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services or subject to visitation by the State Department of Health Services.

SEC. 3. Section 4510.1 is added to the Business and Professions Code, to read:

4510.1. 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 psychiatric technician program and approval of the application, the board may issue an interim permit authorizing the applicant to practice all skills

included in the permittee's basic course of study, pending the results of the first licensing examination.

A permittee shall function under the supervision of a licensed psychiatric technician or a registered nurse, who shall be present and available on the premises during the time the permittee is rendering professional services. The permittee may perform any function taught in the permittee's basic psychiatric technician program.

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. An interim permittee shall not use any title or designation other than psychiatric technician interim permittee or "P.T.I.P."

SEC. 4. Section 4548 of the Business and Professions Code is amended to read:

4548. The amounts of the fees payable pursuant to this chapter shall be fixed by the board according to the following schedule:

(a) The application fee shall not exceed twenty-five dollars ($25).

(b) The fee for any subsequent examination after the first shall not exceed thirty-five dollars ($35).

(c) The renewal fee shall not exceed forty-five dollars ($45). If the board establishes a biennial renewal fee pursuant to Section 4544.5, that fee shall not exceed ninety dollars ($90).

(d) The delinquency fee for failure to pay the renewal fee within the prescribed time shall be no more than 50 percent of the regular renewal fee.

(e) The initial license fee shall be 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 in an amount not to exceed twenty dollars ($20).

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 assist psychiatric technician graduates in entering the workforce at the earliest possible time, and thus preventing delays educationally, financially, and professionally, it is necessary that this act take effect immediately.

CHAPTER 465

An act to amend Section 16367.55 of the Government Code, relating to the energy assistance program.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 16367.55 of the Government Code is amended to read:

16367.55. (a) In determining the maximum allowable annual payment of Energy Crisis Intervention Program benefits for eligible households under Section 16367.5, the Department of Economic Opportunity may take into consideration the energy cost variations between baseline territories as established by the Public Utilities Commission or between counties within the state.

(b) Persons applying for benefits under this subdivision shall be entitled to submit an application for benefits at the designated community agencies during regular business hours. Applications shall be accepted and eligibility shall be determined immediately after the applicant has provided the evidence required under this subdivision. If the application is denied, the applicant shall be given a written statement of the reason for denial, availability of a fair hearing to contest denial, and procedure for exercising hearing rights.

(c) Service providers of energy crisis benefits shall accept applications for energy crisis benefits at sites that are geographically accessible to all households in the areas served by the providers. Service providers shall provide to low-income persons who are physically infirm, the means to do either of the following:

(1) Submit applications for energy crisis benefits without leaving their residence.

(2) Travel to the sites at which applications for energy crisis benefits are accepted.

(d) Persons eligible for energy crisis benefits shall receive some form of assistance to resolve the energy crisis not later than 48 hours after applying for the benefits. If, however, the person eligible for energy crisis benefits faces a life threatening situation, that person shall receive some form of assistance immediately and in no case later than 18 hours after applying for the benefits.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act implements a federal law or regulation and involves only "costs mandated by the federal government," as defined by Section 17513 of the Government Code.

CHAPTER 466

An act to amend and renumber Section 29642 of, and to add Sections 29505, 29656, and 29657 to, the Elections Code, relating to elections.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 29505 is added to the Elections Code, to read:

29505. Any individual, group, or organization which knowingly distributes any application for an absent voter's ballot which does not conform to the requirements of Chapter 1 (commencing with Section 1000) of Division 2 is guilty of an infraction.

SEC. 2. Section 29642 of the Elections Code is amended and renumbered to read:

29658. Any person who applies for, or who votes or attempts to vote, an absent voter's ballot by fraudulently signing the name of a fictitious person, or of a regularly qualified voter, or of a person who is not qualified to vote, is guilty of a felony punishable by imprisonment in the state prison for 16 months or two or three years, or by fine not exceeding one thousand dollars ($1,000) or by both such fine and imprisonment.

SEC. 3. Section 29656 is added to the Elections Code, to read:

29656. Any person who willfully (a) interferes with the prompt delivery of a completed absent voter ballot application, (b) retains a completed absent voter ballot application, without the voter's authorization, for more than three days excluding weekends and state holidays, or by the deadline for return of absent voters' ballot applications, whichever is earlier, or (c) denies an applicant the right to return his or her own completed absent voter ballot application to the local elections official having jurisdiction over the election, is guilty of a misdemeanor.

SEC. 4. Section 29657 is added to the Elections Code, to read:

29657. Any person having charge of a completed absent voter ballot who willfully interferes or causes interference with its return to the local elections official having jurisdiction over the election is guilty of a misdemeanor.

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.

CHAPTER 467

An act to add Section 633.1 to the Penal Code, relating to crimes.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 633.1 is added to the Penal Code, to read:

633.1. (a) Nothing in Section 631, 632, or 632.5 prohibits any person regularly employed as an airport law enforcement officer, as described in subdivision (k) of Section 830.4, acting within the scope of his or her authority, from recording any communication which is received on an incoming telephone line, for which the person initiating the call utilized a telephone number known to the public to be a means of contacting airport law enforcement officers. In order for a telephone call to be recorded under the subdivision, a series of electronic tones shall be used, placing the caller on notice that his or her telephone call is being recorded.

(b) Nothing in Section 631, 632, or 632.5 renders inadmissible any evidence obtained by an officer described in subdivision (a) if the evidence was received by means of recording any communication which is received on an incoming public telephone line, for which the person initiating the call utilized a telephone number known to the public to be a means of contacting airport law enforcement officers.

(c) This section shall only apply to airport law enforcement officers who are employed at an airport which maintains regularly scheduled international airport service and which maintains permanent facilities of the United States Customs Service.

CHAPTER 468

An act to amend, repeal, and add Section 190.9 of the Penal Code, relating to court reporters, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 190.9 of the Penal Code is amended to read:

190.9. (a) 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. Failure to comply with the requirements of this section relating to the assignment of court reporters who use computer-aided transcription equipment shall not be a ground for reversal.

(b) The court may waive the requirement that a court reporter use computer-aided transcription equipment if the court finds on the record that no reporter using computer-aided transcription equipment is available.

(c) This section shall remain in effect only until July 1, 1990, and as of that date is repealed.

SEC. 3. Section 190.9 is added to the Penal Code, to read:

190.9. (a) 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. Failure to comply with the requirements of this section relating to the assignment of court reporters who use computer-aided transcription equipment shall not be a ground for reversal.

(b) This section shall become operative on July 1, 1990.

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:

Due to the shortage of trained computer-aided transcription court reporters who are available to report proceedings in cases in which a death sentence may be imposed, it is necessary that this act take effect immediately.

CHAPTER 469

An act to add Sections 66780.9 and 66780.10 to the Government Code, relating to solid waste.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 66780.9 is added to the Government Code, to read:

66780.9. In addition to the other requirements of this title, a solid waste management plan prepared pursuant to Section 66780 for the County of Los Angeles shall, at the next revision of the plan occurring

on or after January 1, 1988, and at any subsequent revisions, be amended to identify a program and schedule for ensuring, to the extent feasible and appropriate for the county, the equitable regional distribution of solid waste management sites which are identified and reserved in the county solid waste management plan. Determination of equitable regional distribution shall be based upon, but not limited to, the findings of the study required by subdivision (d) of Section 66780.10 concerning the quantities of solid waste generated and disposed of within each major region of the county.

SEC. 2. Section 66780.10 is added to the Government Code, to read:

66780.10. (a) The Legislature finds that Los Angeles County has located, or is proposing to locate, an inordinate number of solid waste management facilities within a few regions of the county, and that, given the difficulty of acquiring new facilities, these regions may ultimately contain a disproportionate share of these facilities.

(b) The Legislature also finds that the inequitable regional distribution of solid waste management facilities within the county can cause detrimental environmental and societal impacts upon the region where numerous solid waste management facilities are located.

(c) The Legislature further finds that it is in the public interest to promote an equitable fair share approach to solid waste management, in which no one region becomes the waste repository for numerous other regions of the County of Los Angeles. As the most populous county in the state, the County of Los Angeles is especially suitable to serve as the subject of the study required by subdivision (d).

(d) On or before July 1, 1988, the board and the County Sanitation Districts of the County of Los Angeles shall jointly conduct a study of specified aspects of solid waste management in the County of Los Angeles and shall submit a report to the Legislature concerning the findings and recommendations resulting from the study. The study shall include all of the following:

(1) An assessment of the quantities of solid waste generated in each of the major regions of the county, as specified in subdivisions (f) and (g).

(2) An assessment of the quantities of solid waste disposed of in each of the major regions of the county.

(3) Where a region in the county is found to provide disposal for a significantly greater or lesser amount of solid waste than that generated in the region, recommended measures to provide a more equitable distribution of sites. For purposes of this subdivision, a "significantly greater" amount of solid waste means the disposal of solid waste in excess of 125 percent of the amount of waste generated in the region, and a "significantly lesser" amount of solid waste means the disposal of less than 75 percent of the solid waste generated in the region.

(4) Where a region is found to provide disposal for a significantly

greater or lesser amount of solid waste than that generated in the region, a discussion of the impacts of that disposal upon the region.

(5) An assessment of the feasibility of diversifying solid waste management methods to minimize air quality impacts and negative environmental impacts upon regions of the county which dispose of significantly greater amounts of solid waste than are generated within the region.

(e) In conducting the study required by this section, the County Sanitation Districts of the County of Los Angeles shall use existing geologic data and surveys to assess the suitability of possible new solid waste disposal sites, and shall utilize, to the extent feasible, existing information on solid waste disposal within the county which is available as part of the ongoing solid waste management planning activities of the County of Los Angeles.

(f) For the purposes of this section and Section 66780.9, the major regions of the County of Los Angeles are the following:

(1) The San Gabriel Valley.

(2) The San Fernando Valley.

(3) North Los Angeles County.

(4) Central and West Los Angeles County.

(5) Southeastern Los Angeles County.

(6) Bay Cities/Los Angeles Harbor area.

(g) For the purposes of analyzing waste generation and disposal patterns as required by this section, the County Sanitation Districts of the County of Los Angeles may determine and specify the boundaries of the major regions specified in subdivision (f). For purposes of analyzing data on existing solid waste disposal patterns, data shall be developed according to region, waste shed, or other appropriate boundaries.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund, except that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs for which 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 470

An act to amend Section 1194.6 of, and to add Section 1211.5 to, the Insurance Code, relating to insurance, and making an appropriation therefor.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 1194.6 of the Insurance Code is amended to read:

1194.6. (a) Excess funds investments may be made by an insurer in bonds, notes, or other evidences of indebtedness payable in United States dollars, and issued by a corporation incorporated under the laws of an alien government provided all of the following conditions are met:

(1) All the stock of the corporation is owned and ultimately controlled by a domestic corporation.

(2) Payment in full of any bond, note, or other evidence of indebtedness is guaranteed by the domestic corporation.

(3) Any bond, note, or other evidence of indebtedness is evaluated by the National Association of Insurance Commissioners as a bond which may be carried at amortized cost.

(b) Excess fund investments may be made by a life insurer in bonds, notes, or other evidence of indebtedness payable in a currency other than United States dollars and issued by a corporation incorporated under the laws of an alien government provided all the following conditions are met:

(1) All of the stock of the corporation is owned and ultimately controlled by a domestic corporation.

(2) Payment in full of any bond, note, or other evidence of indebtedness is guaranteed by the domestic corporation.

(3) Any bond, note, or other evidence of indebtedness is evaluated by the National Association of Insurance Commissioners as a bond which may be carried at amortized cost.

(4) The life insurer shall, prior to or within five business days after purchase, enter into a contract with a qualified bank pursuant to which the bank agrees to exchange the payments made on the nondollar denominated investment for the term of the investment for United States currency at a rate approximating the prevailing exchange rate at the time of the purchase. For purposes of this subdivision, a qualified bank means a bank the accounts of which are insured by an agency or instrumentality of the federal government or which is a member of the Federal Reserve System and a bank that has a net worth equal to or in excess of two hundred fifty million dollars ($250,000,000) as shown on its most recently published financial statements.

(c) "Domestic," as used in this section, means organized under the laws of any state, or of the United States or of the District of Columbia.

SEC. 2. Section 1211.5 is added to the Insurance Code, to read:

1211.5. Any domestic incorporated life insurer having admitted assets as of the preceding December 31, of at least one billion dollars ($1,000,000,000), after investing an amount equal to its required minimum paid-in capital in securities specified in Article 3 (commencing with Section 1170), may invest in, for purposes of bona fide hedging transactions, the purchase and sale of exchange traded options on stock indices, stock index futures contracts, or options on stock index futures contracts, pursuant to this section.

(a) With respect to existing common stocks owned by it, the life insurer may, for purposes of hedging, buy put options on the Standard and Poors 500 Index, the Standard and Poors 100 Index, or any other index approved by the commissioner; and sell stock index futures contracts on the Standard and Poors 500 Index or any other index approved by the commissioner. The life insurer may sell put options on those indices or buy stock index futures contracts pursuant to this subdivision only for the purpose of a closing transaction. All transactions authorized herein shall be made through an exchange.

(b) With respect to anticipated common stock positions, the life insurer may, for purposes of hedging, buy call options on the Standard and Poors 500 Index, the Standard and Poors 100 Index, or any other index approved by the commissioner; and buy stock index futures contracts on the Standard and Poors 500 Index. Except with the prior approval of the commissioner, an investment shall not be made under the authority of this subdivision if, at the time of its making, the investment would result in the life insurer hedging anticipated common stock positions in an amount exceeding 5 percent of admitted assets. The life insurer may sell call options on those indices or sell stock index futures contracts pursuant to this subdivision and only for the purpose of a closing transaction. All transactions authorized herein shall be made through an exchange.

(c) The investments in bona fide hedging transactions set forth in subdivisions (a) and (b) shall not be made, unless upon execution, the option or contract is specifically identified with existing common stocks as authorized in subdivision (a) or anticipated common stock positions as authorized in subdivision (b), and the option or contract has a positive correlation (prices tend to move in the same direction with a reasonably similar magnitude) with the identified common stocks or anticipated common stock positions.

(d) A life insurer shall not engage in bona fide hedging transactions and positions in options on stock indices, stock index futures contracts, or options on stock index futures contracts except pursuant to this section.

(e) A request to the commissioner to invest in, for hedging purposes, an option on a stock index, stock index futures contract, or

option, on a stock index futures contract not specifically set forth in subdivision (a) or (b) shall be in writing and shall be accompanied by any supporting data and documentation that the commissioner may require. The commissioner shall require the payment of a five thousand dollar ($5,000) fee for the determination of whether to approve or disapprove that request. A request to exceed the 5-percent limitation set forth in subdivision (b) shall be in writing and shall be deemed approved unless the commissioner disapproves it within 60 days after the request has been filed in the commissioner's office. The commissioner shall require the payment of a one thousand dollar ($1,000) fee for the determination of whether to approve or disapprove the request to exceed the limitation.

(f) Investments made pursuant to this section shall be subject to the provisions of Sections 1153.5, 1154, 1200, 1201, and 1202 as if they were excess fund investments.

(g) The commissioner may adopt rules and guidelines establishing standards and requirements relative to practices authorized in this section.

CHAPTER 471

An act to amend Section 313.1 of the Penal Code, relating to harmful matter.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 313.1 of the Penal Code is amended to read:

313.1. (a) Every person who, with knowledge that a person is a minor, or who fails to exercise reasonable care in ascertaining the true age of a minor, knowingly distributes, sends, causes to be sent, exhibits, or offers to distribute or exhibit any harmful matter to the minor is guilty of a misdemeanor.

(b) Every person who misrepresents himself to be the parent or guardian of a minor and thereby causes the minor to be admitted to an exhibition of any harmful matter is guilty of a misdemeanor.

(c) Any person who, within 500 meters of any elementary school, junior high school, high school, or public playground, or any part thereof, knowingly sells or offers to sell, in any coin- or slug-operated vending machine or mechanically or electronically controlled vending machine which is located on a public sidewalk, any harmful matter displaying to the public view photographs or pictorial representations of the commission of the following acts, is guilty of a misdemeanor: sodomy, oral copulation, sexual intercourse, masturbation, bestiality, or a photograph of an exposed penis in an

erect and turgid state.

(d) Nothing in this section invalidates or prohibits the adoption of an ordinance by a city, county, or city and county which restricts the display of material which is harmful to minors, as defined in this chapter, in a public place, other than a public place from which minors are excluded, by requiring the placement of devices commonly known as blinder racks in front of the material, so that the lower two-thirds of the material is not exposed to view.

CHAPTER 472

An act to add Part 2.7 (commencing with Section 10700) to Division 6 of the Water Code, relating to groundwater.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Part 2.7 (commencing with Section 10700) is added to Division 6 of the Water Code, to read:

PART 2.7. GROUNDWATER RESOURCES

10700. This part applies only to the area within the existing boundaries of the Mendocino City Community Services District.

10701. (a) As used in this part, "local agency" means any city, county, district, agency, or other political subdivision of the state for the local performance of governmental or proprietary functions within limited boundaries.

(b) As used in this part, "groundwater" and "groundwater resources" do not include those subsurface waters incidentally produced in connection with or as a result of natural resource extraction activities when the disposal of those subsurface waters is regulated by state or federal law.

10702. Any local agency which is authorized by law to provide water services may, by ordinance, or by resolution if the local agency is not authorized to act by ordinance, establish programs for the management of groundwater resources.

10703. Prior to the adoption of a groundwater management program, the governing board of the local agency shall hold a public hearing, after publication of notice pursuant to Section 6066 of the Government Code, on the proposed groundwater management program. At the hearing, the board may alter the program or require further study on the program and continue the hearing. At the conclusion of the hearing, the board may adopt a resolution of intention to adopt and implement the program.

10704. After the conclusion of the hearing, and if the governing

board adopts a resolution of intention, copies of the groundwater management program shall be published in a newspaper of general circulation. Upon written request, any interested person shall be provided with a copy of the program.

10705. After the adoption of a resolution of intention, the governing board shall hold a second hearing and consider protests to the implementation of the program. Any interested person may appear to be heard concerning any matter set forth in the resolution or matters material thereto. Any time prior to the conclusion of the hearing, any eligible registered voter of the local agency may file a written protest or withdraw a protest previously filed.

10706. A majority protest shall be determined to exist if the governing board finds that the protests filed and not withdrawn prior to the conclusion of the second hearing represent more than 50 percent of the eligible registered voters residing within the boundaries of the local agency.

If the governing board finds that a majority protest exists, the groundwater management program shall be abandoned and no new program shall be considered by the board for a period of one year following the date of the second hearing. If a majority protest has not been filed, the board, within 35 days after the conclusion of the second hearing, may adopt an ordinance or resolution to implement the program.

10707. A local agency authorized to establish programs for the management of groundwater resources pursuant to this part may for that purpose enter into a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

10708. A local agency which establishes a program for the management of groundwater resources pursuant to this part may fix and collect rates for the extraction of groundwater to pay expenses incurred by the local agency for purposes of groundwater management.

10709. For purposes of groundwater management, a local agency authorized to establish programs for the management of groundwater resources pursuant to this part may, in addition to the powers set forth in this act, exercise any of the powers of a water replenishment district under Part 4 (commencing with Section 60220) of Division 18 and may levy a water replenishment assessment in accordance with Part 6 (commencing with Section 60300) of Division 18.

10710. Before a local agency may levy a water replenishment assessment as authorized in Section 10709 or may otherwise fix and collect rates for the extraction of groundwater pursuant to this part, the local agency shall hold an election on the proposition of whether or not the local agency shall be authorized to levy a water replenishment assessment or to fix and collect rates for the extraction of groundwater, and a majority of the votes cast at the election shall be in favor of the proposition. The election shall be conducted in the

manner prescribed by the principal act of the local agency.

10711. No local agency shall exercise the powers authorized by this part within the boundaries of another local agency authorized by law to provide water service to any or all of the lands within its boundaries, without the prior agreement of the governing body of that other local agency.

10712. No local agency shall exercise the powers authorized by this part within the boundaries of another local agency providing water service to any or all of the lands within its boundaries, without the prior agreement of the governing body of that other local agency.

10713. If a local agency annexes land subject to a groundwater management program of another local agency, the local agency annexing the land shall continue to comply with the groundwater management program for the annexed property.

10714. This part neither preempts, negates, affects, nor infers the existence of any powers of a local agency in other groundwater basins of the state to establish programs for the management of groundwater resources.

10715. This part is in addition to, and not a limitation on, any powers of a local agency otherwise granted by law.

10716. This part does not exempt any local agency formed under any act requiring the approval of its leases, contracts, or issuance of securities by the Treasurer from obtaining the report, investigation, and approval of the Treasurer as required by that act or by the District Securities Investigation Law of 1965.

10717. A local agency shall no longer be authorized to exercise the powers conferred by this part upon the completion and implementation of a municipal central water system supplying water to the inhabitants within the boundaries of the local agency.

CHAPTER 473

An act to amend Section 12419.3 of the Government Code, relating to the Controller.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 12419.3 of the Government Code is amended to read:

12419.3. (a) The Controller shall, until December 31, 1990, offset delinquent accounts against personal income tax refunds which have been certified by the Franchise Tax Board, in the following priority:

(1) The nonpayment of child support accounts.

(2) The benefit overpayment accounts administered by the Employment Development Department if no signed

reimbursement agreement exists, or if two consecutive payments on a reimbursement agreement are delinquent as of September 30 of the taxable year.

(3) The other offset accounts in the priority determined by the Controller.

(b) The Controller, the Franchise Tax Board, and the department shall annually report to the Assembly Committees on Finance and Insurance and Revenue and Taxation and the Senate Committees on Industrial Relations and Revenue and Taxation on the progress of offsets in reducing outstanding benefit overpayment accounts, and the programs for multiple offsets with adjustable priorities and cross-matching capabilities.

The first report shall be submitted prior to July 1, 1985, covering the 1984 taxable year and annually thereafter on July 1 covering the previous taxable year. The last report shall be due on July 1, 1989.

CHAPTER 474

An act relating to the Kaweah River Power Authority.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Notwithstanding Section 53531 of the Government Code or any other provision of law, the maximum interest rate payable pursuant to the "Project Financing Agreement Dated As of February 3, 1987, Among the Kaweah River Power Authority and Credit Lyonnais, Societe Generale, and Credit Lyonnais As Agent," or the "Low-Flow Risk Coverage Agreement between KRPA and DITT, s.a.," may be determined by the legislative body of the Kaweah River Power Authority in its discretion, but not to exceed 12 percent per year payable as permitted by law.

This section shall remain in effect only until January 1, 1999, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1999, deletes or extends that date.

CHAPTER 475

An act to amend Sections 8880.22, 8880.42, and 8880.43 of the Government Code, relating to the California State Lottery, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 8880.22 of the Government Code is amended to read:

8880.22. Reports

The commission shall make quarterly reports of the operation of the Lottery to the Governor, the Attorney General, the Controller, the Treasurer, and the Legislature. The reports shall be due 75 days after the close of the quarter for which the information is being required. The reports shall include a full and complete statement of lottery revenues, prize disbursements, expenses, net revenues, and all other financial transactions involving lottery funds, including balance sheets, statements of operation, and changes in financial position with all attached financial notes.

SEC. 2. Section 8880.42 of the Government Code is amended to read:

8880.42. Monthly Financial Reports

The director shall make a monthly financial report to the commission, the Governor, the Attorney General, the Controller, the Treasurer, and the Legislature. The report shall be due 15 days after the close of the month for which the information is required. The report shall include a full and complete statement of lottery revenues, prize disbursements, expenses, net revenues, and other financial transactions for the month. The director shall develop by December 31, 1987, the format and basis on which the monthly financial report is to be prepared.

SEC. 3. 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 audited financial statements shall be presented to the commission, the Governor, the Controller, the Treasurer, the Attorney General, and the Legislature not more than 120 days after the close of the fiscal year.

SEC. 4. The Legislature finds and declares that this act furthers the purpose of the California State Lottery Act of 1984.

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 ensure the timely submission of reports on the existing operations of the California State Lottery, it is necessary for this act to take effect immediately.

CHAPTER 476

An act to amend Section 16144.1 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 16144.1 of the Welfare and Institutions Code is amended to read:

16144.1. Private adoption agencies licensed to provide intercountry adoption services shall work only with domestic and foreign adoption agencies with whom they have written agreements that specify the responsibilities of each. The agreements shall not violate any statute or regulation of the United States or of the State of California.

CHAPTER 477

An act to repeal Section 1797.131 of the Health and Safety Code, relating to emergency medical services.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 1797.131 of the Health and Safety Code is repealed.

CHAPTER 478

An act to amend Section 31468 of, and to add Section 31645.5 to, the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 31468 of the Government Code is amended to read:

31468. (a) "District" means a district, formed under the laws of the state, located wholly or partially within the county other than a school district.

(b) "District" also includes any institution operated by two or more counties, in one of which there has been adopted an ordinance placing this chapter in operation.

(c) "District" also includes any organization or association authorized by Chapter 26 of the Statutes of 1935, as amended by Chapter 30 of the Statutes of 1941, or by Section 50024, which organization or association is maintained and supported entirely from funds derived from counties, and the board of any retirement system is authorized to receive the officers and employees of such organization or association into the retirement system managed by the board.

(d) "District" also includes, but is not limited to, any sanitary district formed under Part 1 (commencing with Section 6400) of Division 6 of the Health and Safety Code.

(e) "District" also includes any city, public authority, public agency, and any other political subdivision or public corporation formed or created under the Constitution or laws of this state and located or having jurisdiction wholly or partially within the county.

(f) "District" also includes any nonprofit corporation or association conducting an agricultural fair for the county pursuant to a contract between the corporation or association and the board of supervisors under the authority of Section 25905 of the Government Code.

(g) "District" also includes the Regents of the University of California, but with respect only to employees who were employees of a county in a county hospital, who became university employees pursuant to an agreement for transfer to the regents of such hospital, and who under such agreement had the right and did elect to continue membership in the county's retirement system established under this chapter.

(h) "District" also includes the South Coast Air Quality Management District, a new public agency created on February 1, 1977, pursuant to Chapter 5.5 (commencing with Section 40400) of

Part 3 of Division 26 of the Health and Safety Code.

(1) Employees of the South Coast Air Quality Management District shall be deemed to be employees of a new public agency occupying new positions on February 1, 1977. On that date, such new positions are deemed not to have been covered by any retirement system.

(2) No retirement system coverage shall be effected for an employee of the South Coast Air Quality Management District who commenced employment with the district during the period commencing on February 1, 1977 and ending on December 31, 1978, unless and until the employee shall have elected whether to become a member of the retirement association established in accordance with this chapter for employees of Los Angeles County or the retirement association established in accordance with this chapter for employees of San Bernardino County. Such election shall occur before January 1, 1980. Any such employee who fails to make the election provided for herein shall be deemed to have elected to become a member of the retirement association established in accordance with this chapter for the County of Los Angeles.

(3) The South Coast Air Quality Management District shall make application to the retirement associations established in accordance with this chapter for employees of Los Angeles County and San Bernardino County for coverage of employees of the South Coast Air Quality Management District.

(4) An employee of the South Coast Air Quality Management District who commenced employment with the district during the period commencing on February 1, 1977, and ending on December 31, 1978, and who has not terminated employment before January 1, 1980, shall be covered by the retirement association elected by such employee pursuant to paragraph (2). Such coverage shall be effected no later than the first day of the first month following the date of the election provided for in paragraph (2).

(5) Each electing employee shall receive credit for all service with the South Coast Air Quality Management District. However, the elected retirement association may require, as a prerequisite to granting such credit, the payment of an appropriate sum of money or the transfer of funds from another retirement association in an amount determined by an enrolled actuary and approved by the elected retirement association's board. The amount to be paid shall include all administrative and actuarial costs of making such determination. The amount to be paid shall be shared by the South Coast Air Quality Management District and the employee. The share to be paid by the employee shall be determined by good faith bargaining between the district and the recognized employee organization, but in no event shall the employee be required to contribute more than 25 percent of the total amount required to be paid. The elected retirement association's board shall not grant such credit for such prior service unless the request for such credit is made to, and the required payment deposited with, the elected retirement

association's board no earlier than January 1, 1980, and no later than June 30, 1980. The foregoing shall have no effect on any such employee's rights to reciprocal benefits under Article 15 (commencing with Section 31830).

(6) An employee of the South Coast Air Quality Management District who commenced employment with the district after December 31, 1978, shall be covered by the retirement association established in accordance with this chapter for employees of San Bernardino County. Such coverage shall be effected as of the first day of the first month following such employee's commencement date.

(7) Notwithstanding paragraphs (2) and (4) above, employees of the South Coast Air Quality Management District who were employed between February 1, 1977, and December 31, 1978, and who terminate their employment between February 1, 1977 and January 1, 1980, shall be deemed to be members of the retirement association established in accordance with this chapter for the employees of Los Angeles County commencing on the date of their employment with the South Coast Air Quality Management District.

(i) "District" also includes any nonprofit corporation which operates one or more museums within a county of the 15th class, as described by Sections 28020 and 28036 of the Government Code, as amended by Chapter 1204 of the Statutes of 1971, pursuant to a contract between the corporation and the board of supervisors of the county, and which has entered into an agreement with the board and the county setting forth the terms and conditions of the corporation's inclusion in the county's retirement system.

(j) "District" also includes any economic development association funded in whole or in part by a county of the 15th class, as described by Sections 28020 and 28036 of the Government Code, as amended by Chapter 1204 of the Statutes of 1971, and which has entered into an agreement with the board of supervisors and the county setting forth the terms and conditions of the association's inclusion in the county's retirement system.

SEC. 2. Section 31645.5 is added to the Government Code, to read:

31645.5. Prior service includes service rendered for a district as defined by subdivisions (i) and (j) of Section 31468 at any time after the date of execution of the first contract between the county and the nonprofit corporation relative to the operation of one or more museums or after the date of employment with the economic development association.

CHAPTER 479

An act to amend Section 84103 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 84103 of the Government Code is amended to read:

84103. (a) Whenever there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. The committee shall file the original of the amendment with the Secretary of State and shall also file a copy of the amendment with the local filing officer, if any, with whom the committee is required to file originals of its campaign reports pursuant to Section 84215.

(b) In addition to filing an amendment to a statement of organization as required by subdivision (a), a committee as defined in subdivision (a) of Section 82013 shall, by telegram or personal delivery within 24 hours, notify the filing officer with whom it is required to file the originals of its campaign reports pursuant to Section 84215 when the change requiring the amendment occurs before the date of the election in connection with which the committee is required to file a preelection statement, but after the closing date of the last preelection statement required to be filed for the election pursuant to Section 84200.7 or 84200.8, if any of the following information is changed:

(1) The name of the committee.

(2) The name of the treasurer or other principal officers.

(3) The name of any candidate or committee by which the committee is controlled or with which it acts jointly.

The notification shall include the changed information, the date of the change, the name of the person providing the notification, and the committee's name and identification number.

SEC. 1.5. Section 84103 of the Government Code is amended to read:

84103. (a) Whenever there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. The committee shall file the original of the amendment with the Secretary of State and shall also file a copy of the amendment with the local filing officer, if any, with whom the committee is required to file originals of its campaign reports pursuant to Section 84215.

(b) In addition to filing an amendment to a statement of organization as required by subdivision (a), a committee as defined in subdivision (a) of Section 82013 shall, by telegram or personal

delivery within 24 hours, notify the filing officer with whom it is required to file the originals of its campaign reports pursuant to Section 84215 when the change requiring the amendment occurs before the date of the election in connection with which the committee is required to file a preelection statement, but after the closing date of the last preelection statement required to be filed for the election pursuant to Section 84200.7 or 84200.8, if any of the following information is changed:

(1) The name of the committee.

(2) The name of the treasurer or other principal officers.

(3) The name of any candidate or committee by which the committee is controlled or with which it acts jointly.

The notification shall include the changed information, the date of the change, the name of the person providing the notification, and the committee's name and identification number.

(c) Notwithstanding subdivision (a), if the change results from the committee hiring or otherwise contracting with a campaign consultant or campaign consulting firm after the close of a reporting period immediately preceding an election for which the committee is required to file a campaign statement, an amendment reflecting that change shall be filed by telegram within 24 hours.

SEC. 2. Section 1.5 of this bill incorporates amendments to Section 84103 of the Government Code proposed by both this bill and SB 1152. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1988, (2) each bill amends Section 84103 of the Government Code, and (3) this bill is enacted after SB 1152, in which case Section 1 of this bill shall not become operative.

SEC. 3. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 480

An act to amend Section 30171.5 of the Public Resources Code, relating to coastal resources, and making an appropriation therefor.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 30171.5 of the Public Resources Code is amended to read:

30171.5. (a) The amount of the mitigation fee for development on nonprime agricultural lands in the coastal zone in the City of Carlsbad that lie outside of the areas described in subdivision (f) of

Section 30170 and subdivision (b) of Section 30171 shall be determined in the applicable segment of the local coastal program of the City of Carlsbad, but shall not be less than five thousand dollars ($5,000), nor more than ten thousand dollars ($10,000), per acre. All mitigation fees collected under this section shall be deposited in the State Coastal Conservancy Fund.

(b) All mitigation fees collected pursuant to this section are hereby appropriated to, and shall be expended by, the State Coastal Conservancy in the following order of priority:

(1) Restoration of natural resources and wildlife habitat in Batiquitos Lagoon.

(2) Development of an interpretive center at Buena Vista Lagoon.

(3) Provision of access to public beaches in the City of Carlsbad.

(4) Any other project or activity benefiting natural resources in the coastal zone in the City of Carlsbad that is provided for in the local coastal program of the City of Carlsbad.

(c) Not less than 50 percent of collected and bonded mitigation fees shall be expended for the purpose specified in paragraph (1) of subdivision (b).

(d) Other than to mitigate the agricultural conversion impacts for which they are collected, none of the mitigation fees collected pursuant to this section shall be used for elements of a project which cause that project to be in compliance with this division or to mitigate a project which would otherwise be inconsistent with this division. When reviewing a potential project for consistency with this subdivision, the State Coastal Conservancy shall consult with the commission.

CHAPTER 481

An act to amend Sections 6585, 6586, 6588, 6589, 6590, and 6591 of the Government Code, relating to public agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987]

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

SECTION 1. Section 6585 of the Government Code is amended to read:

6585. The definitions in this section shall govern the construction and interpretation of this article.

(a) "Authority" means an entity created pursuant to Article 1 (commencing with Section 6500).

(b) "Bond purchase agreement" means a contractual agreement executed between the authority and the local agency whereby the

authority agrees to purchase bonds of the local agency.

(c) "Bonds" means bonds (including, but not limited to, assessment bonds, redevelopment agency bonds, government issued mortgage bonds, and industrial development bonds), notes (including bond, revenue, tax, or grant anticipation notes), commercial paper, floating rate, and variable maturity securities, and any other evidences of indebtedness and also includes certificates of participation or lease-purchase agreements.

(d) "Cost," as applied to a public capital improvement or portion thereof financed under this part, means all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a public capital improvement; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved; the cost of all machinery and equipment; finance charges; interest prior to, during, and for a period after, completion of that construction, as determined by the authority; provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial and legal services, plans, specifications, 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 public capital improvement.

(e) "Legislative body" means the governing body of a local agency.

(f) "Local agency" means a party to the agreement creating the authority, or an agency or subdivision of that party, sponsoring a project of public capital improvements, or any city, county, city and county, authority, district, or public corporation of this state.

(g) "Public capital improvements" means one or more projects specified in Section 6546 necessary to deliver local agency services or otherwise support residential and commercial development.

(h) "Revenue" means all income and receipts of the authority from a bond purchase agreement and all interest or other income from any investment of any money in any fund or account established for the payment of principal or interest or premiums on bonds.

(i) "Working capital" means money to be used by, or on behalf of, a local agency for any purpose for which a local agency may borrow money pursuant to Section 53852.

SEC. 2. Section 6586 of the Government Code is amended to read:

6586. It is the Legislature's intent that this article be used to assist local agencies in financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits for taking that action. For the

purposes of this article, "significant public benefits" means any of the following, as determined by the local agency:

(a) Demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs.

(b) Significant reductions in effective user charges levied by a local agency.

(c) Employment benefits from undertaking the project in a timely fashion.

(d) More efficient delivery of local agency services to residential and commercial development.

SEC. 3. Section 6588 of the Government Code is amended to read:

6588. In addition to other powers specified in an agreement pursuant to Article 1 (commencing with Section 6500) and Article 2 (commencing with Section 6540), the authority may do any or all of the following:

(a) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(b) Sue and be sued in its own name.

(c) Issue bonds, including, at the option of the authority, bonds bearing interest, to pay the cost of any public capital improvement, working capital, or liability or other insurance program.

(d) Engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this article.

(e) As provided by applicable law, employ and compensate bond counsel, financial consultants, and other advisers determined necessary by the authority in connection with the issuance and sale of any bonds.

(f) Contract for engineering, architectural, accounting, or other services determined necessary by the authority for the successful development of a public capital improvement.

(g) Pay the reasonable costs of consulting engineers, architects, accountants, and construction, land use, recreation, and environmental experts employed by any sponsor or participant if the authority determines those services are necessary for the successful development of public capital improvements.

(h) Take title to, and sell by installment sale or otherwise, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in lands which are located within the state which the authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof.

(i) Receive and accept from any source, loans, contributions, or grants, in either money, property, labor, or other things of value, for, or in aid of, the construction financing, or refinancing of public capital improvement, or any portion thereof or for the financing of working capital or insurance programs.

(j) Make secured or unsecured loans to any local agency in connection with the financing of capital improvement projects,

working capital or insurance programs in accordance with an agreement between the authority and the local agency. However, no loan shall exceed the total cost of the public capital improvements, working capital or insurance needs of the local agency as determined by the local agency and by the authority.

(k) Make secured or unsecured loans to any local agency in accordance with an agreement between the authority and the local agency to refinance indebtedness incurred by the local agency in connection with public capital improvements undertaken and completed.

(*l*) Mortgage all or any portion of its interest in public capital improvements and the property on which any project is located, whether owned or thereafter acquired, including the granting of a security interest in any property, tangible or intangible.

(m) Assign or pledge all or any portion of its interests in mortgages, deeds of trust, indentures of mortgage or trust, or similar instruments, notes, and security interests in property, tangible or intangible, of a local agency to which the authority has made loans, and the revenues therefrom, including payment or income from any interest owned or held by the authority, for the benefit of the holders of bonds issued to finance public capital improvements. The pledge of moneys, revenues, accounts, contract rights, or rights to payment of any kind made by or to the authority pursuant to the authority granted in this part shall be valid and binding from the time the pledge is made for the benefit of the pledgees and successors thereto, against all parties irrespective of whether the parties have notice of the claim.

(n) Lease the public capital improvements being financed to a local agency, upon terms and conditions that the authority deems proper; charge and collect rents therefor; terminate any lease upon the failure of the lessee to comply with any of the obligations of the lease; include in any lease provisions that the lessee shall have options to renew the lease for a period or periods, and at rents as determined by the authority; purchase any or all of the public capital improvements; or, upon payment of all the indebtedness incurred by the authority for the financing of the public capital improvements, the authority may convey any or all of the project to the lessee or lessees.

(o) Charge and apportion to local agencies which benefit from its services the administrative costs and expenses incurred in the exercise of the powers authorized by this article.

(p) Issue, obtain, or aid in obtaining, from any department or agency of the United States or of the state, or any private company, any insurance or guarantee to, or for, the payment or repayment of interest or principal, or both, or any part thereof, on any loan, lease, or obligation or any instrument evidencing or securing the same, made or entered into pursuant to this article.

(q) Notwithstanding any other provision of this article, enter into any agreement, contract, or any other instrument with respect to any

insurance or guarantee; accept payment in the manner and form as provided therein in the event of default by a local agency; and assign any insurance or guarantee which acts as security for the authority's bonds.

(r) Enter into any agreement or contract, execute any instrument, and perform any act or thing necessary, convenient, or desirable to carry out any power authorized by this article.

(s) Invest any moneys held in reserve or sinking funds, or any moneys not required for immediate use or disbursement, in obligations that are authorized by law for the investment of trust funds.

(t) At the request of affected local agencies, combine and pledge revenues to public capital improvements for repayment of one or more series of bonds issued pursuant to this article.

(u) Delegate to any of its individual parties or other responsible individuals the power to act on its behalf subject to its general direction, guidelines, and oversight.

(v) Purchase, with the proceeds of its revenue, bonds issued by any local agency at public or negotiated sale. Bonds purchased pursuant to this subdivision may be held by the authority or sold to public or private purchasers at public or negotiated sale, in whole or in part, separately or together with other bonds issued by the authority.

(w) Set any other terms and conditions on any purchase or sale pursuant to this section as it deems by resolution to be necessary, appropriate, and in the public interest, in furtherance of the purposes of this article.

SEC. 4. Section 6589 of the Government Code is amended to read:

6589. An authority may enter into a bond purchase agreement with a local agency or agencies. The bond purchase agreement shall specify the maximum rate of interest, the cost of issuance, the amount of required reserve, and the procedure to be used in case of default. Notwithstanding any other provision of law, local agencies may sell their bonds to the authority on a negotiated basis without compliance with any public sale requirement included in the statutes under which the bonds are issued.

SEC. 5. Section 6590 of the Government Code is amended to read:

6590. The authority may, from time to time, issue its bonds in the principal amount as the authority determines necessary to provide sufficient funds for its purposes, which may include, but shall not be limited to, providing funds for bond purchase agreements, payment of interest on bonds of the authority, establishment of reserves to secure the bonds, and other expenditures of the authority incident to issuance of the bonds. The authority may also issue bonds for the purpose of making loans to local agencies, to the extent those local agencies are authorized by law to borrow moneys, and the loan proceeds shall be used by the local agencies to pay for public capital

improvements, working capital, or insurance programs.

In the case of any authority in existence on January 1, 1988, no loans shall be made to local agencies for working capital or insurance, unless that purpose is first approved by resolution of the governing body of the authority by unanimous vote of all members of the governing body.

SEC. 6. Section 6591 of the Government Code is amended to read:

6591. (a) The authority is authorized from time to time to issue bonds to provide funds to achieve its purposes.

(b) Bonds may be authorized to finance a single public capital improvement, working capital, or insurance program for a single local agency, a series of public capital improvements, working capital, or insurance program for a single local agency, a single public capital improvement, working capital, or insurance program for two or more local agencies, or a series of public capital improvements, working capital, or insurance program for two or more local agencies.

(c) Bonds issued for the purpose of financing working capital shall be used to make loans to local agencies for any of the purposes for which a local agency may borrow money pursuant to Section 53852. The loans shall be repaid in accordance with the terms of Section 53854.

(d) Except as otherwise expressly provided by the authority, every issue of its bonds shall be general obligations of the authority payable from any revenues or moneys of the authority available therefor and not otherwise pledged. These revenues or moneys may include the proceeds of additional bonds, subject only to any agreements with the holders of particular bonds pledging any particular revenues or moneys. Notwithstanding that the bonds may be payable from a special fund, they shall be deemed to be negotiable instruments for all purposes, subject only to the bond registration provisions.

(e) The bonds may be issued as serial bonds or as term bonds, or the authority may issue bonds of both types. The bonds shall be authorized by resolution of the authority and shall, as provided by the resolution or indenture pursuant to which the bonds are issued, bear the date of issuance; the time of maturity, not exceeding 50 years from their date of issuance; bear the rate of interest, either fixed or variable, and, if variable, not in excess of the maximum rate of interest specified therein; be payable as to principal and interest at the time or times provided; be in the denominations provided; be in the form provided; carry the registration privileges provided; be executed in the manner provided; be payable in lawful money of the United States at the place or places provided within or without the state; and be subject to the terms of redemption provided.

(f) The bonds shall be sold by the authority at the time and in the manner set out in the authority's resolution. The sale may be a public or private sale, and for price or prices, and on terms and conditions

as the authority determines proper, after giving due consideration to the recommendations of any local agency to be assisted from the proceeds of the bonds. Pending preparation of the definitive bonds, the authority may issue interim receipts, certificates, or temporary bonds which shall be exchanged for definitive bonds.

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 remove an impediment in existing law so local agencies can engage in certain pooled financing arrangements, as soon as possible, and to reduce the transaction costs of local agencies in financing needed capital improvement projects through various pooled financing arrangements, it is necessary that this act go into immediate effect.

CHAPTER 482

An act to amend Section 1572.5 of the Health and Safety Code, relating to health care planning.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 1572.5 of the Health and Safety Code is amended to read:

1572.5. (a) The board of supervisors of any county may establish for that county an adult day health care planning council as provided in this section. Alternatively, two or more adjacent counties may agree to form a single adult day health care planning council with jurisdiction in all participating counties. Each council shall be comprised of 17 members appointed by the board of supervisors, or jointly appointed by the boards of supervisors of counties having a single council, as follows:

(1) Nine members of the council shall be persons over 55 years of age who have a demonstrated interest in the special health and social needs of the elderly and who are representative of organizations dedicated primarily to the needs of older persons, including those of low-income and racial and ethnic minorities.

(2) A representative of the area agency on aging designated pursuant to Public Law 94-135 or, if none, a county agency responsible for services to senior citizens.

(3) A representative of a county agency responsible for administering health programs for senior citizens.

(4) A representative of the county medical society.

(5) A representative of a publicly funded senior citizen

transportation program.

(6) A representative of a health facility or organization of health facilities providing acute or long-term care to the elderly.

(7) A member-at-large who has demonstrated an interest in alternatives to institutional long-term care.

(8) A functionally impaired adult member with a demonstrated interest in community-based, long-term care needs of the functionally impaired who is 18 or over, and under 55 years of age.

(9) A representative of the county department of public social services, or the equivalent agency.

(b) The board of supervisors, with the approval of the Department of Aging, may designate the area agency on aging advisory council as the adult day health care planning council in counties in which all of the following exist:

(1) An adult day health care planning council has not been established.

(2) The board of supervisors governs the area agency on aging.

(3) The area agency on aging has demonstrated interest and commitment in alternatives to institutional long-term care.

(4) The area agency on aging advisory council includes representatives of county or community-based agencies which are responsible for administering or providing long-term care services or which have demonstrated an interest in developing long-term care alternatives.

The board of supervisors shall seek the advice and assistance of other health and transportation representatives identified in this section.

(c) If persons meeting the qualifications specified by any paragraph of subdivision (a) are unavailable or unwilling to serve on the council, the appointing power may apply to the director for an exemption. In this case, the director shall grant an exemption and shall specify such alternative qualifications as will best serve the purposes of this chapter with due regard for local conditions.

CHAPTER 483

An act to add Section 9309.1 to the Welfare and Institutions Code, relating to seniors.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. The Legislature recognizes the public benefit of the congregate and home-delivered meals programs for elderly persons, by improving the general health of participants and reducing their respective health care costs. Currently, service providers have an

ongoing responsibility to operate efficiently and improve their productivity. Many nutrition sites have developed cost-efficient reservation systems to minimize the number of leftover congregate meals and programs to deliver unserved meals to homebound seniors. The Legislature also recognizes the need for ensuring food safety and sanitation of food served to older persons to reduce the risk of food-borne illness from food contamination and spoilage. The Legislature finds and declares that the development of policies and guidelines for maximizing food safety and minimizing food waste shall increase consistency among nutrition programs statewide.

SEC. 2. Section 9309.1 is added to the Welfare and Institutions Code, to read:

9309.1. The department shall, in consultation with nutrition site directors and area agencies on aging, develop policies and guidelines for senior nutrition sites that ensure food safety and that maximize the use of leftover meals and food products. The guidelines shall include, but not be limited to, senior education programs on good nutrition and handling, storage of leftover foods, and reviewing current nutrition site reservation procedures.

CHAPTER 484

An act to amend Sections 22441 and 22442 of, and to add Section 22446.5 to, the Business and Professions Code, relating to immigration consultants, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 22441 of the Business and Professions Code is amended to read:

22441. (a) A person engages in the business or acts in the capacity of an immigration consultant when that person gives nonlegal assistance or advice on an immigration matter. That assistance or advice includes, but is not limited to: (1) completing a form provided by a federal or state agency but not advising a person as to their answers on those forms; (2) translating a person's answers to questions posed in those forms; (3) securing for a person supporting documents, such as birth certificates, which may be necessary to complete those forms; (4) submitting completed forms on a person's behalf and at their request to the Immigration and Naturalization Service; and (5) making referrals to persons who could undertake legal representation activities for a person 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.

(d) Every person engaged in the business or acting in the capacity of an immigration consultant shall only offer nonlegal assistance or advice in an immigration matter as defined in subdivision (a). Any act in violation of subdivision (a) is a violation of this chapter.

SEC. 2. Section 22442 of the Business and Professions Code is amended to read:

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 or for a fee, including reasonable costs, consistent with that authorized by the United States Immigration and Naturalization Service for qualified designated entities, complete application forms in an immigration matter.

SEC. 3. Section 22446.5 is added to the Business and Professions Code, to read:

22446.5. (a) Any person claiming to be aggrieved by a violation

of this chapter by an immigration consultant may bring a civil action for injunctive relief or damages, or both. If the court finds that the defendant has violated a provision of this chapter, it shall award actual damages, plus an amount equal to treble the amount of actual damages or three hundred dollars ($300) per violation, whichever is greater. The court shall also grant a prevailing plaintiff reasonable attorneys' fees and costs.

(b) Any other party who, upon information and belief, claims a violation of this chapter has been committed by an immigration consultant may bring a civil action for injunctive relief on behalf of the general public and, upon prevailing, shall recover reasonable attorneys' fees and costs.

(c) Actions brought under this chapter shall be set for trial at the earliest possible date, and shall take precedence over all other cases, except older matters of the same character and matters to which special preference may be given by law.

SEC. 4. 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. 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 effectuate the purposes of this act prior to final implementation of the recently enacted Immigration Reform and Control Act, it is necessary that this act take effect immediately.

CHAPTER 485

An act to amend Section 7059 of the Business and Professions Code, relating to contractors.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 9, 1987.]

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

SECTION 1. Section 7059 of the Business and Professions Code is amended to read:

7059. (a) The board may adopt reasonably necessary rules and regulations to effect the classification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which he or she is classified and qualified to engage, as defined by Sections 7055, 7056, 7057, and 7058. A licensee may make application for classification and

be classified in more than one classification if the licensee meets the qualifications prescribed by the board for such additional classification or classifications. The application shall be in a form as prescribed by the registrar and shall be accompanied by the application fee fixed by this chapter. No license fee shall be charged for an additional classification or classifications.

Nothing contained in this section shall prohibit a specialty contractor from taking and executing a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which he or she is licensed, is incidental and supplemental to the performance of the work in the craft for which the specialty contractor is licensed.

(b) In public works contracts, as defined in Section 1101 of the Public Contract Code, the awarding authority shall determine the license classification necessary to bid and perform the project. In no case shall the awarding authority award a prime contract to a specialty contractor whose classification constitutes less than a majority of the project. When a specialty contractor is authorized to bid a project, all work to be performed outside of his or her license specialty, except work authorized by subdivision (a), shall be performed by a licensed subcontractor in compliance with the Subletting and Subcontracting Fair Practices Act (Chapter 4 (commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code).

CHAPTER 486

An act relating to the State Coastal Conservancy.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 10, 1987.]

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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) That the State Coastal Conservancy has been given a mandate by the Legislature for restoration of the state's urban waterfronts on those projects provided pursuant to the Urban Waterfront Restoration Act of 1981 (Chapter 7 (commencing with Section 31300) of Division 21 of the Public Resources Code), including those projects which help to alleviate some of the problems that are contributing to the decline of the commercial fishing industry.

(b) That the State Coastal Conservancy was designated by the Legislature in 1981 as the lead agency to carry out the goals of the Urban Waterfront Restoration Act of 1981 to revitalize coastal areas and coastal dependent industries such as the commercial fishing industry.

(c) That the State Coastal Conservancy has already demonstrated experience in studying actions necessary for the economic viability of the commercial fishing industry as evidenced by their completion of the 1984 study of commercial fishing facilities which was previously mandated by the Legislature in Chapters 1336 and 1617 of the Statutes of 1982.

(d) That the State Coastal Conservancy already has existing legislative authority to coordinate the activities of all other state agencies and all federal agencies that have programs affecting California's urban waterfronts in order to increase efficiency and minimize duplication of programs under Chapter 7 (commencing with Section 31300) of Division 21 of the Public Resources Code.

(e) That the San Francisco Bay and the Sacramento-San Joaquin Delta provide an important nursery and habitat for anadromous fisheries, such as salmon, steelhead, striped bass, and other commercial and recreational fisheries.

SEC. 2. The Legislature further finds and declares all of the following:

(a) The fishing industry has been an essential part of California's economy and the state should act to reverse the trend towards industry obsolence.

(b) California's fishing industry is at a considerable disadvantage in competing with other fishing nations because harvesting, handling, and processing facilities are largely outmoded and inefficient. California's fishermen have to travel to foreign countries to learn about gear development methods and new harvesting and handling techniques.

(c) New markets have to be developed for underutilized species such as Pacific whiting and mackerel, to meet the growing demand for low priced seafood products.

(d) No quality control standards exist to ensure consumer health and safety and maximize full use of the catch. The consumer lacks educational information on the availability and proper storage and preparation of fish products.

(e) The state's interest in protecting the quality of marine ecology is equally important in light of the increased use of California waters for waste and toxic disposal, oil exploration, undersea mining, shipping, and recreational activities.

(f) There is no centralized location for the compilation and management of research data from regulatory agencies and marine biologists.

(g) A research and training center in this state would help modernize the fishing industry, promote safety for fishermen, preserve an adequate supply of fish for commercial and sports fishing, as well as other marine species, and develop marine-related industries through applied and academic research to be conducted at the center's laboratories and conference facilities and showrooms would be available for training and dissemination of information on fisheries and marine ecology of the delta and San Francisco Bay.

SEC. 3. Notwithstanding any other law, the State Coastal Conservancy may carry out a feasibility study for a commercial fishing and marine environmental research and center for the study of San Francisco Bay and the delta, and may consider allocating a sum of up to two hundred thousand dollars ($200,000) to fund the feasibility study from money available to it during the 1986–87 or 1987–88 fiscal year for urban waterfront restoration.

SEC. 4. The study shall evaluate the feasibility of locating the Fisheries and Environmental Research Center at Pier 45, Port of San Francisco, on property already available to the State of California for its use under the terms of The Burton Act (Chapter 1333, Statutes of 1968) which provides that San Francisco waterfront properties shall be held by the City and County of San Francisco for purposes of commerce, navigation, and fishing.

SEC. 5. The study shall also evaluate the need for satellite center facilities in Eureka and other potential north coast sites and in southern California in either San Pedro or San Diego.

SEC. 6. The feasibility study shall identify possible uses and activities for a research facility specializing in applied research for commercial fishing industry.

SEC. 7. In carrying out the feasibility study, the conservancy shall consult and coordinate with the California Sea Grant College Program, the University of California, and other research facilities to avoid duplication and to maximize the state's funding of research in fisheries and in the ecology of the delta and San Francisco Bay.

SEC. 8. The study shall identify user groups and organizations, physical space required, organization and management options, preliminary cost estimates, possible funding options from both private and public sources, and regulatory requirements. The conservancy may contract for those portions of the study requiring technical expertise not available within its staff.

If the feasibility study is authorized by the State Coastal Conservancy, it shall report the results to the Legislature within one year from the date of enactment of this act.

CHAPTER 487

An act to amend Section 25173.5 of the Health and Safety Code, relating to hazardous waste.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 25173.5 of the Health and Safety Code is amended to read:

25173.5. (a) Except as provided in subdivision (b), the legislative

body of a city or county may impose and enforce a tax, for general purposes, or may impose a user fee on the operation of an offsite, multiuser hazardous waste facility located within the jurisdiction of the city or county. The tax or the user fee imposed shall not exceed 10 percent of the facility's annual gross receipts for the treatment, storage, or disposal of hazardous waste at the facility.

If a city or county imposes a tax pursuant to this section, the city or county may use the revenues collected from the tax to fund those activities reasonably necessary for the city or county to carry out its duties related to the operation of the hazardous waste facility upon which the tax is imposed and for support of the city's or county's fire and emergency response capabilities and emergency medical services, to the extent the city or county determines that this funding should be given priority.

(b) A city or county shall not impose a tax or a user fee adopted pursuant to subdivision (a) upon any of the following:

(1) An existing hazardous waste facility for which a tax is authorized pursuant to Section 25149.5.

(2) That portion of the gross receipts of the hazardous waste facility that derives from the recycling of hazardous wastes or the treatment of infectious wastes.

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 488

An act to amend Section 22514 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 22514 of the Vehicle Code is amended to read:

22514. No person shall stop, park, or leave standing any vehicle within 15 feet of a fire hydrant except as follows:

(a) If the vehicle is attended by a licensed driver who is seated in the front seat and who can immediately move such vehicle in case of necessity.

(b) If the local authority adopts an ordinance or resolution reducing that distance. If the distance is less than 10 feet total length when measured along the curb or edge of the street, the distance

shall be indicated by signs or markings.

(c) If the vehicle is owned or operated by a fire department and is clearly marked as a fire department vehicle.

CHAPTER 489

An act to amend Sections 1596.881, and 1596.882 of the Health and Safety Code, relating to employment.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 1596.881 of the Health and Safety Code is amended to read:

1596.881. No employer shall discharge, demote, or suspend, or threaten to discharge, demote, or suspend, or in any manner discriminate against any employee who takes any of the following actions:

(a) Makes any good faith oral or written complaint of the violation of any licensing or other laws by the employer to the State Department of Social Services or other agency having statutory responsibility for enforcement of the law or to the employer or representative of the employer.

(b) Institutes, or causes to be instituted, any proceeding against the employer in relation to the violation of any licensing or other laws.

(c) Is, or will be, a witness or testify in a proceeding in relation to the violation of any licensing or other laws.

(d) Refuses to perform work in violation of a licensing law or regulation after notifying the employer of the violation.

Employees shall be notified in writing at the time of employment of their rights under this chapter, as evidenced by their signature on a notification form outlining actions protected by this section. Forms to be utilized for this purpose shall be kept on file at the facility. The department shall provide each facility with the notification forms, which shall include information regarding enforcement pursuant to relevant Labor Code sections.

"Other laws" for the purposes of this section, includes, but is not limited to, laws relating to staff-child ratios, transportation of children, or child abuse.

SEC. 2. Section 1596.882 of the Health and Safety Code is amended to read:

1596.882. (a) A claim by the employee alleging the violation by the employer of Section 1596.881 shall be presented to the employer within 45 days after the action as to which complaint is made and presented to the Division of Labor Standards Enforcement not later

than 90 days after the action as to which complaint is made.

(b) Upon receipt of the complaint, the Division of Labor Standards Enforcement shall cause whatever investigation to be made as it deems appropriate.

(c) If upon investigation the Division of Labor Standards Enforcement determines that the employer has violated Section 1596.881, it shall bring an action in any appropriate court against the employer.

(d) In any such action, the court shall have jurisdiction, for cause shown, to issue restraining orders and order all appropriate relief, including rehiring and reinstatement of the employee of his or her former position with backpay and benefits.

(e) Within 30 days of the receipt of a complaint pursuant to this section, the Division of Labor Standards Enforcement shall review the facts of the employee's complaint and either set a hearing date or notify the employee and the employer of its decision. Where necessary, the Division of Labor Standards Enforcement shall begin the appropriate court action to enforce the decision.

(f) Except for any grievance procedure or arbitration or hearing that is available to the employee pursuant to a collective bargaining agreement, this section is the exclusive means for presenting claims under this article.

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 490

An act to add Section 5651.5 to the Welfare and Institutions Code, relating to mental health.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 5651.5 is added to the Welfare and Institutions Code, to read:

5651.5. Every county shall, in its annual mental health planning process, consider senior peer counseling in developing its mental health program. This consideration shall include the pros and cons of such a program for the county and the current or future plans of instituting such a program within the county.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act

contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 491

An act to add Section 40709.5 to the Health and Safety Code, relating to air pollution.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 40709.5 is added to the Health and Safety Code, to read:

40709.5. (a) Any district which has established a system pursuant to Section 40709 by which reductions in emissions may be banked or otherwise credited to offset future increases in the emissions of air contaminants, or which utilize a calculation method which enables internal emission reductions to be credited against increases in emissions, and as of January 1, 1988, is within a federally designated nonattainment area for one or more air pollutants, shall develop and implement a program which, at a minimum, provides for all of the following:

(1) Identification and tracking of sources possessing emission credit balances accruing from the elimination or replacement of older, higher emitting equipment.

(2) Periodic analysis of the increases or decreases in emissions which occur when credits are used to bring new or modified emission sources into operation.

(3) Procedures for verifying the emission reductions credited to the bank or accruing to internal accounts, and for adjusting of credited emissions based on current district requirements.

(4) Periodic evaluation of the extent to which the system has contributed or detracted from the goal of allowing economic growth and modification of existing facilities, and has contributed to or detracted from the district's progress toward attainment of ambient air quality standards.

(b) Within the limitations of existing budgetary resources, the state board shall establish, in conjunction with the districts, a technical review group for the purpose of accomplishing all of the following:

(1) Identifying impediments to the effective operation of

emission credit systems.

(2) Improving the performance of emission credit systems so as to be consistent, to the extent feasible, with the air quality and economic goals.

(3) Investigating alternatives to current emission offset requirements and banking systems, including, but not limited to, fees in lieu of offsets, economic charges, and community offset banks.

The technical review group may hold workshops, conferences, or other meetings, as appropriate, and shall provide an opportunity for representatives of industry and the public to participate and provide information to the review group.

Not later than January 1, 1989, the technical review group shall prepare and submit to the state board a report of its findings and recommendations for improvements in, and alternatives to, the emission credit system and emission offset requirements. After a public hearing, the state board may revise or adopt the recommendations of the technical review group and shall transmit the report and its recommendations to the Legislature and to the districts.

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 492

An act to amend Sections 226 and 5353 of the Public Utilities Code, and to add Section 4648.3 to the Welfare and Institutions Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 226 of the Public Utilities Code is amended to read:

226. (a) "Passenger stage corporation" includes every corporation or person engaged as a common carrier, for compensation, in the ownership, control, operation, or management of any passenger stage over any public highway in this state between fixed termini or over a regular route except those, 98 percent or more of whose operations as measured by total route mileage operated, which are exclusively within the limits of a single city or city and county, or whose operations consist solely in the transportation of bona fide pupils attending an institution of learning between their

homes and that institution.

For purposes of this section, the percentage of the route mileage within the limits of any city shall be determined by the Public Utilities Commission on the first day of January of each year, and the percentage so determined shall be presumed to continue for the year.

(b) "Passenger stage corporation" does not include that part of the operations of any corporation or person engaged in the ownership, control, operation, or management of any passenger stage over any public highway in this state, whether between fixed termini or over a regular route or otherwise, engaged in the transportation of any pupils or students to and from a public or private school, college, or university, or to and from activities of a public or private school, college, or university, where the rate, charge, or fare for that transportation is not computed, collected, or demanded on an individual fare basis.

(c) "Passenger stage corporation" does not include the transportation of persons between home and work locations or of persons having a common work-related trip purpose in a vehicle having a seating capacity of 15 passengers or less, including the driver, which is used for the purpose of ridesharing, as defined in Section 522 of the Vehicle Code, when the ridesharing is incidental to another purpose of the driver. This exemption does not apply if the primary purpose for the transportation of those persons is to make a profit. "Profit," as used in this subdivision, does not include the recovery of the actual costs incurred in owning and operating a vanpool vehicle, as defined in Section 668 of the Vehicle Code.

(d) "Passenger stage corporation" does not include that part of the operations of any corporation or person engaged in the ownership, control, operation, or management of any medical transportation vehicles, including vehicles employed to transport developmentally disabled persons for regional centers established pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.

(e) "Passenger stage corporation" does not include the transportation of persons which is ancillary to commercial river rafting and is for the sole purpose of returning passengers to the point of origin of their rafting trip.

(f) "Passenger stage corporation" does not include social service transportation delivered by a nonprofit social service transportation provider or a locally licensed or franchised for-profit transportation provider which operates, in dedicated vehicles, social service transportation pursuant to contract with a nonprofit social service transportation provider organization as long as the provider does not use a vehicle designed for carrying more than 16 persons, including the driver, or does not operate vehicles which offer transportation services over regularly scheduled or fixed routes.

(g) "Passenger stage corporation" does not include intrastate passenger transportation service conducted pursuant to federal

operating authority to the extent that regulation of these intrastate operations by the commission is preempted by the federal Bus Regulatory Reform Act of 1982 (P.L. 97-261), as amended.

SEC. 2. Section 5353 of the Public Utilities Code is amended to read:

5353. This chapter does not apply to any of the following:

(a) Transportation service rendered wholly within the corporate limits of a single city or city and county.

(b) Transportation of school pupils conducted by or under contract with the governing board of any school district entered into pursuant to the Education Code.

(c) Common carrier transportation services between fixed termini or over a regular route which are subject to authorization pursuant to Article 2 (commencing with Section 1031) of Chapter 5 of Part 1 of Division 1.

(d) Transportation services occasionally afforded for farm employees moving to and from farms on which employed when the transportation is performed by the employer in an owned or leased vehicle, or by a nonprofit agricultural cooperative association organized and acting within the scope of its powers under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code, and without any requirement for the payment of compensation therefor by the employees.

(e) Transportation service rendered by a publicly owned transit system.

(f) Passenger vehicles carrying passengers on a noncommercial enterprise basis.

(g) Taxicab transportation service licensed and regulated by a city or county, by ordinance or resolution, rendered in vehicles designed for carrying not more than eight persons excluding the driver.

(h) Transportation of persons between home and work locations or of persons having a common work-related trip purpose in a vehicle having a seating capacity of 15 passengers or less, including the driver, which are used for the purpose of ridesharing, as defined in Section 522 of the Vehicle Code, when the ridesharing is incidental to another purpose of the driver. This exemption does not apply if the primary purpose for the transportation of those persons is to make a profit. "Profit," as used in this subdivision, does not include the recovery of the actual costs incurred in owning and operating a vanpool vehicle, as defined in Section 668 of the Vehicle Code.

(i) Medical transportation vehicles, including vehicles employed to transport developmentally disabled persons for regional centers established pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.

(j) Transportation services rendered solely within the Lake Tahoe Basin, comprising that area included within the Tahoe Regional Planning Compact as set forth in Section 66801 of the Government Code, when the operator of the services has obtained any permit

required from the Tahoe Basin Transportation Authority or the City of South Lake Tahoe, or both.

SEC. 2.5. Section 5353 of the Public Utilities Code is amended to read:

5353. This chapter does not apply to any of the following:

(a) Transportation service rendered wholly within the corporate limits of a single city or city and county and licensed or regulated by ordinance.

(b) Transportation of school pupils conducted by or under contract with the governing board of any school district entered into pursuant to the Education Code.

(c) Common carrier transportation services between fixed termini or over a regular route which are subject to authorization pursuant to Article 2 (commencing with Section 1031) of Chapter 5 of Part 1 of Division 1.

(d) Transportation services occasionally afforded for farm employees moving to and from farms on which employed when the transportation is performed by the employer in an owned or leased vehicle, or by a nonprofit agricultural cooperative association organized and acting within the scope of its powers under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code, and without any requirement for the payment of compensation therefor by the employees.

(e) Transportation service rendered by a publicly owned transit system.

(f) Passenger vehicles carrying passengers on a noncommercial enterprise basis.

(g) Taxicab transportation service licensed and regulated by a city or county, by ordinance or resolution, rendered in vehicles designed for carrying not more than eight persons excluding the driver.

(h) Transportation of persons between home and work locations or of persons having a common work-related trip purpose in a vehicle having a seating capacity of 15 passengers or less, including the driver, which are used for the purpose of ridesharing, as defined in Section 522 of the Vehicle Code, when the ridesharing is incidental to another purpose of the driver. This exemption does not apply if the primary purpose for the transportation of those persons is to make a profit. "Profit," as used in this subdivision, does not include the recovery of the actual costs incurred in owning and operating a vanpool vehicle, as defined in Section 668 of the Vehicle Code.

(i) Medical transportation vehicles, including vehicles employed to transport developmentally disabled persons for regional centers established pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.

(j) Transportation services rendered solely within the Lake Tahoe Basin, comprising that area included within the Tahoe Regional Planning Compact as set forth in Section 66801 of the Government Code, when the operator of the services has obtained any permit

required from the Tahoe Basin Transportation Authority or the City of South Lake Tahoe, or both.

SEC. 3. Section 4648.3 is added to the Welfare and Institutions Code, to read:

4648.3. A provider of transportation services to regional center clients for the regional center shall maintain protection against liability for damages for bodily injuries or death and for damage to or destruction of property, which may be incurred by the provider in the course of providing those services. The protection shall be maintained at the level established by the regional center to which the transportation services are provided.

SEC. 4. Section 2.5 of this bill incorporates amendments to Section 5353 of the Public Utilities Code proposed by both this bill and SB 719. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1988, but this bill becomes operative first, (2) each bill amends Section 5353 of the Public Utilities Code, and (3) this bill is enacted after SB 719, in which case Section 5353 of the Public Utilities Code, as amended by Section 2 of this bill, shall remain operative only until the operative date of SB 719, at which time Section 2.5 of this bill shall become operative.

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 immediately prevent regional centers for developmentally disabled persons from incurring costs associated with the unnecessary regulation of entities which provide transportation services to clients of those centers and, at the same time, to ensure that providers of transportation services to regional centers maintain adequate protection against liability for damages for personal injuries and death and property damage, it is necessary that this act take effect immediately.

CHAPTER 493

An act to add Article 1.5 (commencing with Section 78020) to Chapter 1 of Part 48 of, and to repeal Section 78008 of, the Education Code, relating to community colleges.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 78008 of the Education Code is repealed.

SEC. 2. Article 1.5 (commencing with Section 78020) is added to Chapter 1 of Part 48 of the Education Code, to read:

Article 1.5. Contract Education

78020. For purposes of this article:

(a) "Contract education" means those situations in which a community college district contracts with a public or private entity for the purposes of providing instruction or services or both by the community college.

(b) "Credit" refers to any class offered for community college credit, regardless of whether the class generates state apportionments.

(c) "Noncredit" refers to courses that meet the criteria for apportionment pursuant to Section 84711.

(d) "Not-for-credit" refers to classes, including community services classes, that are offered without credit and which are not eligible for apportionments pursuant to Section 84711.

78021. The governing board of any community college district may establish, or with one or more community college districts may establish, contract education programs within or outside the state by agreement with any public or private agency, corporation, association, or any other person or body, to provide specific educational programs or training to meet the specific needs of these bodies.

The contracting community college district or districts shall recover, from all revenue sources, including, but not limited to, public and private sources, or any combination thereof, an amount equal to, but not less than, the actual costs, including administrative costs, incurred in providing these programs or training.

The attendance of students in these contract education programs shall not be included for purposes of calculating the average daily attendance for apportionments to these districts, unless all statutory and regulatory conditions for generating average daily attendance are met.

78022. (a) Faculty in all credit and noncredit contract education classes shall be selected and hired according to procedures existing in a community college district for the selection of instructors for credit classes.

(b) Faculty teaching credit and noncredit contract education classes shall be compensated in the same manner as comparable faculty in the regular, noncontract education program.

(c) Faculty teaching credit or noncredit contract education classes shall be evaluated according to the procedures used for the evaluation of faculty in the regular, noncontract education program.

(d) Faculty teaching not-for-credit contract education classes shall be compensated in the same manner as faculty in the regular, noncontract education program if the course meets the same standards as a course in the credit curriculum.

(e) Faculty teaching not-for-credit contract educational programs shall be evaluated according to procedures specified in the contract between the community college district and the public or private

entity to establish the program.

(f) This section shall not be construed to restrict the appearance of guest lecturers in any programs or classes operated by a community college district.

78023. (a) Nonprofit public benefit corporations that are not organized as auxiliary organizations pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45 and are conducting contract education programs shall not use the name of a community college district or of a college of a community college district.

(b) A nonprofit public benefit corporation that is not organized as an auxiliary organization pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45 and is conducting contract education programs shall not employ the resources and staff of a community college district without full compensation for all related costs.

CHAPTER 494

An act to amend Section 1710.2 of the Civil Code, relating to real property.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 1710.2 of the Civil Code is amended to read:

1710.2. (a) No cause of action arises against an owner of real property or his or her agent, or any agent of a transferee of real property, for the failure to disclose to the transferee the occurrence of an occupant's death upon the real property or the manner of death where the death has occurred more than three years prior to the date the transferee offers to purchase, lease, or rent the real property, or that an occupant of that property was afflicted with, or died from, Human T-Lymphotropic Virus Type III/Lymphadenopathy-Associated Virus. As used in this section, "agent" includes any person licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code. As used in this section, "transferee" includes a purchaser, lessee, or renter of real property.

(b) It is the intention of the Legislature to occupy the field of regulation of disclosure related to deaths occurring upon real property and of AIDS in situations affecting the transfer of real property or any estate or interest in real property.

(c) This section shall not be construed to alter the law relating to disclosure pertaining to any other physical or mental condition or disease, and this section shall not relieve any owner or agent of any

obligation to disclose the physical condition of the premises.

(d) Nothing in this section shall be construed to immunize an owner or his or her agent from making an intentional misrepresentation in response to a direct inquiry from a transferee or a prospective transferee of real property, concerning deaths on the real property.

CHAPTER 495

An act to amend Sections 12704 and 12710 of the Business and Professions Code, relating to weights and measures, and making an appropriation therefor.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 12704 of the Business and Professions Code is amended to read:

12704. (a) A weighmaster shall pay to the department the following license fee for each license year as applicable to the operation:

(1) Seventy-five dollars ($75) if the weighmaster is operating at a fixed location.

(2) Thirty dollars ($30) for each additional fixed location the weighmaster is operating at.

(3) Two hundred dollars ($200) if the weighmaster is operating at other than a fixed location.

(4) Twenty dollars ($20) for each deputy weighmaster.

(b) "License year" means the period of time beginning with the first day of the month the weighmaster is required to be licensed in this state, and ending on the date designated by the director for expiration of the license, or yearly intervals after the first renewal.

(c) "Location" means a premise on which weighing, measuring, or counting devices are used.

SEC. 2. Section 12710 of the Business and Professions Code is amended to read:

12710. (a) A weighmaster may employ or designate any person to act for the weighmaster as a deputy weighmaster and shall be responsible for all acts performed by that person. The weighmaster shall forward to the department the name of deputy weighmasters with the fees required by Section 12704.

(b) At any time during the license year, any weighmaster may replace deputies without the payment of additional fees by forwarding to the department the name of any replacement deputy and any deleted deputy.

(c) Any weighmaster who does not furnish to the department a

deputy name as required by this section is guilty of an infraction and, upon conviction, may be punished by a fine of not more than one hundred dollars ($100).

(d) A weighmaster may increase the original number of deputies by submitting a new application accompanied by appropriate fees for the additional number of deputy licenses requested, which shall expire on the date stated on the weighmaster license.

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 496

An act to amend Section 1152 of the Evidence Code, relating to evidence.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 1152 of the Evidence Code is amended to read:

1152. (a) Evidence that a person has, in compromise or from humanitarian motives, furnished or offered or promised to furnish money or any other thing, act, or service to another who has sustained or will sustain or claims that he or she has sustained or will sustain loss or damage, as well as any conduct or statements made in negotiation thereof, is inadmissible to prove his or her liability for the loss or damage or any part of it.

(b) In the event that evidence of an offer to compromise is admitted in an action for breach of the covenant of good faith and fair dealing or violation of subdivision (h) of Section 790.03 of the Insurance Code, then at the request of the party against whom the evidence is admitted, or at the request of the party who made the offer to compromise that was admitted, evidence relating to any other offer or counteroffer to compromise the same or substantially the same claimed loss or damage shall also be admissible for the same purpose as the initial evidence regarding settlement. Other than as may be admitted in an action for breach of the covenant of good faith and fair dealing or violation of subdivision (h) of Section 790.03 of the Insurance Code, evidence of settlement offers shall not be admitted in a motion for a new trial, in any proceeding involving an additur or remittitur, or on appeal.

(c) This section does not affect the admissibility of evidence of any

of the following:

(1) Partial satisfaction of an asserted claim or demand without questioning its validity when such evidence is offered to prove the validity of the claim.

(2) A debtor's payment or promise to pay all or a part of his or her preexisting debt when such evidence is offered to prove the creation of a new duty on his or her part or a revival of his or her preexisting duty.

CHAPTER 497

An act to amend Section 52012 of the Health and Safety Code, relating to housing.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 52012 of the Health and Safety Code is amended to read:

52012. "Home" means real property and improvements thereon consisting of a single dwelling unit and which is owned by a mortgagor who occupies or intends to occupy the unit. "Home" includes an owner-occupied condominium unit, a unit in a stock cooperative where the occupant is a shareholder, and any dwelling structure consisting of two-, three-, or four-family dwelling units, one unit of which is occupied by the owner of the units, and, which units were first occupied as homes at least five years before the mortgage with respect to the owner-occupied unit is executed.

CHAPTER 498

An act to amend Sections 75.9, 75.21, 203, 214.3, 214.6, 215.1, 231, 830, 1603, 2611.5, 11551, 38432, 38612, and 38613 of, to add Article 4 (commencing with Section 11501), Article 5 (commencing with Section 11511), Article 6 (commencing with Section 11521), and Article 7 (commencing with Section 11531) to Chapter 4 of Part 6 of Division 2 of, to add Sections 38435 and 38575 to, to repeal and add Sections 11451, 11452, 11596, 38416, 38502, 38503, 38801, 38802, and 38803 of, and to repeal Sections 107.5, 1603.1, and 11453 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 75.9 of the Revenue and Taxation Code is amended to read:

75.9. "Taxable value" means the base year full value adjusted for any given lien date as required by law or the full cash value for the same date, whichever is less. In the case of real property which, prior to the date of the change in ownership or completion of new construction, was assessed by the board pursuant to Section 19 of Article XIII of the California Constitution, "taxable value" means that portion of the state-assessed value determined by the board to be properly allocable to the property which is subject to the supplemental assessment.

SEC. 2. Section 75.21 of the Revenue and Taxation Code is amended to read:

75.21. (a) Exemptions shall be applied to the amount of the supplemental assessment, provided that the property is not receiving any other exemption on either the current roll or the roll being prepared except as provided for in subdivision (b), that the assessee is eligible for the exemption, and that in those instances in which the provisions of this division require the filing of claims for exemption, the assessee makes a claim for the exemption.

(b) If the property received an exemption on the current roll or the roll being prepared and the assessee on the supplemental roll is eligible for an exemption and in those instances in which the provisions of this division require the filing of claims for exemption, the assessee makes a claim for an exemption of a greater amount, then the difference in the amount between the two exemptions shall be applied to the supplemental assessment.

(c) In those instances in which the provisions of this division require the filing of claims for exemption, any person claiming to be eligible for an exemption to be applied against the amount of the supplemental assessment shall file a claim or an amendment to a current claim, in such form as prescribed by the board, on or before

the 30th day following the date of notice of the supplemental assessment, in order to receive 100 percent exemption.

(1) With respect to property as to which the college, cemetery, church, religious, exhibition, veterans' organization, free public libraries, free museums, public schools, community colleges, state colleges, state universities, or welfare exemption was available but for which a timely application for exemption was not filed, 90 percent of any tax or penalty or interest thereon or any amount of tax or penalty or interest thereon exceeding two hundred fifty dollars ($250) in total amount, whichever is greater, for each supplemental assessment, shall be canceled or refunded, provided that an appropriate application for exemption is filed on or before the date on which the first installment of taxes on the supplemental tax bill becomes delinquent, as provided by Section 75.52.

(2) With respect to property as to which the veterans', homeowners', or disabled veterans' exemption was available but for which a timely application for exemption was not filed, that portion of tax attributable to 80 percent of the amount of exemption available shall be canceled or refunded, provided that an appropriate application for exemption is filed on or before the date on which the first installment of taxes on the supplemental tax bill becomes delinquent, as provided by Section 75.52.

(3) With respect to property as to which any other exemption was available, but for which a timely application for exemption was not filed, 90 percent of any tax or penalty or interest thereon shall be canceled or refunded, provided that an appropriate application for exemption is filed on or before the date on which the first installment of taxes on the supplemental tax bill becomes delinquent, as provided by Section 75.52.

Where a late application for exemption has not been filed on or before the date on which the first installment of taxes on the supplemental tax bill becomes delinquent, no exemption is available. Other provisions of this division pertaining to the late filing of claims for exemption do not apply to assessments made pursuant to this chapter.

SEC. 3. Section 107.5 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 203 of the Revenue and Taxation Code is amended to read:

203. The college exemption is as specified in subdivision (e) of Section 3 and Section 5 of Article XIII of the California Constitution.

An educational institution of collegiate grade is an institution incorporated as a college or seminary of learning, which requires for regular admission the completion of a four-year high school course or its equivalent, and confers upon its graduates at least one academic or professional degree, based on a course of at least two years in liberal arts and sciences, or on a course of at least three years in professional studies, such as law, theology, education, medicine, dentistry, engineering, veterinary medicine, pharmacy,

architecture, fine arts, commerce, or journalism.

An educational institution of collegiate grade is not conducted for profit when it is conducted exclusively for scientific or educational purposes and no part of its net income inures to the benefit of any private person.

SEC. 5. Section 214.3 of the Revenue and Taxation Code is amended to read:

214.3. In the event that any property described in paragraph (6) of subdivision (a) of Section 214 shall have been used solely for charitable or hospital purposes for a minimum period of 30 years, the "welfare exemption" granted by Section 214 shall extend to such property irrespective of any reversionary provisions in the title of the property respecting liquidation, dissolution or abandonment, if the ownership, operation, use and dedication of the property are otherwise within the purview of Section 214.

SEC. 6. Section 214.6 of the Revenue and Taxation Code is amended to read:

214.6. (a) Property which is owned by an organization meeting the requirements of subdivision (b) of Section 4 of Article XIII of the California Constitution and complying with the requirements of paragraphs (1) to (7), inclusive, of subdivision (a) of Section 214 and which is leased to an exempt governmental entity for the purpose of conducting an activity which if conducted by the owner would qualify the property for an exemption, or leased to a community college, state college, or state university for educational purposes, shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 of Article XIII of the California Constitution if:

(1) The total income received by the organization in the form of rents, fees or charges from such lease does not exceed the ordinary and usual expenses in maintaining and operating the leased property; and

(2) With respect to entities which are political subdivisions of the state, the property is located within the boundaries of the exempt governmental entity leasing the same.

(b) To claim the exemption provided by this section for property leased by a church to a school district, the church need only file a lessor's exemption claim and affirm each of the following:

(1) The total income received by the organization in the form of rents, fees or charges from the lease does not exceed the ordinary and usual expenses in maintaining and operating the leased property.

(2) With respect to entities which are political subdivisions of the state, the property is located within the boundaries of the exempt governmental entity leasing the same.

SEC. 7. Section 215.1 of the Revenue and Taxation Code is amended to read:

215.1. All buildings, and so much of the real property on which the buildings are situated as may be required for the convenient use and occupation of said buildings, used exclusively for charitable

purposes, owned by a veterans' organization which has been chartered by the Congress of the United States, organized and operated for charitable purposes, when the same are used solely and exclusively for the purpose of such organization, if not conducted for profit and no part of the net earnings of which inures to the benefit of any private individual or member thereof, shall be exempt from taxation.

The exemption provided for in this section shall apply to the property of all organizations meeting the requirements of this section and subdivision (b) of Section 4 of Article XIII of the California Constitution and paragraphs (1) to (7), inclusive, of subdivision (a) of Section 214.

This exemption shall be known as the "veterans' organization exemption."

SEC. 8. 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 California Constitution if:

(1) All of the provisions of Section 214 are complied with, except paragraph (6) of subdivision (a). For purposes of paragraph (6) of subdivision (a) 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 that 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. That 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 1986. 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 1986 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. 9. Section 830 of the Revenue and Taxation Code is amended to read:

830. (a) The property statement shall be filed with the board annually by March 1, and shall be in such detail as the board may prescribe.

Except as hereinafter provided, if any person fails to file the property statement, in whole or in part, by March 1, or by that later date to which the filing period is extended pursuant to Section 830.1, a penalty shall be added to the full value of the assessment of so much of the property as is not timely reported as follows:

(1) For any part of the property statement relating to the development of the unit value of operating property, the penalty shall be 10 percent of the unit value.

(2) For any part of the property statement that lists or describes specific operating property, the penalty shall be 10 percent of the allocated value of the property, which penalty shall be added to the unit value.

(3) For any part of the property statement that lists or describes specific nonunitary property, the penalty shall be 10 percent of the value of the property.

(4) If the failure to timely file a property statement is due to a fraudulent or willful attempt to evade the tax, a penalty of 25 percent of the assessed value of the estimated assessment shall be added to the assessment. A willful failure to file a property statement as required by Article 5 (commencing with Section 826) shall be deemed to be a willful attempt to evade the tax.

(5) No penalty added pursuant to paragraph (1), (2), (3), or (4) shall exceed twenty million dollars ($20,000,000) of full value. In addition, if a penalty has been added pursuant to paragraph (1), (2), or (3), a claim for refund seeking the recovery of that penalty has been filed by the state assessee contesting the penalty within three months of the due date of the second installment, and the state assessee initiates an action in the superior court within one year of the filing of the claim for refund, the state assessee shall not be subject to any further penalties on subsequent assessments for failure

to comply with any subsequent request seeking information or data with respect to the same issue as set forth in the claim for refund filed within the time limits set forth above, until the assessment year after a final decision of the court, and then only with respect to a failure to comply with a request for information with respect to assessments after a final decision of the court. For purposes of this paragraph, "same issue" means the type of information which is the subject of the disputed request for information.

(b) Any person who subscribes to the board's tax rate area change service and receives a change mailed between April 1 and May 1, shall file a corrected statement no later than May 30 with respect to those parts of the property statement which are affected by the change.

If such person receives a change mailed after May 1, a corrected statement shall be filed no later than the 60th day following the mailing of such change.

(c) Penalties incurred for filings received after June 30 may be included with the assessments for the succeeding fiscal year.

(d) If the assessee establishes to the satisfaction of the board that the failure to file the property statement or any of its parts within the time required by this section was due to reasonable cause and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the board shall order the penalty abated, provided the assessee has filed with the board written application for abatement of the penalty within the time prescribed by law for the filing of applications for assessment reductions.

SEC. 10. Section 1603 of the Revenue and Taxation Code is amended to read:

1603. (a) A reduction in an assessment on the local roll shall not be made unless the party affected or his or her agent makes and files with the county board a verified, written application showing the facts claimed to require the reduction and the applicant's opinion of the full value of the property. The form for the application shall be prescribed by the State Board of Equalization.

(b) The application shall be filed within the time period beginning July 2 and continuing through and including September 15. An application that is mailed and postmarked September 15 or earlier within that period shall be deemed to have been filed within the time period beginning July 2 and continuing through and including September 15. For the 1979–80 fiscal year only, the September 15 deadline shall be extended to October 1.

(c) However, the application may be filed within 12 months following the month in which the assessee is notified of the assessment, if the party affected or his or her agent and the assessor stipulate that there is an error in the assessment as the result of the exercise of the assessor's judgment in determining the full cash value of the property and a written stipulation as to the full cash value and assessed value is filed in accordance with Section 1607.

(d) In the form provided for making application pursuant to this

section, there shall be a notice that written findings of facts of the local equalization hearing will be available upon written request at the requester's expense and, if not so requested, the right to such written findings is waived. The form shall provide appropriate space for the applicant to request written findings of facts as provided by Section 1611.5.

SEC. 11. Section 1603.1 of the Revenue and Taxation Code is repealed.

SEC. 12. Section 2611.5 of the Revenue and Taxation Code is amended to read:

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

(1) The full value of locally assessed property, including assessments made for irrigation district purposes in accordance with Section 26625.1 of the Water Code.

(2) The tax rate required by Article XIII A of the California Constitution.

(3) The rate or dollar amount of taxes levied in excess of the 1-percent limitation to pay for voter-approved indebtedness incurred before July 1, 1978, or bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986.

(4) The amount of any special taxes and special assessments levied.

(5) The amount of any tax rate reduction pursuant to Section 100 of this code, with the notation: "Tax reduction by (name of jurisdiction)."

(6) The amount of any exemptions. Exemptions reimbursable by the state shall be separately shown.

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

(8) Instructions on tendering payment, including the name and mailing address of the tax collector.

SEC. 13. Section 11451 of the Revenue and Taxation Code is repealed.

SEC. 14. Section 11451 is added to the Revenue and Taxation Code, to read:

11451. (a) If any person is delinquent in the payment of the amount required to be paid by him or her or in the event a determination has been made against him or her which remains unpaid, the board may, not later than four years after the payment became delinquent, or within 10 years after the last recording of an abstract under Section 11495 or the last recording or filing of a notice of state tax lien under Section 7171 of the Government Code, give notice thereof personally or by first-class mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in its possession or under its control any credits or other personal property belonging to the delinquent, or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or that

person. In the case of any state officer, department, or agency, the notice shall be given to the officer, department, or agency prior to the time it presents the claim of the delinquent taxpayer to the Controller. After receiving the notice, the persons so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the board consents to a transfer or disposition or until 60 days elapse after the receipt of the notice, whichever period expires earlier. All persons so notified shall forthwith, after receipt of the notice, advise the board of all the credits, other personal property, or debts in their possession, under their control, or owing by them.

(b) If the notice seeks to prevent the transfer or other disposition of a deposit in a bank or a state or federal savings and loan association or other credits or personal property in the possession or under the control of a bank or a state or federal savings and loan association, the notice to be mailed shall state the amount, interest, and penalty due from the person and shall be delivered or mailed to the branch or office of the bank or the state or federal savings and loan association at which the deposit is carried or at which the credits or personal property is held. A bank, a state or federal savings and loan association, or a state or federal credit union withholding any deposit or other credits or personal property required to be withheld in which the delinquent taxpayer and another person or persons have an interest, or held in the name of a third party or parties in which the delinquent taxpayer is ultimately determined to have no interest, is not liable therefor to any of the persons who have an interest in the deposit or other credits or personal property unless the deposit or other credits or personal property is released or transferred to the delinquent taxpayer.

(c) In the case of a deposit or other credits or personal property for which the transfer or other disposition is prevented, the depository institution required to prevent transfer or other disposition shall send a notice by first-class mail to each person named on a deposit, other credits, or personal property included in the notice from the board, provided a current address for each person is available to the depository institution. This notice shall inform each person as to the reason for preventing transfer or disposition of the deposit or other credits or personal property, the amount thereof which is prevented from transfer or other disposition, and the date by which that amount is to be remitted to the board. An institution may assess the deposit or other credits or personal property of each person receiving this notice a reasonable service charge not to exceed three dollars ($3).

(d) Notwithstanding any other provision, with respect to a deposit in a bank or a state or federal savings and loan association or other credits or personal property in the possession or under the control of a bank or a state or federal savings and loan association, the aggregate amount of deposits, credits, or personal property to be

withheld shall be an amount equal to two times the amount of the tax, interest, or penalty due from the person. If, during the effective period of the notice to withhold, any person so notified makes any transfer or disposition of the property or debts required to be withheld, to the extent of the value of the property or the amount of the debts thus transferred or paid, he or she shall be liable to the state for any indebtedness due under this part from the person with respect to whose obligation the notice was given if solely by reason of that transfer or disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

SEC. 15. Section 11452 of the Revenue and Taxation Code is repealed.

SEC. 16. Section 11452 is added to the Revenue and Taxation Code, to read:

11452. (a) Subject to the limitations in subdivisions (b) and (c), the board may, by notice of levy, served personally or by first-class mail, require all persons having in their possession, or under their control, any credits or other personal property belonging to a person as defined in this part who is liable for any amount under this part to withhold from those credits or other personal property the amount of any tax, interest, or penalties due from that person, or the amount of any liability incurred by him or her under this part, and to transmit the amount withheld to the board at those times as it may designate.

(b) The person served shall continue to withhold pursuant to the notice of levy until the amount specified in the notice, including accrued interest, has been paid in full, until the notice is withdrawn, or until one year from the date the notice is received, whichever occurs first.

(c) The amount required to be withheld is the lesser of the following:

(1) The amount due stated on the notice.

(2) The amount of each payment due or becoming due to the person liable during the period of the levy.

(d) For the purposes of this section, "payments" does not include earnings, as defined in subdivision (a) of Section 706.001 of the Code of Civil Procedure, or funds in a deposit account, as defined in Section 9105 of the Commercial Code. "Payments" does include all of the following:

(1) Payments due for services for independent contractors, dividends, rents, royalties, residuals, patent rights, and mineral or other natural rights.

(2) Payments or credits due or becoming due periodically as a result of an enforceable obligation to the person liable for the tax.

(3) Any other payments or credits due or becoming due the person liable as the result of written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise.

(e) In the case of a financial institution, to be effective, the notice shall state the amount due from the taxpayer and shall be delivered or mailed to the branch or office of the financial institution where the credits or other property is held, unless another branch or office is designated by the financial institution to receive the notice.

SEC. 17. Section 11453 of the Revenue and Taxation Code is repealed.

SEC. 18. Article 4 (commencing with Section 11501) is added to Chapter 4 of Part 6 of Division 2 of the Revenue and Taxation Code, to read:

Article 4. Warrant for Collection of Tax

11501. At any time within four years after any person is delinquent in the payment of any amount herein required to be paid, or within 10 years after the last recording of an abstract under Section 11495 or the last recording or filing of a notice of state tax lien under Section 7171 of the Government Code, the board or its authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal, or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

11502. The board may pay or advance to the sheriff, marshal, or constable, the same fees, commissions, and expenses for his or her services as are provided by law for similar services pursuant to a writ of execution. The board, and not the court, shall approve the fees for publication in a newspaper.

11503. The fees, commissions, and expenses are the obligation of the person required to pay any amount under this part and may be collected from him or her by virtue of the warrant or in any other manner provided in this part for the collection of the tax.

SEC. 19. Article 5 (commencing with Section 11511) is added to Chapter 4 of Part 6 of Division 2 of the Revenue and Taxation Code, to read:

Article 5. Seizure and Sale

11511. At any time within four years after any person is delinquent in the payment of any amount, the board may forthwith collect the amount by its seizure of any property, real or personal, of the person and its sale of that property, or a sufficient part of it, at public auction to pay the amount due together with any interest or penalties imposed for the delinquency and any costs incurred on account of the seizure and sale.

11512. Notice of the sale and the time and place thereof shall be given to the delinquent person in writing at least 10 days before the

date set for the sale in the following manner: The notice shall be enclosed in an envelope addressed to the person at his or her last known address or place of business in this state. It shall be deposited in the United States mail, postage prepaid. The notice shall also be published for at least 10 days before the date set for the sale in a newspaper of general circulation published in the county in which the property seized is to be sold.

If there is no newspaper of general circulation in the county, notice shall be posted in three public places in the county 10 days prior to the date set for the sale. The notice shall contain a description of the property to be sold, a statement of the amount due, including interest, penalties, and costs, the name of the delinquent, and the further statement that unless the amount due, interest, penalties, and costs are paid on or before the time fixed in the notice for the sale, the property, or so much of it as may be necessary, will be sold in accordance with law and the notice.

11513. At the sale the board shall sell the property in accordance with law and the notice, and shall deliver to the purchaser a bill of sale for the personal property and a deed for any real property sold. The bill of sale or deed vests the interest or title of the person liable for the amount in the purchaser. The unsold portion of any property seized may be left at the place of sale at the risk of the person liable for the amount.

11514. If upon the sale the moneys received exceed the total of all amounts, including interest, penalties, and costs due the state, the board shall return the excess to the person liable for the amounts and obtain that person's receipt. If any person having an interest in or lien upon the property files with the board prior to the sale notice of his or her interest or lien, the board shall withhold any excess pending a determination of the rights of the respective parties thereto by a court of competent jurisdiction. If for any reason the receipt of the person liable for the amount is not available, the board shall deposit the excess moneys with the Treasurer, as trustee for the owner, subject to the order of the person liable for the amount, or that person's heirs, successors, or assigns.

SEC. 20. Article 6 (commencing with Section 11521) is added to Chapter 4 of Part 6 of Division 2 of the Revenue and Taxation Code, to read:

Article 6. Payment on Termination of Business and Successor's Liability

11521. If any person liable for any amount under this part sells his or her business or quits the business, the person's successors or assigns shall withhold a sufficient amount of the purchase price to cover the amount due until the former owner produces a receipt from the board showing that it has been paid or a certificate stating that no amount is due.

11522. If the purchaser of a business fails to withhold a sufficient

amount of the purchase price as required, the purchaser 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. Within 60 days after receiving a written request from the purchaser for a certificate, or within 60 days from the date the former owner's records are made available for audit, whichever period expires later, but in any event not later than 90 days after receiving the request, or 90 days from the date of the sale of the business, whichever period expires later, 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. Failure of the board to mail the notice will release the purchaser from any further obligation to withhold purchase price as provided in this article. 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 at the time that the determination against the person becomes final, whichever event occurs later.

11523. The certificate may be issued after the payment of all amounts due under this part, according to the records of the board as of the date of the certificate, or after the payment of the amounts is secured to the satisfaction of the board.

11524. The obligation of the successor shall be enforced by serving a notice of successor liability on the person. The notice shall be served in the manner prescribed for service of a notice of assessment. The successor may petition for reconsideration in the manner provided in Article 5 (commencing with Section 11336) of Chapter 2. The notice shall become final and the amount due and payable in the manner provided in that article except that no additional penalty shall apply if not paid when due and payable. The provisions of this chapter with respect to the collection of any amount required to be paid under this part shall apply when the notice becomes final.

SEC. 21. Article 7 (commencing with Section 11531) is added to Chapter 4 of Part 6 of Division 2 of the Revenue and Taxation Code, to read:

Article 7. Miscellaneous Provisions

11531. The remedies of the state provided for in this chapter are cumulative, and no action taken by the board or Attorney General constitutes an election by the state to pursue any remedy to the exclusion of any other remedy for which provision is made in this part.

11532. In all proceedings under this chapter the board may act on behalf of the people of the State of California.

11533. (a) Upon termination, dissolution, or abandonment of a corporate business, any officer or other person who has control or supervision of or is charged with the responsibility for the filing of

returns or the payment of tax, or who is under a duty to act for the corporation in complying with any requirement of this part, shall be personally liable for any unpaid taxes and interest and penalties on those taxes, if that officer or other person willfully fails to pay or to cause to be paid any taxes due from the corporation pursuant to this part.

(b) The officer or other person shall be liable only for taxes which became due during the period he or she had the control, supervision, responsibility, or duty to act for the corporation described in subdivision (a), plus interest and penalties on those taxes.

(c) For purposes of this section, "willfully fails to pay or cause to be paid" means that the failure was the result of an intentional, conscious, and voluntary course of action.

(d) The sum due for the liability under this section may be collected by determination and collection in the manner provided in Chapter 2 (commencing with Section 11251) and Chapter 3 (commencing with Section 11401).

SEC. 22. Section 11551 of the Revenue and Taxation Code is amended to read:

11551. If the board determines that any amount, penalty, or interest has been paid more than once or has been erroneously or illegally collected or computed, the board shall set forth that fact in the records of the board and shall certify to the State Board of Control the amount collected in excess of the amount legally due and the person from whom it was collected or by whom paid. If approved by the State Board of Control, the excess amount collected or paid shall be credited by the board on any amounts then due and payable from the person from whom the excess amount was collected or by whom it was paid under this part, and the balance shall be refunded to the person, or his or her successors, administrators, or executors.

In the case, however, of a determination by the board that an amount not exceeding fifteen thousand dollars ($15,000) was not required to be paid under this part, the board without obtaining approval of the State Board of Control may credit the amount on any amounts then due and payable under this part from the person by whom the amount was paid and may refund the balance to the person or his or her successors, administrators, or executors.

SEC. 23. Section 11596 of the Revenue and Taxation Code is repealed.

SEC. 24. Section 11596 is added to the Revenue and Taxation Code, to read:

11596. If any amount for taxes, penalty and interest in excess of fifteen thousand dollars ($15,000) has been illegally determined either by the person filing the return or by the board, the board shall set forth that fact in its records and shall certify to the State Board of Control the amount determined to be in excess of the amount legally due and the person against whom the determination was made. If the State Board of Control approves, it shall authorize the cancellation of the amount upon the records of the board. If an

amount not exceeding fifteen thousand dollars ($15,000) has been illegally determined either by the person filing a return or by the board, the board without certifying this fact to the State Board of Control shall authorize the cancellation of the amount upon the records of the board.

SEC. 25. Section 38416 of the Revenue and Taxation Code is repealed.

SEC. 26. Section 38416 is added to the Revenue and Taxation Code, to read:

38416. The board shall give to the person written notice of its determination. The notice shall be placed in a sealed envelope, with postage paid, addressed to the person at his or her address as it appears in the records of the board. The giving of notice shall be deemed complete at the time of the deposit of the notice in the United States Post Office, or a mailbox, subpost office, substation, or mail chute or other facility regularly maintained or provided by the United States Postal Service, without extension of time for any reason. In lieu of mailing, a notice may be served personally by delivering it to the person to be served and service is complete at the time of delivery. Personal service to a corporation may be made by delivery of a notice to any person designated in the Code of Civil Procedure to be served for the corporation with summons and complaint in a civil action.

SEC. 27. Section 38432 of the Revenue and Taxation Code is amended to read:

38432. If the amount specified in the determination is not paid within 10 days after service of notice thereof upon the person against whom the determination is made, the amount becomes final at the expiration of the 10 days, and the delinquency penalty and the interest provided in Section 38451 shall attach to the amount of the tax or the amount of the tax required to be collected, unless a petition for redetermination is filed within the 10 days.

SEC. 28. Section 38435 is added to the Revenue and Taxation Code, to read:

38435. In accordance with those rules and regulations as the board may prescribe, the person against whom a jeopardy determination is made may apply for an administrative hearing for one or more of the following purposes:

(a) To establish that the determination is excessive.

(b) To establish that the sale of property that may be seized after issuance of the jeopardy determination or any part thereof shall be delayed pending the administrative hearing because the sale would result in irreparable injury to the person.

(c) To request the release of all or a part of the property to the person.

(d) To request a stay of collection activities.

The application shall be filed within 30 days after service of the notice of jeopardy determination and shall be in writing and state the specific factual and legal grounds upon which it is founded. No

security need be posted to file the application and to obtain this hearing. However, if the person does not deposit within the 10-day period prescribed in Section 38433, such security as the board may deem necessary to ensure compliance with this part, the filing of the application shall not operate as a stay of collection activities, except the sale of property seized after issuance of the jeopardy determination. Upon a showing of good cause for failure to file a timely application for an administrative hearing, the board may allow a filing of this application and grant the person an administrative hearing. The filing of an application pursuant to this section shall not affect provisions of Section 38432 relating to the finality date of the determination or to penalty or interest.

SEC. 29. Section 38502 of the Revenue and Taxation Code is repealed.

SEC. 30. Section 38502 is added to the Revenue and Taxation Code, to read:

38502. (a) If any person is delinquent in the payment of the amount required to be paid by him or her or in the event a determination has been made against him or her which remains unpaid, the board may, not later than three years after the payment became delinquent or within 10 years after the last recording of an abstract under Section 38523 or the last recording or filing of a notice of state tax lien under Section 7171 of the Government Code, give notice thereof personally or by first-class mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in its possession or under its control any credits or other personal property belonging to the delinquent, or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or that person. In the case of any state officer, department, or agency, the notice shall be given to the officer, department, or agency prior to the time it presents the claim of the delinquent taxpayer to the Controller. After receiving the notice, the persons so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the board consents to a transfer or disposition or until 60 days elapse after the receipt of the notice, whichever period expires earlier. All persons so notified shall forthwith, after receipt of the notice, advise the board of all those credits, other personal property, or debts in their possession, under their control, or owing by them.

(b) If the notice seeks to prevent the transfer or other disposition of a deposit in a bank or a state or federal savings and loan association or other credits or personal property in the possession or under the control of a bank or a state or federal savings and loan association, the notice to be mailed shall state the amount, interest, and penalty due from the person, and shall be delivered or mailed to the branch or office of the bank or the state or federal savings and loan association at which the deposit is carried or at which the credits or personal

property is held. A bank, a state or federal savings and loan association, or a state or federal credit union withholding any deposit or other credits or personal property required to be withheld in which the delinquent taxpayer and another person or persons have an interest, or held in the name of a third party or parties in which the delinquent taxpayer is ultimately determined to have no interest, is not liable therefor to any of the persons who have an interest in the deposit or other credits or personal property unless the deposit or other credits or personal property is released or transferred to the delinquent taxpayer.

(c) In the case of a deposit or other credits or personal property for which the transfer or other disposition is prevented, the depository institution required to prevent transfer or other disposition shall send a notice by first-class mail to each person named on a deposit, other credits, or personal property included in the notice from the board, provided a current address for each person is available to the depository institution. This notice shall inform each person as to the reason for preventing transfer or disposition of the deposit or other credits or personal property, the amount thereof which is prevented from transfer or other disposition, and the date by which that amount is to be remitted to the board. An institution may assess the deposit or other credits or personal property of each person receiving this notice a reasonable service charge not to exceed three dollars ($3).

(d) Notwithstanding any other provision, with respect to a deposit in a bank or other credits or personal property in the possession or under the control of a bank or a state or federal savings and loan association, the aggregate amount of deposits, credits, or personal property to be withheld shall be an amount equal to two times the amount of the tax, interest, or penalty due from the person. If, during the effective period of the notice to withhold, any person so notified makes any transfer or disposition of the property or debts required to be withheld, to the extent of the value of the property or the amount of the debts thus transferred or paid, he or she shall be liable to the state for any indebtedness due under this part from the person with respect to whose obligation the notice was given if solely by reason of that transfer or disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

SEC. 31. Section 38503 of the Revenue and Taxation Code is repealed.

SEC. 32. Section 38503 is added to the Revenue and Taxation Code, to read:

38503. (a) Subject to the limitations in subdivisions (b) and (c), the board may, by notice of levy, served personally or by first-class mail, require all persons having in their possession, or under their control, any credits or other personal property belonging to a timber owner liable for any amount under this part to withhold from those credits or other personal property the amount of any tax, interest, or

penalties due from that timber owner, or the amount of any liability incurred by him or her under this part, and to transmit the amount withheld to the board at those times as it may designate.

(b) The person served shall continue to withhold pursuant to the notice of levy until the amount specified in the notice, including accrued interest, has been paid in full, until the notice is withdrawn, or until one year from the date the notice is received, whichever occurs first.

(c) The amount required to be withheld is the lesser of the following:

(1) The amount due stated on the notice.

(2) The amount of each payment due or becoming due to the timber owner during the period of the levy.

(d) For the purposes of this section, "payments" does not include earnings as that term is defined in subdivision (a) of Section 706.011 of the Code of Civil Procedure or funds in a deposit account as defined in Section 9105 of the Commercial Code. "Payments" does include all of the following:

(1) Payments due for services for independent contractors, dividends, rents, royalties, residuals, patent rights, mineral or other natural rights.

(2) Payments or credits due or becoming due periodically as a result of an enforceable obligation to the timber owner liable for the tax.

(3) Any other payments or credits due or becoming due the timber owner as the result of written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise.

(e) In the case of a financial institution, to be effective, the notice shall state the amount due from the taxpayer and shall be delivered or mailed to the branch or office of the financial institution where the credits or other property is held, unless another branch or office is designated by the financial institution to receive the notice.

SEC. 33. Section 38575 is added to the Revenue and Taxation Code, to read:

38575. (a) For the purpose of collecting taxes, interest, additions to tax, and penalties, the board may enter into agreements with one or more private persons, companies, associations, or corporations providing debt collection services outside this state with respect to the collection of taxes, interest, additions to tax, and penalties. The agreements may provide, at the discretion of the board, the rate of payment and the manner in which compensation for services shall be paid. The compensation shall not be added to the amount required to be collected by the collection agency or provider of debt collection services from the tax debtor. The board shall provide the necessary information for the contractor to fulfill its obligation under the agreement.

(b) With the approval of the board, the contractor may, as part of the collection process, refer the tax debt for litigation by its legal

representatives in the name of the board.

SEC. 34. Section 38612 of the Revenue and Taxation Code is amended to read:

38612. No suit or proceeding shall be maintained in any court for the recovery of any amount alleged to have been erroneously or illegally determined or collected unless a claim for refund or credit has been duly filed pursuant to Article 1 (commencing with Section 38601).

SEC. 35. Section 38613 of the Revenue and Taxation Code is amended to read:

38613. Within 90 days after the mailing of the notice of the board's action upon a claim filed pursuant to Article 1 (commencing with Section 38601), the claimant may bring an action against the board on the grounds set forth in the claim in a court of competent jurisdiction in any city or city and county of this state in which the Attorney General has an office for the recovery of the whole or any part of the amount with respect to which the claim has been disallowed.

Failure to bring action within the time specified constitutes a waiver of any demand against the state on account of alleged overpayments.

SEC. 36. Section 38801 of the Revenue and Taxation Code is repealed.

SEC. 37. Section 38801 is added to the Revenue and Taxation Code, to read:

38801. Any timber owner 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 38803.

SEC. 38. Section 38802 of the Revenue and Taxation Code is repealed.

SEC. 39. Section 38802 is added to the Revenue and Taxation Code, to read:

38802. Any person required to make, render, sign, or verify any report who makes any false or fraudulent return, with intent to defeat or evade the determination required by law to be made of an amount due is guilty of a misdemeanor punishable as provided in Section 38803.

SEC. 40. Section 38803 of the Revenue and Taxation Code is repealed.

SEC. 41. Section 38803 is added to the Revenue and Taxation Code, to read:

38803. Any violation of this part by any person is a misdemeanor. Each offense shall be punished by a fine of not less than one thousand dollars ($1,000) and not more than five thousand dollars ($5,000), or imprisonment not exceeding one year in the county jail, or both the fine and imprisonment.

SEC. 42. 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 499

An act to amend Section 22512 of, and to add Section 21211 to, the Vehicle Code, relating to bicycles.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 21211 is added to the Vehicle Code, to read:

21211. (a) No person shall stop, stand, sit, or loiter upon any bicycle lane established pursuant to Section 21207, bikeway, as defined in Section 2373 of the Streets and Highways Code, or any other public or private bicycle path or trail, if the stopping, standing, sitting, or loitering impedes or blocks the normal and reasonable movement of any bicyclist.

(b) No person shall place or park any bicycle, vehicle, or any other object upon any bicycle lane, bikeway, or bicycle path or trail, as specified in subdivision (a), which impedes or blocks the normal and reasonable movement of any bicyclist unless the placement or parking is necessary for safe operation or is otherwise in compliance with the law.

(c) This section does not apply to drivers or owners of utility or public utility vehicles as provided in Section 22512.

(d) This section does not apply to owners or drivers of vehicles who make brief stops while engaged in the delivery of newspapers to customers along the person's route.

SEC. 2. Section 22512 of the Vehicle Code is amended to read:

22512. Except as otherwise indicated in subdivision (b), none of the following provisions shall apply to the driver or owner of any service vehicle owned or operated by or for or operated under contract with a utility or public utility, whether privately, municipally, or publicly owned, used in the construction, operation, removal, or repair of utility or public utility property or facilities, if warning devices are displayed and when the vehicle is stopped, standing, or parked at the site of work involving the construction, operation, removal, or repair of the utility or public utility property or facilities upon, in, over, under, or adjacent to a highway, bicycle lane, bikeway, or bicycle path or trail, or of a vehicle, whether privately, municipally, or publicly owned, if warning devices are displayed and when the vehicle is engaged in authorized work on the highway, bicycle lane, bikeway, or bicycle path or trail:

(a) Sections 21112, 21211, 21707, 21708, 22507.6, 24605, 25253, 25300, 27700, 27907, and 41102.

(b) This chapter, except Sections 22507, 22509, 22511, 22515, and 22517.

(c) Chapter 10 (commencing with Section 22650).

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 500

An act to add Section 782.5 to the Civil Code, relating to real property.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 782.5 is added to the Civil Code, to read:

782.5. (a) Any deed or other written instrument which relates to title to real property, or any written covenant, condition, or restriction annexed or made a part of, by reference or otherwise, any such deed or instrument, which contains any provision which purports to forbid, restrict, or condition the right of any person or persons to sell, buy, lease, rent, use, or occupy the property because of the race or color of the person or persons, shall be deemed to be revised to omit that provision.

(b) This section shall not be construed to limit or expand the powers of a court to reform a deed or other written instrument.

CHAPTER 501

An act to amend Section 95.6 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 95.6 of the Revenue and Taxation Code is amended to read:

95.6. The Controller shall regularly audit the apportionment and allocation by counties of property tax revenue pursuant to this chapter, in accordance with the following schedule:

(a) For counties with population in excess of 5,000,000 the audit shall be performed annually.

(b) For counties with population greater than 200,000 and less than 5,000,000, the audit shall be performed on a three-year cycle.

(c) For counties with population 200,000 or less, the audit shall be performed on a five-year cycle.

(d) The Controller may, at his or her discretion, perform audits more frequently than provided in subdivisions (b) and (c).

(e) The Controller shall annually submit a report to the Legislature containing a description of the audit findings for each county which was audited during the prior year. The report shall contain recommendations to the Legislature for legislation to correct any errors in the apportionment and allocation of property tax revenues which were determined as a result of these audits.

A report covering audits conducted during 1986 shall be submitted to the Legislature on or before January 1, 1988.

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 Legislature may have the benefit of the Controller's recommendations for legislation related to the results of the audits conducted pursuant to Section 95.6 of the Revenue and Taxation Code at the earliest possible time, it is necessary that this act go into immediate effect.

CHAPTER 502

An act to amend Section 3940 of the Business and Professions Code, relating to nursing homes.

[Approved by Governor September 9, 1987 Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 3940 of the Business and Professions Code is amended to read:

3940. The fees prescribed by this chapter shall be set by the board at not more than the amounts shown in the following schedule:

(a) The application and examination fee shall be not more than seventy dollars ($70).

(b) The fee for an initial license shall be not more than one hundred fifty dollars ($150) prior to July 1, 1989, and not more than two hundred dollars ($200) on and after July 1, 1989.

(c) The active license renewal fee shall be not more than one hundred fifty dollars ($150) prior to July 1, 1989, and not more than two hundred dollars ($200) on and after July 1, 1989.

(d) The license renewal delinquency fee shall be not more than twenty-five dollars ($25).

(e) The reapplication and reexamination fee shall be not more than seventy dollars ($70).

(f) The administrator-in-training permit fee shall be not more than one hundred dollars ($100).

(g) The duplicate license fee shall be not more than ten dollars ($10).

(h) The inactive license renewal fee shall be not more than one hundred ninety dollars ($190).

(i) The biennial fee for approval of a continuing education provider shall be not more than one hundred fifty dollars ($150).

(j) The biennial fee for approval of a continuing education course shall be not more than fifteen dollars ($15).

(k) The preceptor certification fee shall be not more than twenty-five dollars ($25) for each three-year period.

The board shall fix the fees, within the limits prescribed in this section, in such amounts as it determines are reasonably necessary to provide sufficient funds to carry out the purpose of this chapter.

CHAPTER 503

An act to amend Sections 11614 and 11713.1 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 9, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 11614 of the Vehicle Code is amended to read:

11614. It is unlawful and a violation of this code for a lessor-retailer licensed under this chapter in connection with any activity for which this license is required:

(a) To make or disseminate or cause to be made or disseminated before the public in this state, in any newspaper or other publication, or any advertising device, or by oral representation, or in any other manner or means whatever, any statement 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; or to so make or disseminate or cause to be so disseminated any such statement as part of a plan or scheme with the intent not to sell any vehicle or sell service so advertised at the price stated therein, or as so advertised.

(b) To advertise or offer for sale in any manner, any vehicle not actually for sale at the premises of the lessor-retailer or available within a reasonable time to the lessor-retailer at the time of the advertisement or offer.

(c) To fail within 48 hours to give, in writing, notification to withdraw any advertisement of a vehicle that has been sold or withdrawn from sale.

(d) To advertise any specific vehicle for sale without identifying the vehicle by either its vehicle identification number or license number.

(e) To advertise the total price of a vehicle without including all costs to the purchaser at the time of delivery at the lessor-retailer's premises, except sales tax, vehicle registration fees, finance charges, certificate of compliance or noncompliance fees not exceeding twenty-five dollars ($25) pursuant to any statute or a certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code, and any dealer documentary preparation charge. The dealer documentary charge shall not exceed twenty-five dollars ($25).

(f) To exclude from the newspaper display advertisement of a vehicle for sale that there will be added to the advertised total price at the time of sale, charges for sales tax, vehicle registration fees, the fee charged by the state for the issuance of any certificate of compliance or noncompliance pursuant to any statute or a certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code, finance charges, or any dealer documentary preparation charge.

For purposes of this subdivision, "newspaper display advertisement" means any advertisement in a newspaper which is two or more newspaper columns in width or one newspaper column in width and more than seven inches in length.

(g) To advertise or otherwise represent, or knowingly to allow to be advertised or represented on the lessor-retailer's behalf or at the lessor-retailer's place of business, that no downpayment is required in connection with the sale of a vehicle when a downpayment is in fact required and the buyer is advised or induced to finance the downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the vehicle.

(h) To refuse to sell a vehicle to any person at the advertised total price, exclusive of sales tax, vehicle registration fees, finance charges, certificate of compliance or noncompliance pursuant to any statute or a certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code, and any dealer documentary preparation charge, which charges shall not exceed twenty-five dollars ($25), while the vehicle remains unsold or unleased unless the advertisement states the advertised total price is good only for a specified time and the time has elapsed.

(i) To engage in the business for which licensee is licensed without having in force and effect a bond as provided in Section 11612.

(j) To engage in the business for which the lessor-retailer is licensed without at all times maintaining a principal place of business and a branch office location or locations as required by this chapter.

(k) To permit the use of the lessor-retailer license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of vehicles required to be registered under this code, or to permit the use of the lessor-retailer license, supplies, or books to operate a branch office location to be used by any other person, if, in either situation, the licensee has no financial or equitable interest or investment in the vehicles sold by, or the business of, or branch office location used by, the person, or has no such interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the lessor-retailer license, supplies, or books to engage in the sale of vehicles.

(*l*) To violate any of the provisions of Article 10 (commencing with Section 28050) of Chapter 5 of Division 12.

(m) To represent the dealer documentary preparation charge, or certificate of compliance or noncompliance fee, as a governmental fee.

SEC. 2. Section 11713.1 of the Vehicle Code is amended to read:

11713.1. It is unlawful and a violation of this code for the holder of any dealer's license issued under this article to do any of the following:

(a) To advertise any specific vehicle for sale without identifying the vehicle by either its vehicle identification number or license number.

(b) To advertise the total price of a vehicle without including all costs to the purchaser at time of sale, except sales tax, vehicle registration fees, certificate of compliance or noncompliance fees not exceeding twenty-five dollars ($25) pursuant to any statute or a certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code, finance charges, and any dealer documentary preparation charge. The dealer documentary preparation charge shall not exceed twenty-five dollars ($25).

(c) To exclude from the newspaper display advertisement of a vehicle for sale that there will be added to the advertised total price at the time of sale, charges for sales tax, vehicle registration fees, the fee charged by the state for the issuance of any certificate of compliance or noncompliance pursuant to any statute or a certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code, finance charges, and any dealer documentary preparation charge.

For purposes of this subdivision, "newspaper display advertisement" means any advertisement in a newspaper which is two or more newspaper columns in width or one newspaper column in width and more than seven inches in length.

(d) To represent the dealer documentary preparation charge or certificate of compliance or noncompliance fee, as a governmental

fee.

(e) To fail to sell a vehicle to any person at the advertised total price, exclusive of sales tax, vehicle registration fees, the fee charged by the state for the issuance of any certificate of compliance or noncompliance pursuant to any statute or a certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code, finance charges, mobilehome escrow fees, the amount of any city, county, or city and county imposed fee or tax for a mobilehome, and any dealer documentary preparation charge, which charges shall not exceed twenty-five dollars ($25) while the vehicle remains unsold, unless the advertisement states the advertised total price is good only for a specified time and the time has elapsed.

(f) To advertise for sale as new any new vehicle of a line-make for which the dealer does not hold a franchise, unless the dealer discloses, prior to the sale of the new vehicle, that the dealer is not franchised to sell the vehicle and that the dealer will receive a commission or other compensation as a result of the sale.

This subdivision does not apply to any transaction involving a mobilehome as defined in Section 396 of this code, a recreational vehicle as defined in Section 18010.5 of the Health and Safety Code, a commercial coach as defined in Section 18012 of the Health and Safety Code, an off-highway motor vehicle subject to identification as defined in Section 38012, or a commercial vehicle as defined in Section 260.

(g) To sell a park trailer, as defined in subdivision (f) of Section 799.24 of the Civil Code, without disclosing in writing to the purchaser that a park trailer is required to be moved by a transporter or a licensed manufacturer or dealer under a permit issued by the Department of Transportation or a local authority with respect to highways under their respective jurisdictions.

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 504

An act to amend Section 7082 of the Government Code, relating to the Employment and Economic Incentive Act, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 7082 of the Government Code is amended to read:

7082. For purposes of this chapter:

(a) "Block group" means the smallest area for which the United States Department of Commerce, Bureau of the Census, provides data on personal income.

(b) "Cluster of block groups" means one or more contiguous block groups.

(c) "Poverty level" means the poverty level, as defined by the United States Department of Commerce, Bureau of the Census, as periodically updated.

(d) "High density unemployment area" means any of the following:

(1) A metropolitan statistical area or nonmetropolitan statistical area within this state, as identified by the Department of Commerce, which contains at least 4,000 people (in the case of a metropolitan statistical area) or at least 2,500 people (in the case of a nonmetropolitan statistical area) in a cluster of block groups, each of which meets the following criteria according to the most recent available decennial census information:

(A) The average unemployment rate for the block group for the most recent 12-month period for which data are available was at least one and one-half times the average national rate of unemployment for that 12-month period.

(B) The average poverty rate for the block group for the most recent 12-month period was at least one and one-half times the average national poverty rate for that 12-month period.

(C) At least 70 percent of the household earnings for the block group for the most recent 12-month period was a maximum of 80 percent of the average state household earnings for that 12-month period.

(D) Excludes nondistressed areas.

(2) If an area does not meet the criteria of a high density unemployment area specified above, an applicant may petition to the department for the designation based upon compliance with one or more of the following:

(A) A special census is conducted and approved by the population research unit of the Department of Finance which demonstrates

compliance with paragraph (1).

(B) The applicant's jurisdiction has experienced a major economic dislocation resulting from plant closure or closure of a federal installation within the last 12 months prior to the application.

(C) The applicant's jurisdiction contains a specifically defined geographic area that meets the eligibility criteria for pockets of poverty under the United States Department of Housing and Urban Development's Urban Development Action Grant (UDAG) program as described in 24 CFR Part 570, Sections 570.466(a) (2) and (a) (3), and as periodically updated.

(D) A block group meets substantially similar criteria measuring economic distress as that measured in paragraph (1). Each census block shall meet the "substantially similar" criteria.

(E) The area consists of the entire geographic area of a community. Area boundaries shall be synonymous with the boundaries of the community. As used in this subparagraph, "community" means a subdivision of a city or county (not including a city), including a neighborhood or suburb which has distinct boundaries, is recognized as a community by the individuals residing and working within the community, and has existed prior to the program planning process. Documentation demonstrating that the area meets the definition of "community" may include a map prepared for purposes other than the program, which lists both the name and boundaries of the community. The area shall meet the following criteria:

(i) Complies with the above definition of "community."

(ii) A minimum of 51 percent of the geographic area or population of the area meets the criteria of subparagraphs (A), (B), and (C) of paragraph (1), and the remainder of the area has substantially similar economic distress.

(3) A petition for designation of a high density unemployment area received by the department after April 1, 1985, shall be reviewed by the department pursuant to the criteria specified in paragraph (2).

(e) "Nondistressed area" means any block group which does not meet the definition of a high density unemployment area.

(f) "One-stop service" means an efficient and expeditious method for providing services to qualified businesses.

(g) "Department" means the Department of Commerce.

(h) "Qualified business" means any person, corporation, or other entity certified during the taxable income year by the department as meeting paragraphs (1) and (2) .

(1) During the period of designation, the entity is engaged in the active conduct of a trade or business within the program area.

(2) Meets any of the following requirements:

(A) Has an average of at least 50 percent of its employees who are residents of a high density unemployment area.

(B) Has an average of at least 30 percent of its employees who are residents of a high density unemployment area, and has set up a

community service program or programs approved by the local government entity and the community advisory council in which the program area is located.

(C) Is a business at least 30 percent owned and operated by a resident or residents of a high density unemployment area. For purposes of this subparagraph, "owned and operated" means that the resident or residents of a high density unemployment area who are owners of the business are responsible for at least 30 percent of the work performed by the business and share in at least 30 percent of the ownership, control, management responsibility, risks, and profits of the business.

For purposes of this subdivision, "a high density unemployment area" means the high density unemployment area contained in the applicant's final application to the department if the population of that high density unemployment area is in excess of 150,000.

A business entity shall be certified prior to obtaining any benefits of a qualified business, and shall be recertified no less than every three years, as determined by the department. The department shall periodically audit qualified businesses for compliance with this section, and decertify any business found not in compliance. Priority shall be given to auditing qualified businesses within 18 months of the original certification of a business. A business may appeal to the director of the department a decision to deny certification or recertification or a decision to decertify, within 30 days of the decision.

Financial institutions shall not be qualified businesses. A business shall not be a qualified business if it abandons operations elsewhere in the state or relocates existing operations within the state, unless the business obtains written approval of its relocation from the appropriate office of the city or county it is moving from.

(3) A person, corporation, or other entity shall not be a qualified business if the business uses a residential structure in a high density unemployment area for a nonresidential use, unless the structure has been unoccupied for at least one year prior to designation of the program area.

(i) "Program area" means one targeted economic development area and, where applicable, one neighborhood economic development area in the Employment and Economic Incentive Program. The term applies both to areas contained in an application for designation, and an area awarded designation. In an application containing a high density unemployment area with a population in excess of 75,000, "program area" means the targeted economic development area, the high density unemployment area, and, where applicable, the neighborhood economic development area. The benefits of the Employment and Economic Incentive Program shall only accrue to program areas after designation.

(j) "Agent" means the person or entity designated by an applicant to facilitate the operations of the Employment and Economic Incentive Program as described in subdivisions (a) and (b) of

Section 7087.

(k) "Applicant" means a city, county, or city and county applying for designation under the Employment and Economic Incentive Act.

(*l*) "Resident" means, unless otherwise defined, a person whose principal place of residence is within a high density unemployment area and who has lived in that area for six months prior to employment by the qualified business.

(m) "Infrastructure" means the physical systems and services which support development and people, including, but not limited to, streets and highways, transit services, airports, and water and sewer systems.

(n) "Community services" means any type of emergency assistance, counseling and advice, medical care, instructional or social services, or recreational programs and facilities furnished to individuals or groups in high density unemployment areas or program areas.

(o) "Neighborhood economic development area" means an area which meets all of the following criteria:

(1) It shall be located entirely within or contiguous to the high density unemployment area contained in the application for designation.

(2) It shall be zoned primarily commercial.

(3) Its boundary shall be continuous.

(4) It shall be of sufficient size to sustain a diverse mix of commercial businesses and its size and location shall be appropriate to reducing the economic distress within the high density unemployment area.

(5) At least a part of its area shall be within the territorial jurisdiction of the applicant. If an area for which designation is sought encompasses the territorial jurisdiction of two or more local governmental entities, all of those entities shall be a party to the application for designation, except that any one or more of those entities by resolution or ordinance may specify that it shall not participate in the application as an applicant, but shall agree to complete all actions stated within the application which apply to its jurisdiction, if the area is designated.

No residential structure may be used for nonresidential use unless the structure has been unoccupied for at least one year prior to designation as a program area, or unless comparable replacement housing is provided for all persons displaced in accordance with Section 33413 of the Health and Safety Code. No person shall be displaced under this section unless relocation assistance is provided pursuant to Section 33415 of the Health and Safety Code.

An agricultural area shall not be designated as a neighborhood economic development area.

(p) "Targeted economic development area" means an area which meets all of the following criteria:

(1) Its boundary shall be continuous.

(2) It shall be zoned primarily industrial or other mixed business

uses.

(3) It shall be of sufficient size to sustain a diverse mix of businesses and its size and location shall be appropriate to reducing the economic distress within the high density unemployment area.

(4) At least a part of its area shall be within the territorial jurisdiction of the applicant. If an area for which designation is sought encompasses the territorial jurisdiction of two or more local governmental entities, all of those entities shall be a party to the application for designation, except that any one or more of those entities by resolution or ordinance may specify that it shall not participate in the application as an applicant, but shall agree to complete all actions stated within the application which apply to its jurisdiction, if the area is designated.

The area may be, but is not required to be, within a high density unemployment area. However, if the area is outside a high density unemployment area, it shall be within reasonable commuting distance of the high density unemployment area which is contained in the application for designation. If the area is outside a high density unemployment area, the applicant jurisdiction in which the area is located, in making its application, shall secure the endorsement of its application from at least one city or county which has jurisdiction within the high density unemployment area and is in close geographic proximity to the high density unemployment area.

The area may include vacant or sparsely developed parcels of land or abandoned facilities.

No residential structure may be used for nonresidential use unless the structure has been unoccupied for at least one year prior to designation as a program area, or unless comparable replacement housing is provided for all persons displaced in accordance with Section 33413 of the Health and Safety Code. No person shall be displaced under this section unless relocation assistance is provided pursuant to Section 33415 of the Health and Safety Code.

An agricultural area shall not be designated as a targeted economic development area.

(q) "Application area" means the program area and high density unemployment area contained in an application for designation.

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 allow businesses which purchase equipment for the use in, and for the benefit of, a program area to obtain credits for the purchase of that equipment prior to the business physically moving into the program area, and so permit the expeditious implementation of the Employment and Economic Incentive Act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 505

An act to add Chapter 15 (commencing with Section 2560) to Division 3 of the Streets and Highways Code, relating to state highway funding, and making an appropriation therefor.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Chapter 15 (commencing with Section 2560) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 15. STATE HIGHWAY CONSTRUCTION REVOLVING ACCOUNT

2560. The State Highway Construction Revolving Account is hereby created in the State Transportation Fund. All interest earned on funds in the account or earned on advances from the account pursuant to Section 2561 shall be deposited in the State Highway Account until the time the total deposits of interest earned on funds in or advances from the State Highway Construction Revolving Account equal the amount transferred to the State Highway Construction Revolving Account by the statute enacting this chapter. Notwithstanding Section 13340 of the Government Code, all money in the account is continuously appropriated to the department for carrying out the purposes of this chapter.

2561. The department may advance funds in the account to cities and counties for all or a portion of the cost of construction of improvements to the state highway system that are already programmed in the adopted state transportation improvement program and that would benefit the local community. A city or county may apply for an advance pursuant to this section on behalf of a special district, subject to Section 2564. All advances shall be subject to the terms and conditions of an advance agreement between the department and local agency. The agreement shall include a requirement that the improvement shall be subject to review and approval by the department, that the time for repayment of the advance be limited to no longer than 24 months, and that the payment of interest be at the rate being earned by the Pooled Money Investment Account at the time of the advance.

2562. All requests for advances and agreements shall be approved by the commission before being processed by the department.

2563. All direct expenses of the commission and the department in administering this chapter shall be funded from the State Highway Construction Revolving Account.

2564. If an advance is not repaid by a city or county within the time agreed upon, the Controller shall withhold the apportionments

to the city or county under Sections 2104, 2106, and 2107 and credit these apportionments to the advance until it is repaid in accordance with the terms and conditions of the agreement.

SEC. 2. Section 2565 is added to the Streets and Highways Code, to read:

2565. The commission shall develop and adopt guidelines and procedures for implementing the loan program in cooperation with the department.

SEC. 3. The sum of fifty million dollars ($50,000,000) is hereby transferred from the State Highway Account in the State Transportation Fund to the State Highway Construction Revolving Account in the State Transportation Fund.

CHAPTER 506

An act to amend Sections 1025, 1026, and 1027 of, and to amend the heading of Chapter 3.7 (commencing with Section 1025) of Part 3 of Division 2 of, the Labor Code, relating to employee alcohol and drug rehabilitation.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 10, 1987]

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

SECTION 1. The heading of Chapter 3.7 (commencing with Section 1025) of Part 3 of Division 2 of the Labor Code is amended to read:

CHAPTER 3.7. ALCOHOL AND DRUG REHABILITATION

SEC. 2. Section 1025 of the Labor Code is amended to read:

1025. Every private employer regularly employing 25 or more employees shall reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program, provided that this reasonable accommodation does not impose an undue hardship on the employer.

Nothing in this chapter shall be construed to prohibit an employer from refusing to hire, or discharging an employee who, because of the employee's current use of alcohol or drugs, is unable to perform his or her duties, or cannot perform the duties in a manner which would not endanger his or her health or safety or the health or safety of others.

SEC. 3. Section 1026 of the Labor Code is amended to read:

1026. The employer shall make reasonable efforts to safeguard the privacy of the employee as to the fact that he or she has enrolled in an alcohol or drug rehabilitation program.

SEC. 4. Section 1027 of the Labor Code is amended to read:

1027. Nothing in this chapter shall be construed to require an employer to provide time off with pay, except that an employee may use sick leave to which he or she is entitled for the purpose of entering and participating in an alcohol or drug rehabilitation program.

CHAPTER 507

An act to amend Section 14010 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 14010 of the Food and Agricultural Code is amended to read:

14010. It is unlawful for any person to sell or deliver any restricted material to any person that is required by regulations adopted by the director to have a permit to possess or use the restricted material unless the permittee, or the permittee's agent to whom delivery is made, provides to the seller or the person delivering the restricted material a copy of a permit which authorizes possession or use of the kind and quantity of the restricted material on the date the restricted material is delivered.

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 508

An act to repeal Section 10072 of the Business and Professions Code, and to repeal Section 12301 of the Government Code, relating to state government.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 10072 of the Business and Professions Code is repealed.

SEC. 2. Section 12301 of the Government Code is repealed.

CHAPTER 509

An act to amend Section 25633 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 25633 of the Business and Professions Code is amended to read:

25633. Except as otherwise provided in this section, no person licensed as a manufacturer, winegrower, distilled spirits manufacturer's agent, rectifier, or wholesaler of any alcoholic beverage shall deliver or cause to be delivered any alcoholic beverage to or for any person holding an on-sale or off-sale license on Sunday or except between the hours of 6 a.m. and 8 p.m. of any day other than Sunday. Beer and wine may be delivered between the hours of 4 a.m. and 8 p.m. of any day other than Sunday to any person holding on on-sale or off-sale license and may be delivered at the platform of the manufacturing, producing, or distributing plant at any time. Nothing contained in this section prohibits the transportation or the carriage and delivery in transit at any time of beer or wine between the premises of a manufacturer, winegrower, wholesaler, distiller, importer, or any of them. Every person violating the provisions of this section is guilty of a misdemeanor.

CHAPTER 510

An act to add Section 41512.5 to the Health and Safety Code, relating to air pollution.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 41512.5 is added to the Health and Safety Code, to read:

41512.5. A district board may adopt a schedule of fees applicable to emission sources not included within a permit system adopted pursuant to Section 42300 to cover the estimated reasonable costs of evaluating plans required by law or by district rule or regulation, including, but not limited to, review, inspection, and monitoring

related thereto. The fees shall not exceed the estimated costs of reviewing, monitoring, and enforcing the plan for which the fees are charged.

The district board shall hold a public hearing at least 30 days prior to the meeting of the district board at which the adoption or revision of the fee schedule is to be considered, and supporting data on the actual or estimated costs required to provide the service for which the fee is proposed to be charged shall be made available at that public hearing.

CHAPTER 511

An act to amend Sections 1752.82 and 1766.1 of the Welfare and Institutions Code, relating to the Youth Authority.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 1752.82 of the Welfare and Institutions Code is amended to read:

1752.82. Whenever an adult or minor is committed to or housed in a Youth Authority facility and he or she owes restitution to a victim or a restitution fine imposed pursuant to Section 13967 of the Government Code or pursuant to Section 730.6 of this code, the director may deduct a reasonable amount not to exceed 20 percent from the wages of that adult or minor and the amount so deducted, exclusive of the costs of administering this section, which shall be retained by the director, shall be transferred to the State Board of Control for deposit in the Restitution Fund in the State Treasury in the case of a restitution fine, or, in the case of a restitution order, and upon the request of the victim, shall be paid directly to the victim. Any amount so deducted shall be credited against the amount owing on the fine. The committing court shall be provided a record of any such payments.

SEC. 2. Section 1766.1 of the Welfare and Institutions Code is amended to read:

1766.1. When permitting an adult or minor committed to the Youth Authority his or her liberty pursuant to subdivision (a) of Section 1766, the Youthful Offender Parole Board shall impose as a condition thereof that the adult or minor pay in full any restitution fine or restitution order imposed pursuant to Section 13967 of the Government Code or Section 730.6 of this code. Payment shall be in installments set in an amount consistent with the adult's or minor's ability to pay.

CHAPTER 512

An act relating to pesticides.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. The Legislature hereby finds that the proper, safe, and efficient use of pesticides is essential for the protection of public health and the production of agricultural commodities, and that timeliness in the application of pesticides is essential for good pest management and the prevention of economic waste.

SEC. 2. In view of the findings in Section 1, the Legislature declares that as agriculture is a major and essential component of California's economy, and as the protection of that economy is paramount, it shall be a policy of the state to support the development and implementation of pesticide use monitoring and enforcement techniques which protect that economy.

SEC. 3. In order to effectuate the policy stated in Section 2, it is the intent of the Legislature that the Department of Food and Agriculture continue to support the upgrading of pesticide use enforcement including the computerization of the pesticide use permit process as an enforcement tool.

Therefore, the Department of Food and Agriculture shall conduct a study of the county agricultural commissioner's offices relating to the computerization of pesticide enforcement activities and other programs conducted under the direction of the department.

The study shall include a statewide assessment of all of the following:

(a) Current computer capability.

(b) Equipment needs.

(c) Programming needs.

(d) Technical assistance and training needs.

The study shall also include a review of potential funding sources available to the counties for computerization.

The results of the study shall be utilized to formulate recommendations directed at achieving uniform software and telecommunication compatibility. Findings of the study shall be submitted in a report to the Legislature not later than July 1, 1988.

CHAPTER 513

An act to amend Section 38010 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 38010 of the Vehicle Code is amended to read:

38010. (a) Except as otherwise provided in subdivision (b), every motor vehicle specified in Section 38012, which is not registered under this code because it is to be operated or used exclusively off the highways, except as provided in this division, shall be issued and display an identification plate or device issued by the department.

(b) The provisions of subdivision (a) shall not apply to any of the following:

(1) Motor vehicles specifically exempted from registration under this code, including, but not limited to, motor vehicles exempted pursuant to Sections 4006, 4010, 4011, 4012, 4013, 4015, 4018, and 4019.

(2) Implements of husbandry.

(3) Motor vehicles owned by the state, or any county, city, district, or political subdivision of the state, or the United States.

(4) Motor vehicles owned or operated by, or operated under contract with a utility, whether privately or publicly owned, when used as specified in Section 22512.

(5) Special construction equipment described in Section 565, regardless of whether such motor vehicles are used in connection with highway or railroad work.

(6) A motor vehicle owned or operated by a nonresident of this state, whether or not such vehicle is identified or registered in a foreign jurisdiction. For the purposes of this paragraph, a person who holds a valid driver's license issued by a foreign jurisdiction shall be presumed to be such a nonresident.

(7) Commercial vehicles weighing more than 6,000 pounds unladen.

(8) Any motorcycle manufactured in the year 1942 or prior thereto.

(9) Four-wheeled motor vehicles operated solely in organized racing or competitive events upon a closed course when such events are conducted under the auspices of a recognized sanctioning body or by permit issued by the local governmental authority having jurisdiction.

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 514

An act to add Article 1.8 (commencing with Section 242) to Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, relating to state government.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987]

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

SECTION 1. Article 1.8 (commencing with Section 242) is added to Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, to read:

Article 1.8. Contract Uniformity

242. It is the Legislature's intent in enacting this article to promote efficiency in the administration of multiple contracts between nonprofit organizations and the divisions of the state department by requiring uniform provisions concerning fringe benefits. Nothing contained in this article shall be construed to mandate any personnel policies, procedures, or fringe benefits as a condition of contracting with the state. In addition, this article shall not supersede or amend any agreement that may have been entered into, or may be entered into in the future, between a nonprofit corporation and its employees, agents, or employee representative organization.

243. Notwithstanding any other provision of law, the state department shall review the following categorical programs and develop a procedure by which a contracting nonprofit organization is notified at the execution of a contract of the terms and conditions relating to the allowable costs associated with personnel, primary care grants-in-aid, maternal and child health, family planning, women, infant and children, dental disease prevention, child health and disability prevention, California children's services, preventive health care for the aging, rural health services, farmworker health services, California health services corps, American Indian health services, genetically handicapped programs, hypertension, perinatal health services, immunization, adolescent family life, and other programs that the state department wishes to include within the scope of this article.

244. Nothing contained in this article shall conflict with any mandate imposed by laws, rules, or regulations of the state or federal

government.

245. The state department shall take the steps necessary to achieve uniformity among contracts.

CHAPTER 515

An act to add Section 25200.2 to the Health and Safety Code, relating to hazardous waste.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 10, 1987.]

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

SECTION 1. The Legislature hereby finds and declares that this act will serve the following purposes:

(a) Recognize the importance of transportable hazardous waste treatment units in safely managing hazardous wastes.

(b) Ensure California has the treatment capacity needed to meet state and federal restrictions on the land disposal of hazardous wastes.

(c) Treat wastes where they are generated.

(d) Help phase out land disposal.

(e) Reduce environmental risks of hazardous waste transportation.

(f) Provide treatment units to small hazardous waste generators who could not afford permanent treatment technologies.

SEC. 2. Section 25200.2 is added to the Health and Safety Code, to read:

25200.2. On or before July 1, 1988, the department shall develop a permitting process for transportable hazardous waste treatment units for treating waste in accordance with the requirements of the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Sec. 6901 et seq.) and with the requirements of this chapter for hazardous wastes which are not otherwise subject to the federal act.

CHAPTER 516

An act to amend Section 9335 of, and to add Chapter 8.1 (commencing with Section 9620) to Part 1 of Division 8.5 of the Welfare and Institutions Code, relating to seniors.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 9335 of the Welfare and Institutions Code is amended to read:

9335. The Department of Consumer Affairs shall:

(a) Assess the impact of its Division of Consumer Services' Programs, in the division's annual planning processes, in considering the special needs of older persons.

(b) Periodically review and monitor the impact of its boards' and bureaus' licensees' practices on older persons, and assure that their licensing policies do not discriminate against older workers.

(c) Promote cooperation for the maintenance of an affirmative statewide network of groups representing older persons and consumers.

SEC. 2. Chapter 8.1 (commencing with Section 9620) is added to Part 1 of Division 8.5 of the Welfare and Institutions Code, to read:

CHAPTER 8.1. GOLDEN STATE SENIOR DISCOUNT PROGRAM

9620. The Department of Aging shall establish a technical assistance program to encourage the development of community discount programs for seniors, known as the Golden State Senior Citizen Discount Program.

CHAPTER 517

An act to add Section 24042.5 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 24042.5 is added to the Business and Professions Code, to read:

24042.5. Notwithstanding any other provision of this division, any licensee under an on-sale general or on-sale general license for seasonal business who has a premises with a fixed counter or service

bar in one room of the premises for the service of distilled spirits to members of the public for consumption on the premises and who has other rooms on the premises which can be utilized for the same purposes by means of a portable bar counter may elect to request the department to license the portable bar counter itself rather than the additional rooms as provided in Section 24042. However, if two or more portable bar counters are utilized at the same time, in the same room, only one portable bar shall be required to be licensed. The licensee shall pay to the department at the time of the application for each portable bar counter an amount equal to the license fee payable for a like period for the distilled spirits privileges of the original on-sale general license or on-sale general license for seasonal business. Failure to obtain the portable bar counter license and to pay the fees and renewal fees therefor shall subject the licensee to the penalties imposed by this division for failure to obtain an original license or pay the renewal fees therefor.

CHAPTER 518

An act to amend Sections 191.5 and 192.5 of the Penal Code, relating to vessels.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 191.5 of the Penal Code is amended to read:

191.5. (a) Gross vehicular manslaughter while intoxicated is the unlawful killing of a human being without malice aforethought, in the driving of a vehicle, where the driving was in violation of Section 23152 or 23153 of the Vehicle Code, and the killing was either the proximate result of the commission of an unlawful act, not amounting to a felony, and with gross negligence, or the proximate result of the commission of a lawful act which might produce death, in an unlawful manner, and with gross negligence.

(b) Gross vehicular manslaughter while intoxicated also includes operating a vessel in violation of subdivisions (b) to (e), inclusive, of Section 655 of the Harbors and Navigation Code, and in the commission of an unlawful act, not amounting to felony, and with gross negligence; or operating a vessel in violation of subdivisions (b) to (e), inclusive, of Section 655 of the Harbors and Navigation Code, and in the commission of a lawful act which might produce death, in an unlawful manner, and with gross negligence.

(c) Gross vehicular manslaughter while intoxicated is punishable by imprisonment in the state prison for 4, 6, or 10 years.

(d) This section shall not be construed as prohibiting or precluding a charge of murder under Section 188 upon facts

exhibiting wantonness and a conscious disregard for life to support a finding of implied malice, or upon facts showing malice consistent with the holding of the California Supreme Court in People v. Watson, 30 Cal. 3d 290.

(e) This section shall not be construed as making any homicide in the driving of a vehicle or the operation of a vessel punishable which is not a proximate result of the commission of an unlawful act, not amounting to felony, or of the commission of a lawful act which might produce death, in an unlawful manner.

SEC. 2. Section 192.5 of the Penal Code is amended to read:

192.5. Vehicular manslaughter pursuant to subdivision (c) of Section 192 includes:

(a) Except as provided in subdivision (b) of Section 191.5, operating a vessel in the commission of an unlawful act, not amounting to felony, and with gross negligence; or operating a vessel in the commission of a lawful act which might produce death, in an unlawful manner, and with gross negligence.

(b) Except as provided in subdivision (c), operating a vessel in the commission of an unlawful act, not amounting to felony, but without gross negligence; or operating a vessel in the commission of a lawful act which might produce death, in an unlawful manner, but without gross negligence.

(c) Operating a vessel in violation of subdivisions (b) to (e), inclusive, of Section 655 of the Harbors and Navigation Code, and in the commission of an unlawful act, not amounting to felony, but without gross negligence; or operating a vessel in violation of subdivisions (b) to (e), inclusive, of Section 655 of the Harbors and Navigation Code, and in the commission of a lawful act which might produce death, in an unlawful manner, but without gross negligence.

CHAPTER 519

An act to amend Sections 66622, 66623, 66631, 66632, 66633.1, and 66637 of, and to add Sections 66641.5, 66641.6, 66641.7, 66641.8, and 66641.9 to, the Government Code, relating to the San Francisco Bay Conservation and Development Commission.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987]

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

SECTION 1. Section 66622 of the Government Code is amended to read:

66622. The members of the commission shall serve at the pleasure of their respective appointing powers. The members shall serve without compensation, but each of the members shall be reimbursed for necessary expenses incurred in the performance of

the member's duties. However, in lieu of reimbursement for attendance at commission or committee meetings, or at meetings in an official capacity as a commissioner, each member of the commission or alternate who is not a state or federal employee shall receive a per diem of one hundred dollars ($100) per day, not to exceed a combined total of four days in any one calendar month. No member of the commission who receives a per diem from any other source for attending a meeting shall receive a per diem under this section for attending the same meeting.

A member, subject to confirmation by the member's appointing power, may authorize an alternate for attendance at meetings and voting in the member's absence. Each alternate shall be designated in a written instrument which shall include evidence of the confirmation by the appointing power and the alternate's name shall be kept on file with the commission. Each member may change the member's alternate from time to time, with the confirmation of the appointing power, but shall have only one alternate at a time. Each alternate shall have the same qualifications as are required for the member who appointed the alternate, except that each county representative may designate as an alternate a public official whom the appointing power deems qualified to represent the county.

SEC. 2. Section 66623 of the Government Code is amended to read:

66623. The Governor shall select, from among public representatives on the commission appointed pursuant to subdivision (j) of Section 66620, a chairperson and a vice chairperson.

SEC. 3. Section 66631 of the Government Code is amended to read:

66631. In making the review, the commission shall cooperate to the fullest extent possible with the Association of Bay Area Governments; and shall, to the fullest extent possible, coordinate its planning with planning by local agencies, which shall retain the responsibility for local land use planning. In order to avoid duplication of work, the commission shall make maximum use of data and information available from the planning programs of the State Office of Planning and Research, the Association of Bay Area Governments, the cities and counties in the San Francisco Bay area, and other public and private planning agencies.

SEC. 4. Section 66632 of the Government Code is amended to read:

66632. (a) Any person or governmental agency wishing to place fill, to extract materials, or to make any substantial change in use of any water, land or structure, within the area of the commission's jurisdiction shall secure a permit from the commission and, if required by law or by ordinance, from any city or county within which any part of the work is to be performed. For purposes of this title, "fill" means earth or any other substance or material, including pilings or structures placed on pilings, and structures floating at some or all times and moored for extended periods, such as houseboats and

floating docks. For the purposes of this section "materials" means items exceeding twenty dollars ($20) in value.

(b) The commission shall establish reasonable requirements to assure that sufficient information is provided by permit applicants to allow the commission to act on the applications. The requirements shall include measures to assure that the city or county which has jurisdiction over a project may consider and act on all matters regarding the project that involve a discretionary approval before the commission acts on an application. The city or county shall fully inform the commission on any such matters and the actions taken. The commission shall give full consideration to that information in its application review.

(c) The commission may require a reasonable filing fee and reimbursement of expenses for processing and investigating a permit application from all applicants before the commission, including government agencies notwithstanding Section 6103.

(d) The commission shall prescribe the form and contents of applications for permits. Among other things, an application for a permit shall set forth all public improvements and public utility facilities which are necessary or incidental to the proposed project and the names and mailing addresses of all public agencies or public utilities who will have ownership or control of the public improvements or public utility facilities if the permit is granted and the project is constructed. The executive director shall give written notice of the filing of the application to all such public agencies and public utilities. If the commission grants a permit for a project, the permit shall include all public improvements and public utility facilities which are necessary or incidental to the project.

(e) Upon the filing of an application for a permit by the commission, the commission shall transmit a copy thereof to the San Francisco Bay Regional Water Quality Control Board. Within 30 days, the regional board shall file a report with the commission indicating the effect of the proposed project on water quality within the bay.

(f) The commission shall take action upon an application for a permit, either denying or granting the permit, within 90 days after it files the application. The permit shall be automatically granted if the commission shall fail to take specific action either denying or granting the permit within the time period specified in this section. A permit shall be granted for a project if the commission finds and declares that the project is either (1) necessary to the health, safety or welfare of the public in the entire bay area, or (2) of such a nature that it will be consistent with the provisions of this title and with the provisions of the San Francisco Bay Plan then in effect. To effectuate those purposes, the commission may grant a permit subject to reasonable terms and conditions including the uses of land or structures, intensity of uses, construction methods and methods for dredging or placing of fill. Thirteen affirmative votes of members of the commission are required to grant a permit. Neither of the federal

representatives who are members of the commission may vote on whether or not a permit shall be granted.

Pursuant to this title, the commission may provide by regulation, adopted after public hearing, for the issuance of permits by the executive director, without compliance with the above procedure, in cases of emergency, or for minor repairs to existing installations or minor improvements made anywhere within the area of jurisdiction of the commission including, without limitation, the installation of piers and pilings and maintenance dredging of navigation channels. The commission may also adopt after public hearing such additional regulations as it deems reasonable and necessary to enable it to carry out its functions efficiently and equitably, including regulations classifying the particular water-oriented uses referred to in Section 66602 and 66605.

(g) If the commission denies the permit, the applicant may submit another application for the permit directly to the commission after 90 days from the date of the denial.

(h) Any project authorized pursuant to this section shall be commenced, performed and completed in compliance with the provisions of all permits granted or issued by the commission and by any city or county.

(i) Any action, or proceeding to contest or question the commission's denial of a permit application, or conditions attached to approval of a permit application, must be commenced in the appropriate court within 90 days following the date of that action by the commission.

(j) Any person who places fill, extracts materials, or makes any substantial change in the use of any water, land, or structure within the area of the commission's jurisdiction without securing a permit from the commission as required by this title is guilty of a misdemeanor.

SEC. 5. Section 66633.1 of the Government Code is amended to read:

66633.1. The Legislature finds and declares that because the San Francisco Bay Conservation and Development Commission must rely on the expertise provided by volunteer members of advisory boards to make decisions which relate to the public safety, members of the advisory boards should be entitled to the same immunity from liability provided commission members and other public employees.

Members of the advisory bodies appointed pursuant to Sections 66633 and 66636 while performing duties required by this title or by the commission shall be entitled to the same rights and immunities granted public employees by Article 3 (commencing with Section 820) of Chapter 1 of Part 2 of Division 3.6 of Title 1. Those rights and immunities are deemed to have attached and shall attach as of the date of appointment of a member to the advisory body. This provision shall apply to members appointed to the Engineering Criteria Review Board (14 Cal. Adm. Code 10298), the Design Review Board (14 Cal. Adm. Code 10295), and any other advisory

bodies created pursuant to Sections 66633 and 66636.

SEC. 6. Section 66637 of the Government Code is amended to read:

66637. (a) When the executive director determines that any person or governmental agency has undertaken, or is threatening to undertake, any activity that (1) may require a permit from the commission without securing a permit; or (2) may be inconsistent with any permit previously issued by the commission, the executive director may issue an order directing that person or governmental agency to cease and desist.

(b) Any cease and desist order issued by the executive director may be subject to such terms and conditions as the executive director may determine are necessary to ensure compliance with the provisions of this title, including the immediate removal of any fill or other material where that removal is necessary to avoid irreparable injury to any area within the jurisdiction of the commission pending action by the commission under Section 66638.

(c) Any cease and desist order issued by the executive director shall become null and void 90 days after issuance.

(d) A cease and desist order issued by the executive director shall be effective upon the issuance thereof, and copies shall be served forthwith by certified mail upon the person or governmental agency being charged with the actual or threatened violation of this title.

SEC. 7. Section 66641.5 is added to the Government Code, to read:

66641.5. (a) In addition to any other penalties, any person or entity who violates this title is subject to a civil penalty of not to exceed five thousand dollars ($5,000).

(b) In addition to any other penalties, any person or entity who intentionally and knowingly undertakes any activity requiring a permit pursuant to subdivision (a) of Section 66632 without that permit, or who intentionally and knowingly violates any term or condition of any permit issued by or on behalf of the commission, is subject to a civil penalty of not less than fifty dollars ($50), nor more than five thousand dollars ($5,000), per day for each day in which that violation occurs or persists.

(c) Except as provided in Section 818, whenever a person or entity has intentionally and knowingly violated this title or any term or condition of a permit issued by or on behalf of the commission, the commission may maintain an action, in addition to the actions authorized pursuant to subdivisions (a) and (b), for the recovery of exemplary damages. In determining the amount to be awarded, the court shall consider the amount of damages necessary to deter further violations.

(d) Civil liability may be administratively imposed by the commission in accordance with Section 66641.6 on any person or entity for any violation of this title or any term or condition of a permit issued by or on behalf of the commission in an amount which shall be not less than ten dollars ($10), nor more than one thousand

dollars ($1,000), for each day in which that violation occurs or persists, but the commission shall not administratively impose a fine of more than twenty thousand dollars ($20,000) for a single violation.

(e) Any moneys recovered by the commission pursuant to this section shall be deposited in the fund established and administered pursuant to Section 66647.

SEC. 8. Section 66641.6 is added to the Government Code, to read:

66641.6. (a) The executive director of the commission may issue a complaint to any person or entity on whom administrative civil liability may be imposed pursuant to this article. The complaint shall allege the act or failure to act that constitutes a violation of law, the provision of law authorizing civil liability to be imposed pursuant to this title, and the proposed civil liability.

(b) The complaint shall be served by personal notice or certified mail, and shall inform the party so served that a hearing shall be conducted within 60 days after the party has been served. The hearing shall be before the commission. The complainant may waive the right to a hearing, in which case the commission shall not conduct a hearing.

(c) After any hearing, the commission may adopt, with or without revision, the proposed decision and order of the executive director.

(d) Orders setting administrative civil liability shall become effective and final upon issuance thereof, and any payment shall be made within 30 days. Copies of these orders shall be served by personal service or by registered mail upon the party served with the complaint and upon other persons who appeared at the hearing and requested a copy.

SEC. 9. Section 66641.7 is added to the Government Code, to read:

66641.7. (a) Within 30 days after service of an order issued under Section 66641.6, any aggrieved party may file with the superior court a petition for writ of mandate for review thereof pursuant to Section 1094.5 of the Code of Civil Procedure. If no aggrieved party petitions for a writ of mandate within the time provided by this section, an order of the commission shall not be subject to review by any court or agency, except that the commission may grant review on its own motion of an order issued under Section 66641.6 after the expiration of the time limits set by this section.

(b) Upon request of the commission, the Attorney General shall institute an action in the appropriate superior court to collect and recover any administrative civil penalties imposed pursuant to Section 66641.6. The court shall accord priority on its calendar to any such action.

SEC. 10. Section 66641.8 is added to the Government Code, to read:

66641.8. No person shall be subject to both civil liability imposed under Section 66641.6 and civil liability imposed by the superior court under Section 66641.5 for the same act or failure to act.

SEC. 11. Section 66641.9 is added to the Government Code, to read:

66641.9. (a) In determining the amount of administrative civil liability, the commission shall take into consideration the nature, circumstance, extent, and gravity of the violation or violations, whether the violation is susceptible to removal or resolution, the cost to the state in pursuing the enforcement action, and with respect to the violator, the ability to pay, the effect on ability to continue in business, any voluntary removal or resolution efforts undertaken, any prior history of violations, the degree of culpability, economic savings, if any, resulting from the violation, and such other matters as justice may require.

(b) Any moneys recovered by the commission pursuant to Section 66641.6 shall be deposited in the fund established and administered pursuant to Section 66647.

CHAPTER 520

An act to add Section 136.7 to the Penal Code, relating to crimes.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 10, 1987.]

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

SECTION 1. Section 136.7 is added to the Penal Code, to read:

136.7. Every person imprisoned in a county jail or the state prison who has been convicted of a sexual offense, including, but not limited to, a violation of Section 243.4, 261, 261.5, 262, 264.1, 266, 266a, 266b, 266c, 266f, 285, 286, 288, 288a, or 289, who knowingly reveals the name and address of any witness or victim to that offense to any other prisoner with the intent that the other prisoner will intimidate or harass the witness or victim through the initiation of unauthorized correspondence with the witness or victim, is guilty of a public offense, punishable by imprisonment in the county jail not to exceed one year, or by imprisonment in the state prison.

Nothing in this section shall prevent the interviewing of witnesses.

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 521

An act to amend Section 22651 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 11, 1987]

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

SECTION 1. 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 or any public lands 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 or any public lands 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, other than a rented vehicle, is found upon a highway or any public lands 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 to the agency responsible for processing notices of parking violations, 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 for an unlawfully parked 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.

A vehicle shall be released to the legal owner, as defined in Section 370, if the legal owner does all of the following:

(1) Pays the cost of towing and storing the vehicle.

(2) Submits evidence of payment of fees as provided in Section 9561.

(3) Completes an affidavit in a form acceptable to the impounding law enforcement agency stating that the vehicle was not in possession of the legal owner at the time of occurrence of the offenses relating to standing or parking. A vehicle released to a legal owner under this subdivision is a repossessed vehicle for purposes of disposition or sale. The impounding agency shall have a lien on any surplus that remains upon sale of the vehicle to which the registered owner is or may be entitled, as security for the deposit of bail for all notices of parking violations issued for the vehicle. The legal owner shall promptly remit to, and deposit with, the agency responsible for processing notices of parking violations from that surplus, on receipt thereof, bail for all notices of parking violations issued for the vehicle.

(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 or any public lands 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 or any public lands 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.

(q) Whenever any vehicle is parked for more than 24 hours on a portion of highway which is located within the boundaries of a common interest development, as defined in subdivision (c) of Section 1351 of the Civil Code, and signs, as required by Section 22658.2, have been posted on that portion of highway providing notice to drivers that vehicles parked thereon for more than 24 hours

will be removed at the owner's expense, pursuant to a resolution or ordinance adopted by the local authority.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement 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 to provide administrative consistency in collecting bail with respect to unpaid parking violations and to prevent duplication of administrative functions, it is necessary that this act take effect immediately.

CHAPTER 522

An act to amend Section 10054 of the Business and Professions Code, relating to real estate, and making an appropriation therefor.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 10054 of the Business and Professions Code is amended to read:

10054. The commissioner shall appoint a Real Estate Advisory Commission comprising 10 members, six of whom shall be real estate brokers licensed under this part and four of whom shall be public members. The commissioner shall preside at commission meetings.

The members shall receive a per diem salary as provided in Section 11564.5 of the Government Code, and in addition thereto each shall be allowed his or her actual and necessary expenses in the discharge of his or her duties.

CHAPTER 523

An act to add Section 29723 to the Elections Code, relating to elections.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 29723 is added to the Elections Code, to read:

29723. Every person who offers or gives money or other valuable consideration to another in exchange for his or her signature on a state, county, municipal, or district initiative petition 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.

CHAPTER 524

An act to repeal Sections 39149 and 81139 of the Education Code, relating to schools.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 39149 of the Education Code is repealed.

SEC. 2. Section 81139 of the Education Code is repealed.

CHAPTER 525

An act to amend Sections 2559.2, 2559.5, and 2566.1 of the Business and Professions Code, relating to spectacle lens dispensers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 2559.2 of the Business and Professions Code is amended to read:

2559.2. (a) An individual shall apply for registration as a registered spectacle lens dispenser on forms prescribed by the division. The division shall register an individual as a registered spectacle lens dispenser upon satisfactory proof that the individual has passed the registry examination of the American Board of Opticianry or any successor agency to that board. In the event the division should determine, after hearing, that the registry examination is not appropriate to determine entry level competence as a spectacle lens dispenser or is not designed to measure specific job performance requirements, the division may thereafter prescribe or administer a written examination that meets those specifications. Any examination prescribed or administered by the division shall be given at least twice each year on dates publicly announced at least 90 days before the examination dates. The division is authorized to contract for administration of an examination.

(b) The division may deny registration where there are grounds for denial under the provisions of Division 1.5 (commencing with Section 475).

(c) The division shall issue a certificate to each qualified individual stating that the individual is a registered spectacle lens dispenser.

(d) Any individual who had been approved as a manager of dispensing operations of a registered dispensing optician under the provisions of Section 2552 as it existed before January 1, 1988, and who had not been subject to any disciplinary action under the provisions of Section 2555.2 shall be exempt from the examination requirement set forth in this section and shall be issued a certificate as a registered spectacle lens dispenser, provided an application for that certificate is filed with the division on or before December 31, 1989.

(e) A registered spectacle lens dispenser is authorized to fit and adjust spectacle lenses at any place of business holding a certificate of registration under Section 2553 provided that the certificate of the registered spectacle lens dispenser is displayed in a conspicuous place at the place of business where he or she is fitting and adjusting.

SEC. 2. Section 2559.5 of the Business and Professions Code is amended to read:

2559.5. This article shall become operative on January 1, 1988. However, the division may, prior to that date, accept and process applications, including the collection of fees, and perform other functions necessary to implement this article.

SEC. 3. Section 2566.1 of the Business and Professions Code is amended to read:

2566.1. The amount of fees prescribed in connection with

certificates for spectacle lens dispensers shall be as set forth in this section unless a lower fee is fixed by the division:

(a) The application fee is fifty dollars ($50).

(b) The initial registration fee is fifty dollars ($50), except that if the registration will expire less than one year after its issuance, the initial registration fee is an amount equal to 50 percent of the initial fee then in effect.

(c) The renewal fee shall be one hundred dollars ($100).

(d) The delinquency fee is twenty-five dollars ($25).

(e) The fee for replacement of a lost, stolen or destroyed certificate is twenty-five dollars ($25).

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 such necessity are:

To make it clear that the Division of Allied Health Professions of the Board of Medical Quality Assurance may collect fees from applicants for certificates for spectacle lens dispensers and perform other functions prior to January 1, 1988, in order to implement a new law which prohibits, on and after January 1, 1988, the filling and adjusting of spectacle lenses unless the person has a certificate issued by the division, it is necessary that this act go into immediate effect.

CHAPTER 526

An act to amend Sections 21407.6 and 21408 of, to amend and renumber Section 21407.5 of, and to add Section 21407.2 to, the Public Utilities Code, relating to aeronautics.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 21407.5 of the Public Utilities Code is amended and renumbered to read:

21407.1. (a) It is unlawful for any person, who is under the influence of an alcoholic beverage or any drug, or the combined influence of an alcoholic beverage and any drug, to operate an aircraft in the air, or on the ground or water, or to engage in parachuting for sport.

(b) No person shall operate an aircraft in the air or on the ground or water who has 0.04 percent or more, by weight, of alcohol in his or her blood.

SEC. 2. Section 21407.2 is added to the Public Utilities Code, to read:

21407.2. (a) (1) Any person who operates an aircraft in the air or on the ground or water is deemed to have given his or her consent

to chemical testing of his or her blood, breath, or urine for the purpose of determining the alcoholic content of his or her blood, and to have given his or her consent to chemical testing of his or her blood or urine for the purpose of determining the drug content of his or her blood, if lawfully arrested for any offense allegedly committed in violation of Section 21407.1 or if the officer requests chemical testing as part of an investigation of a suspected violation of state or local law.

The testing shall be administered at the direction of a peace officer having reasonable cause to believe the person was operating an aircraft in violation of Section 21407.1 under either of the following conditions:

(A) The person is lawfully arrested.

(B) The officer requests the person to submit to chemical testing as part of an investigation of a suspected violation of state or local law.

The person shall be told that his or her failure to submit to, or the failure to complete, the required chemical testing may result in prohibition from operating an aircraft for not more than one year and, if the person is convicted of a violation of Section 21407.1, a fine, imprisonment, prohibition from operating an aircraft for not more than one year, or any combination thereof.

(2) (A) If the person is lawfully arrested for operating an aircraft under the influence of an alcoholic beverage, the person has the choice of whether the test shall be of his or her blood, breath, or urine, and the officer shall advise the person that he or she has that choice. If the person arrested either is incapable, or states that he or she is incapable, of completing any chosen test, the person shall submit to the person's choice of the remaining tests or test, and the officer shall advise the person that the person has that choice.

(B) If the person is lawfully arrested for operating an aircraft under the influence of any drug or the combined influence of an alcoholic beverage and any drug, the person has the choice of whether the test shall be of his or her blood, breath, or urine, and the officer shall advise the person that he or she has that choice.

(C) A person who chooses to submit to a breath test may also be requested to submit to a blood or urine test if the officer has reasonable cause to believe that the person was operating an aircraft under the influence of any drug or the combined influence of an alcoholic beverage and any drug and if the officer has a clear indication that a blood or urine test will reveal evidence of the person being under the influence. The officer shall state in his or her report the facts upon which that belief and that clear indication are based. The person has the choice of submitting to and completing a blood or urine test, and the officer shall advise the person that he or she is required to submit to an additional test and that he or she may choose a test of either blood or urine. If the person arrested either is incapable, or states that he or she is incapable, of completing either chosen test, the person shall submit to and complete the other remaining test.

(3) If the person is lawfully arrested for an offense allegedly committed in violation of Section 21407.1 and, because of the need for medical treatment, the person is first transported to a medical facility where it is not feasible to administer a particular test of, or to obtain a particular sample of, the person's blood, breath, or urine, the person has the choice of those tests which are available at the facility to which that person has been transported. In that event, the officer shall advise the person of those tests which are available at the medical facility and that the person's choice is limited to those tests which are available.

(4) The officer shall also advise the person that he or she does not have the right to have an attorney present before stating whether he or she will submit to a test or tests, before deciding which test or tests to take, or during administration of the test or tests chosen, and that, in the event of refusal to submit to a test or tests, the refusal may be used against him or her in a court of law.

(5) Any person who is unconscious or otherwise in a condition rendering him or her incapable of refusal is deemed not to have withdrawn his or her consent and a test or tests may be administered whether or not the person is told that his or her failure to submit to, or the noncompletion of, the test or tests may result in a fine, imprisonment, and prohibition from operating an aircraft for not more than one year. Any person who is dead is deemed not to have withdrawn his or her consent and a test or tests may be administered at the direction of a peace officer.

(b) Any person who is afflicted with hemophilia is exempt from the blood test required by this section.

(c) Any person who is afflicted with a heart condition and is using an anticoagulant under the direction of a licensed physician and surgeon is exempt from the blood test required by this section.

(d) A person lawfully arrested for any offense allegedly committed while the person was operating an aircraft in violation of Section 21407.1 may request the arresting officer to have a chemical test made of the arrested person's blood, breath, or urine for the purpose of determining the alcoholic content of that person's blood, and, if so requested, the arresting officer shall have the test performed.

SEC. 3. Section 21407.6 of the Public Utilities Code is amended to read:

21407.6. (a) Any person convicted under Section 21407.1 shall be punished upon a first conviction by imprisonment in the county jail for not less than 30 days nor more than six months or by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000) or by both such fine and imprisonment.

Any person convicted under Section 21407.1 shall be punished upon a second or any subsequent conviction by imprisonment in the county jail for not less than five days nor more than one year and by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000), without being granted probation by

the court and without having the court suspend the execution of the sentence.

(b) Any person convicted under Section 21407.1 and who, when so operating an aircraft, has done any act forbidden by law or neglects any duty imposed by law in the operation of the aircraft, which act or neglect proximately causes bodily injury to any person other than the operator shall be punished by imprisonment in the state prison, or in the county jail for not less than 90 days nor more than one year and by fine of not less than two hundred fifty dollars ($250) nor more than ten thousand dollars ($10,000).

SEC. 4. Section 21408 of the Public Utilities Code is amended to read:

21408. For any violation of Section 21407 or 21407.1, in addition to the penalties provided by Section 21019 or 21407.6, the court may prohibit the violator from operating an aircraft within the state for a period not exceeding one year. Violation of the prohibition of the court may be treated as a separate offense under this section or as a contempt of court. Upon a plea of guilty or conviction under Section 21407 or 21407.1, the department shall cause a record of the plea or conviction and of the sentence imposed to be maintained. This section does not authorize the court or any other agency or person to take away, impound, hold, or mark any federal certificate, permit, rating, or license. The peace officer requesting that a person submit to a chemical test of the blood, breath, or urine pursuant to Section 21407.2 shall report anyone refusing to submit to the chemical test to the Federal Aviation Administration for appropriate administrative action.

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.

CHAPTER 527

An act to add Section 1061 to the Water Code, relating to water.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 1061 is added to the Water Code, to read:

1061. The board shall prepare and submit to the Governor and the Legislature by July 1, 1988, a report evaluating the board's ability to monitor and enforce compliance with bypass flow and other requirements included as conditions in permits and licenses. The

report will include a discussion of all of the following:

(a) The number of permits and licenses with bypass flow conditions.

(b) The current enforcement effort and strategy, and its deficiencies.

(c) Recommendations for establishment of an efficient and reliable program to systematically enforce compliance with minimum flow and other requirements and act as a greater deterrent to violation.

(d) The cost of, and potential funding sources for, implementing the recommendations.

CHAPTER 528

An act to amend Section 55601.6 of the Food and Agricultural Code, relating to grapes, and making an appropriation therefor.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987]

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

SECTION 1. Section 55601.6 of the Food and Agricultural Code is amended to read:

55601.6. (a) To provide funds to carry out Section 55601.5, each processor who crushes more than 100 tons of grapes in California shall pay to the director the amount determined by the director to be necessary to cover these costs, but not to exceed five cents ($0.05) per ton of grapes received for crushing, fresh weight equivalent, during each marketing season beginning July 1 and ending the following June 30, provided that two and one-half cents ($0.025) per ton of grapes received for crushing, or one-half of the fee if the fee is less than five cents ($0.05), shall be paid by the processor who crushes grapes and that two and one-half cents ($0.025) per ton of grapes received for crushing, including any grapes produced by the processor, or one-half of the fee if the fee is less than five cents ($0.05), shall be paid by the processor who crushes grapes and may be deducted from moneys owed to the producer.

(b) The amount of the fee shall be paid to the director on or before January 10 of each year on all grapes received for crushing through December 15. The amount of the fee on any grapes received for crushing after December 15 shall be paid to the director on or before June 30 of that marketing season.

(c) The director may fix the fee at a lesser amount and may adjust the fee from marketing season to marketing season.

(d) Any processor who crushes grapes who fails, neglects, or refuses to pay the required fee shall be in violation of this chapter as provided for in subdivision (i) of Section 55601.5. Any processor who

crushes grapes shall not be entitled to pass the penalty on to the producer of the grapes.

(e) If the director conducts an objective measurement survey pursuant to Section 55612, the fee charged pursuant to subdivision (a) may be increased by not more than two cents ($0.02) per ton of grapes received for crushing, fresh weight equivalent, to cover the costs of the survey. The same ratio of payment between processor and producer shall be maintained if the fee is increased pursuant to this subdivision.

(f) All moneys received under this section shall be deposited in the State Treasury to the credit of the Department of Food and Agriculture Fund.

CHAPTER 529

An act to amend Sections 45192 and 45195 of the Education Code, relating to education.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987]

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

SECTION 1. Section 45192 of the Education Code is amended to read:

45192. Governing boards of school districts shall provide by rules and regulations for industrial accident or illness leaves of absence for employees who are a part of the classified service. The governing board of any district which is created or whose boundaries or status is changed by an action to organize or reorganize districts completed after the effective date of this section shall provide by rules and regulations for these leaves of absence on or before the date on which the organization or reorganization of the district becomes effective for all purposes as provided in Section 4064.

The rules and regulations shall include the following provisions:

(a) Allowable leave shall not be for less than 60 working days in any one fiscal year for the same accident.

(b) Allowable leave shall not be accumulative from year to year.

(c) Industrial accident or illness leave will commence on the first day of absence.

(d) Payment for wages lost on any day shall not, when added to an award granted the employee under the workers' compensation laws of this state, exceed the normal wage for the day.

(e) Industrial accident leave will be reduced by one day for each day of authorized absence regardless of a compensation award made under workers' compensation.

(f) When an industrial accident or illness occurs at a time when the full 60 days will overlap into the next fiscal year, the employee

shall be entitled to only that amount remaining at the end of the fiscal year in which the injury or illness occurred, for the same illness or injury.

The industrial accident or illness leave of absence is to be used in lieu of entitlement acquired under Section 45191. When entitlement to industrial accident or illness leave has been exhausted, entitlement or other sick leave will then be used; but if an employee is receiving workers' compensation the person shall be entitled to use only so much of the person's accumulated or available sick leave, accumulated compensating time, vacation or other available leave which, when added to the workers' compensation award, provide for a full day's wage or salary.

The governing board may, by rule or regulation, provide for as much additional leave of absence, paid or unpaid, as it deems appropriate and during this leave the employee may return to the person's position without suffering any loss of status or benefits. The employee shall be notified, in writing, that available paid leave has been exhausted, and shall be offered an opportunity to request additional leave.

Periods of leave of absence, paid or unpaid, shall not be considered to be a break in service of the employee.

During all paid leaves of absence, whether industrial accident leave as provided in this section, sick leave, vacation, compensated time off or other available leave provided by law or the action of a governing board, the employee shall endorse to the district wage loss benefit checks received under the workers' compensation laws of this state. The district, in turn, shall issue the employee appropriate warrants for payment of wages or salary and shall deduct normal retirement and other authorized contributions. Reduction of entitlement to leave shall be made only in accordance with this section.

When all available leaves of absence, paid or unpaid, have been exhausted and if the employee is not medically able to assume the duties of the person's position, the person shall, if not placed in another position, be placed on a reemployment list for a period of 39 months. When available, during the 39-month period, the person shall be employed in a vacant position in the class of the person's previous assignment over all other available candidates except for a reemployment list established because of lack of work or lack of funds, in which case the person shall be listed in accordance with appropriate seniority regulations.

The governing board may require that an employee serve or have served continuously a specified period of time with the district before the benefits provided by this section are made available to the person provided that this period shall not exceed three years and that all service of an employee prior to the effective date of this section shall be credited in determining compliance with the requirement.

Any employee receiving benefits as a result of this section shall, during periods of injury or illness, remain within the State of

California unless the governing board authorizes travel outside the state.

In the absence of rules and regulations adopted by the governing board, pursuant to this section, an employee shall be entitled to industrial and accident or illness leave as provided in this section but without limitation as to the number of days of this leave and without any requirement of a specified period of service.

An employee who has been placed on a reemployment list, as provided herein, who has been medically released for return to duty and who fails to accept an appropriate assignment shall be dismissed.

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.

SEC. 2. Section 45195 of the Education Code is amended to read:

45195. A permanent employee of the classified service who has exhausted all entitlement to sick leave, vacation, compensatory overtime, or other available paid leave and who is absent because of nonindustrial accident or illness may be granted additional leave, paid or unpaid, not to exceed six months. The employee shall be notified, in writing, that available paid leave has been exhausted, and shall be offered an opportunity to request additional leave. The board may renew the leave of absence, paid or unpaid, for two additional six-month periods or lesser leave periods that it may provide but not to exceed a total of 18 months.

An employee, upon ability to resume the duties of a position within the class to which he or she was assigned, may do so at any time during the leaves of absence granted under this section and time lost shall not be considered a break in service. The employee shall be restored to a position within the class to which the employee was assigned and, if at all possible, to his or her position with all the rights, benefits and burdens of a permanent employee.

If at the conclusion of all leaves of absence, paid or unpaid, the employee is still unable to assume the duties of his or her position, the employee shall be placed on a reemployment list for a period of 39 months.

At any time, during the prescribed 39 months, the employee is able to assume the duties of his or her position the employee shall be reemployed in the first vacancy in the classification of his or her previous assignment. The employee's reemployment will take preference over all other applicants except for those laid off for lack of work or funds under Section 45298 in which case the employee shall be ranked according to his or her proper seniority. Upon resumption of his or her duties, the break in service will be disregarded and the employee shall be fully restored as a permanent employee.

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.

SEC. 3. Notwithstanding Section 17610 of the Government Code,

if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 530

An act to amend Sections 22851.2, 22851.3, 22851.6, and 22852 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 22851.2 of the Vehicle Code is amended to read:

22851.2. (a) Excepting a vehicle removed pursuant to Section 22669, if the vehicle is determined to have a value not exceeding three hundred dollars ($300) pursuant to Section 22670, the public agency which removed the vehicle shall do all of the following:

(1) Within 48 hours after removal of the vehicle, notify the Stolen Vehicle System of the Department of Justice in Sacramento of the removal.

(2) Prepare and give to the lienholder a report which shall include all of the following:

(A) The value of the vehicle estimated pursuant to Section 22670.

(B) The identification of the estimator.

(C) The location of the vehicle.

(D) A description of the vehicle, including the make, year model, identification number, license number, state of registration, and, if a motorcycle, an engine number.

(E) The statutory authority for storage.

(b) If the vehicle is in such condition that there is no means of determining ownership, the public agency which removed the vehicle may give authorization to dispose of the vehicle. If no authorization for disposal is issued, a vehicle identification number shall be assigned prior to commencing the lien sale proceedings.

SEC. 2. Section 22851.3 of the Vehicle Code is amended to read:

22851.3. Whenever a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or any other employee of a public agency authorized pursuant to Section 22669, removes, or causes the removal of, a vehicle pursuant to Section 22669 and the public agency or, at the request of the public

agency, the lienholder determines the estimated value of the vehicle is three hundred dollars ($300) or less, the public agency which removed, or caused the removal of, the vehicle shall cause the disposal of the vehicle under this section, subject to all of the following requirements:

(a) Not less than 72 hours before the vehicle is removed, the peace officer or the authorized public employee has securely attached to the vehicle a distinctive notice which states that the vehicle will be removed by the public agency.

(b) Immediately after removal of the vehicle, the public agency which removed, or caused the removal of, the vehicle shall notify the Stolen Vehicle System of the Department of Justice in Sacramento of the removal.

(c) The public agency which removed, or caused the removal of, the vehicle or, at the request of the public agency, the lienholder shall obtain a copy of the names and addresses of all persons having an interest in the vehicle, if any, from the Department of Motor Vehicles either directly or by use of the California Law Enforcement Telecommunications System. This subdivision does not require the public agency or lienholder to obtain a copy of the actual record on file at the Department of Motor Vehicles.

(d) Within 48 hours of the removal, excluding weekends and holidays, the public agency which removed, or caused the removal of, the vehicle or, at the request of the public agency, the lienholder shall send a notice to the registered and legal owners at their addresses of record with the Department of Motor Vehicles, and to any other person known to have an interest in the vehicle. A notice sent by the public agency shall be sent by certified or first-class mail, and a notice sent by the lienholder shall be sent by certified mail. The notice shall include all of the following information:

(1) The name, address, and telephone number of the public agency providing the notice.

(2) The location of the place of storage and description of the vehicle which shall include, if available, the vehicle make, license plate number, vehicle identification number, and mileage.

(3) The authority and purpose for the removal of the vehicle.

(4) A statement that the vehicle will be disposed of 15 days from the date of the notice.

(5) A statement that the owners and interested persons, or their agents, have the opportunity for a poststorage hearing before the public agency which removed, or caused the removal of, the vehicle to determine the validity of the storage if a request for a hearing is made in person, in writing, or by telephone within 10 days from the date of notice; that, if the owner or interested person, or his or her agent, disagree with the decision of the public agency, the decision may be reviewed pursuant to Section 11523 of the Government Code; and that during the time of the initial hearing, or during the time the decision is being reviewed pursuant to Section 11523 of the Government Code, the vehicle in question shall not be disposed of.

(e) (1) Any requested hearings shall be conducted within 48 hours of the request, excluding weekends and holidays. The public agency which removed the vehicle may authorize its own officers to conduct the hearing if the hearing officer is not the same person who directed the storage of the vehicle.

(2) Failure of either the registered or legal owner or interested person, or his or her agent, to request or to attend a scheduled hearing shall satisfy the poststorage validity hearing requirement of this section.

(f) The public agency employing the person, or utilizing the services of a contractor or franchiser pursuant to subdivision (b) of Section 22669, which removed, or caused the removal of, the vehicle and which directed any towing or storage, shall be responsible for the costs incurred for towing and storage if it is determined in the hearing that reasonable grounds to believe that the vehicle was abandoned are not established.

(g) No authorization for disposal may be issued by the public agency which removed, or caused the removal of, the vehicle to a lienholder who is storing the vehicle prior to the conclusion of a requested poststorage hearing or any judicial review of that hearing.

(h) If, after 15 days from the notification date, the vehicle remains unclaimed and the towing and storage fees have not been paid, and if no request for a poststorage hearing was requested or a poststorage hearing was not attended, the public agency which removed, or caused the removal of, the vehicle shall provide to the lienholder who is storing the vehicle, on a form approved by the Department of Motor Vehicles, authorization to dispose of the vehicle. The lienholder may request the public agency to provide the authorization to dispose of the vehicle.

(i) If the vehicle is claimed by the owner or his or her agent within 15 days of the notice date, the lienholder who is storing the vehicle may collect reasonable fees for services rendered, but may not collect lien sale fees as provided in Section 22851.12.

(j) Disposal of the vehicle by the lienholder who is storing the vehicle may only be to a licensed dismantler or scrap iron processor. A copy of the public agency's authorization for disposal shall be forwarded to the licensed dismantler within five days of disposal to a licensed dismantler. A copy of the public agency's authorization for disposal shall be retained by the lienholder who stored the vehicle for a period of 90 days if the vehicle is disposed of to a scrap iron processor.

(k) If the names and addresses of the registered and legal owners of the vehicle are not available from the records of the Department of Motor Vehicles, either directly or by use of the California Law Enforcement Telecommunications System, the public agency may issue to the lienholder who stored the vehicle an authorization for disposal at any time after the removal.

The lienholder may request the public agency to issue an authorization for disposal after the lienholder ascertains that the

names and addresses of the registered and legal owners of the vehicle are not available from the records of the Department of Motor Vehicles either directly or by use of the California Law Enforcement Telecommunications System.

SEC. 3. Section 22851.6 of the Vehicle Code is amended to read:

22851.6. (a) Lienholders who acquire a vehicle subject to Section 22851.2 shall satisfy their lien pursuant to Sections 22851.8 and 22851.10 if the vehicle has a value not exceeding three hundred dollars ($300) as determined pursuant to Section 22670.

(b) All forms required by Sections 22851.8 and 22851.10 shall be prescribed by the Department of Motor Vehicles. The language used in the notices and declarations shall be simple and nontechnical.

SEC. 4. Section 22852 of the Vehicle Code is amended to read:

22852. (a) Whenever an authorized member of a public agency directs the storage of a vehicle, as permitted by this chapter, or upon the storage of any vehicle as permitted herein (except as provided in subdivision (d) or (e)), the agency or person directing the storage shall provide the vehicle's registered and legal owners of record, or their agents, with the opportunity for a poststorage hearing to determine the validity of the storage.

(b) A notice of the storage shall be mailed or personally delivered to the registered and legal owners within 48 hours, excluding weekends and holidays, and shall include the following information:

(1) The name, address, and telephone number of the agency providing the notice;

(2) The location of the place of storage and description of the vehicle, which shall include, if available, the name or make, the manufacturer, the license plate number, and the mileage;

(3) The authority and purpose for the removal of the vehicle.

The notice shall also specify that, in order to receive their poststorage hearing, the owners, or their agents, shall request the hearing in person, writing, or by telephone within 10 days of the date appearing on the notice. The hearing shall be conducted within 48 hours of the request, excluding weekends and holidays. The public agency may authorize its own officer or employee to conduct the hearing if the hearing officer is not the same person who directed the storage of the vehicle.

(c) Failure of either the registered or legal owner, or his or her agent, to request or to attend a scheduled hearing shall satisfy the poststorage validity hearing requirement of this section.

The agency employing the person who directed the storage shall be responsible for the costs incurred for towing and storage if it is determined in the hearing that reasonable grounds for the storage are not established.

(d) This section does not apply to vehicles abated under the Abandoned Vehicle Abatement Program pursuant to Sections 22660 to 22668, inclusive, and Section 22710, or to vehicles impounded for investigation pursuant to Section 22655, or to vehicles removed from private property pursuant to Section 22658.

(e) This section does not apply to abandoned vehicles removed pursuant to Section 22669 which are determined by the public agency to have an estimated value of three hundred dollars ($300) or less.

CHAPTER 531

An act to amend Sections 1522.1 and 1596.877 of the Health and Safety Code, and to amend Sections 11166.1, 11166.2, and 11167 of, and to amend and renumber Section 11166.1 of, the Penal Code, relating to child care facilities.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 1522.1 of the Health and Safety Code is amended to read:

1522.1. Prior to granting a license to, or otherwise approving, any individual to care for children, the department shall check the Child Abuse Registry pursuant to paragraph (3) of subdivision (b) of Section 11170 of the Penal Code. The department shall investigate any reports received from the Child Abuse Registry. The investigation shall include, but not be limited to, the review of the investigation report and file prepared by the child protective agency which investigated the child abuse report. The department shall not deny a license based upon a report from the Child Abuse Registry unless child abuse is substantiated.

SEC. 2. Section 1596.877 of the Health and Safety Code is amended to read:

1596.877. Prior to granting a license to any individual to care for children, the department shall check the Child Abuse Registry pursuant to paragraph (3) of subdivision (b) of Section 11170 of the Penal Code. The department shall investigate any reports received from the Child Abuse Registry. The investigation shall include, but not be limited to, the review of the investigation report and file prepared by the child protective agency which investigated the child abuse report. The department shall not deny a license based upon a report from the Child Abuse Registry unless child abuse is substantiated.

SEC. 3. Section 11166.1 of the Penal Code, as added by Section 2 of Chapter 1262 of the Statutes of 1985, is amended and renumbered to read:

11166.3. (a) The Legislature intends that in each county the law enforcement agencies and the county welfare or social services department shall develop and implement cooperative arrangements in order to coordinate existing duties in connection with the

investigation of suspected child abuse cases. The local law enforcement agency having jurisdiction over a case reported under Section 11166 shall report to the county welfare department that it is investigating the case within 36 hours after starting its investigation. The county welfare department or social services department shall, in accordance with the requirements of subdivision (c) of Section 288, evaluate what action or actions would be in the best interest of the child victim. Notwithstanding any other provision of law, the county welfare department or social services department shall submit in writing its findings and the reasons therefor to the district attorney on or before the completion of the investigation. The written findings and the reasons therefor shall be delivered or made accessible to the defendant or his or her counsel in the manner specified in Sections 859 and 1430. The child protective agency shall send a copy of its investigative report and any other pertinent materials to the licensing agency upon the request of the licensing agency.

(b) The local law enforcement agency having jurisdiction over a case reported under Section 11166 shall report to the district office of the State Department of Social Services any case reported under this section if the case involves a facility specified in paragraph (5) or (6) of Section 1502 or in Section 1596.750 or 1596.76 of the Health and Safety Code and the licensing of the facility has not been delegated to a county agency. The law enforcement agency shall send a copy of its investigation report and any other pertinent materials to the licensing agency upon the request of the licensing agency.

SEC. 4. Section 11166.1 of the Penal Code, as added by Section 3 of Chapter 1593 of the Statutes of 1985, is amended to read:

11166.1. When a child protective agency receives a report of abuse alleged to have occurred in facilities licensed to care for children by the State Department of Social Services, it shall, within 24 hours, notify the licensing office with jurisdiction over the facility. The child protective agency shall send the licensing agency a copy of its investigation and any other pertinent materials.

SEC. 5. Section 11166.2 of the Penal Code is amended to read:

11166.2. In addition to the reports required under Section 11166, a child protective agency shall immediately or as soon as practically possible report by telephone to the appropriate licensing agency every known or suspected instance of child abuse, except acts or omissions coming within the provisions of paragraph (2) of subdivision (c) of Section 11165, which shall only be reported to the county welfare department, when the instance of abuse occurs while the child is being cared for in a child day care facility, involves a child day care licensed staff person, or occurs while the child is under the supervision of a community care facility or involves a community care facility licensee or staff person. A child protective agency shall also send a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it is

required to make a telephone report under this subdivision. A child protective agency shall send the licensing agency a copy of its investigation report and any other pertinent materials.

SEC. 6. Section 11167 of the Penal Code is amended to read:

11167. (a) A telephone report of a known or suspected instance of child abuse shall include the name of the person making the report, the name of the child, the present location of the child, the nature and extent of the injury, and any other information, including information that led that person to suspect child abuse, requested by the child protective agency.

(b) Information relevant to the incident of child abuse may also be given to an investigator from a child protective agency who is investigating the known or suspected case of child abuse.

(c) Information relevant to the incident of child abuse may be given to the licensing agency when it is investigating a known or suspected case of child abuse, including the investigation report, and other pertinent materials.

(d) The identity of all persons who report under this article shall be confidential and disclosed only between child protective agencies, or to counsel representing a child protective agency, or to the district attorney in a criminal prosecution or in an action initiated under Section 602 of the Welfare and Institutions Code arising from alleged child abuse, or to counsel appointed pursuant to Section 318 of the Welfare and Institutions Code, or to the county counsel or district attorney in an action initiated under Section 232 of the Civil Code or Section 300 of the Welfare and Institutions Code, or to a licensing agency when abuse in out-of-home care is reasonably suspected, or when those persons waive confidentiality, or by court order.

No agency or person listed in this subdivision shall disclose the identity of any person who reports under this article to that person's employer, except with the employee's consent or by court order.

(e) Persons who may report pursuant to subdivision (d) of Section 11166 are not required to include their names.

SEC. 7. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 532

An act to amend Section 600 of the Corporations Code, relating to corporations.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987]

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

SECTION 1. Section 600 of the Corporations Code is amended to read:

600. (a) Meetings of shareholders may be held at such place within or without this state as may be stated in or fixed in accordance with the bylaws. If no other place is stated or so fixed, shareholder meetings shall be held at the principal executive office of the corporation.

(b) An annual meeting of shareholders shall be held for the election of directors on a date and at a time stated in or fixed in accordance with the bylaws. However, if the corporation is a regulated management company, as defined in Section 23701m of the Revenue and Taxation Code, a meeting of shareholders shall be held as required by the Federal Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). Any other proper business may be transacted at the annual meeting.

(c) If there is a failure to hold the annual meeting for a period of 60 days after the date designated therefor or, if no date has been designated, for a period of 15 months after the organization of the corporation or after its last annual meeting, the superior court of the proper county may summarily order a meeting to be held upon the application of any shareholder after notice to the corporation giving it an opportunity to be heard. The shares represented at such meeting, either in person or by proxy, and entitled to vote thereat shall constitute a quorum for the purpose of such meeting, notwithstanding any provision of the articles or bylaws or in this division to the contrary. The court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of such meeting, the record date for determination of shareholders entitled to vote and the form of notice of such meeting.

(d) Special meetings of the shareholders may be called by the board, the chairman of the board, the president or the holders of shares entitled to cast not less than 10 percent of the votes at the meeting or such additional persons as may be provided in the articles or bylaws.

CHAPTER 533

An act to amend Section 25353 of the Health and Safety Code, relating to hazardous substances.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 25353 of the Health and Safety Code is amended to read:

25353. (a) Except as provided in (b), the department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for a removal or remedial action with respect to a hazardous substance release site owned or operated by the federal government or a state or local agency at the time of disposal to the extent that the federal government or the state or local agency would otherwise be liable for the costs of that action, except that the department may expend those funds, upon appropriation by the Legislature, to oversee the carrying out of a removal or remedial action at the site by another party.

(b) Except as provided in subdivision (f), the department may expend funds from the state account or the Hazardous Substance Cleanup Fund, upon appropriation by the Legislature, to take a removal or remedial action at a hazardous substance release site which was owned or operated by a local agency at the time of release, if all of the following requirements are met:

(1) The department has substantial evidence that a local agency is not the only responsible party for the site.

(2) The department has issued a cleanup order to, or entered into an enforceable agreement with, the local agency pursuant to Section 25355.5 and has made a final determination that the local agency is not in compliance with the order or enforceable agreement.

(c) The department shall recover any funds expended pursuant to subdivision (a) or (b) to the maximum possible extent pursuant to Section 25360.

(d) If a local agency is identified as a potentially responsible party in a remedial action plan prepared pursuant to Section 25356.1, and the department expends funds pursuant to this chapter to pay for the local agency's share of the removal and remedial action, the expenditure of these funds shall be deemed to be a loan from the state to the local agency. If the department determines that the local agency is not making adequate progress toward repaying the loan made pursuant to this section, the State Board of Equalization shall, upon notice by the department, withhold the unpaid amount of the loan, in increments from the sales and use tax transmittals made pursuant to Section 7204 of the Revenue and Taxation Code, to the city or county in which the local agency is located. The State Board

of Equalization shall structure the amounts to be withheld so that complete repayment of the loan, together with interest and administrative charges, occurs within five years after a local agency has been notified by the department of the amount which it owes. The State Board of Equalization shall deposit any funds withheld pursuant to this section in the Hazardous Substance Clearing Account for the purposes specified in Section 25334, if the department expended the funds from the Hazardous Substance Cleanup Fund, or into the state account, if the department expended the funds from the state account.

(e) The department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for the purposes specified in Section 25352 where the injury, degradation, destruction, or loss to natural resources, or the release of a hazardous substance from which the damages to natural resources resulted, has occurred prior to September 25, 1981.

(f) The department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for a removal or remedial action at any waste management unit owned or operated by a local agency if it meets both of the following conditions:

(1) It is classified as a class III waste management unit pursuant to Subchapter 15 (commencing with Section 2510) of Chapter 3 of Title 23 of the California Administrative Code.

(2) It was in operation on or after January 1, 1988.

SEC. 2. Section 25353 of the Health and Safety Code is amended to read:

25353. (a) Except as provided in subdivision (b), the department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for a removal or remedial action with respect to a hazardous substance release site owned or operated by the federal government or state or local agency at the time of disposal to the extent that the federal government or the state or local agency would otherwise be liable for the costs of that action, except that the department may expend those funds, upon appropriation by the Legislature, to oversee the carrying out of a removal or remedial action at the site by another party.

(b) The department may expend funds from the state account or the Hazardous Substance Cleanup Fund, upon appropriation by the Legislature, to take a removal or remedial action at a hazardous substance release site which was owned or operated by a local agency at the time of release, if all of the following requirements are met:

(1) The department has substantial evidence that a local agency is not the only responsible party for the site.

(2) The department has issued a cleanup order to, or entered into an enforceable agreement with, the local agency pursuant to Section 25355.5 and has made a final determination that the local agency is not in compliance with the order or enforceable agreement.

(c) The department shall recover any funds expended pursuant to subdivision (a) or (b) to the maximum possible extent pursuant

to Section 25360.

(d) If a local agency is identified as a potentially responsible party in a remedial action plan prepared pursuant to Section 25356.1, and the department expends funds pursuant to this chapter to pay for the local agency's share of the removal and remedial action, the expenditure of these funds shall be deemed to be a loan from the state to the local agency. If the department determines that the local agency is not making adequate progress toward repaying the loan made pursuant to this section, the State Board of Equalization shall, upon notice by the department, withhold the unpaid amount of the loan, in increments from the sales and use tax transmittals made pursuant to Section 7204 of the Revenue and Taxation Code to the city or county in which the local agency is located. The State Board of Equalization shall structure the amounts to be withheld so that complete repayment of the loan, together with interest and administrative charges, occurs within five years after a local agency has been notified by the department of the amount which it owes. The State Board of Equalization shall deposit any funds withheld pursuant to this section in the Hazardous Substance Clearing Account for the purposes specified in Section 25334, if the department expended the funds from the Hazardous Substance Cleanup Fund, or into the state account, if the department expended the funds from the state account.

(e) The department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for the purposes specified in Section 25352 where the injury, degradation, destruction, or loss to natural resources, or the release of a hazardous substance from which the damages to natural resources resulted, has occurred prior to September 25, 1981.

SEC. 3. Section 1 of this bill shall only become operative if this bill and Assembly Bill 2448 are both enacted and become effective on January 1, 1988, in which case Section 2 of this bill shall not become operative.

CHAPTER 534

An act to amend Sections 61493 and 62144 of, to add Sections 61494 and 62145 to, and to repeal Sections 61494 and 62145 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 61493 of the Food and Agricultural Code is amended to read:

61493. Application for the license provided by this article shall be

made on forms prescribed by the director, accompanied by an application fee as prescribed in Section 61494, and state the name and address of the applicant and any details specifically related to the nature of the applicant's business that the director may require. The applicant shall further satisfy the director of his or her character, responsibility, and good faith in seeking to carry on the business stated in the application.

SEC. 2. Section 61494 of the Food and Agricultural Code is repealed.

SEC. 3. Section 61494 is added to the Food and Agricultural Code, to read:

61494. One-half of the valid license renewals shall be issued for a period of 24 months beginning January 1, 1988. The application fee for the renewal of the 24-month license shall be twenty-five dollars ($25).

The remaining valid license renewals shall be issued for a period of 12 months beginning January 1, 1988. The application fee for the renewal of the 12-month license shall be twelve dollars and fifty cents ($12.50).

Beginning January 1, 1989, all renewals of licenses shall be issued for a 24-month period, and shall be twenty-five dollars ($25).

Except as otherwise provided, beginning January 1, 1988, every new license issued shall expire on the 31st day of December of the following year.

Application for a new license or a renewal license, together with the appropriate application fee, shall be made prior to the handling of manufacturing milk or the expiration date of the license held. If it is not so made, the applicant shall pay an additional twenty-five dollars ($25) before the license shall be issued.

SEC. 4. Section 62144 of the Food and Agricultural Code is amended to read:

62144. Applications for the license provided by this article shall be made on forms prescribed by the director, accompanied by a fee as prescribed in Section 62145, and state the name and address of the applicant and any details specifically related to the nature of the applicant's business that the director may require. The applicant shall further satisfy the director of his or her character, responsibility, and good faith in seeking to carry on the business stated in the application.

SEC. 5. Section 62145 of the Food and Agricultural Code is repealed.

SEC. 6. Section 62145 is added to the Food and Agricultural Code, to read:

62145. One-half of the valid license renewals shall be issued for a period of 24 months beginning January 1, 1988. The application fee for renewal of the 24-month license shall be twenty-five dollars ($25).

The remaining valid license renewals shall be issued for a period of 12 months beginning January 1, 1988. The application fee for the renewal of the 12-month license shall be twelve dollars and fifty cents

($12.50).

Beginning January 1, 1989, all renewals of licenses shall be issued for a 24-month period and shall be twenty-five dollars ($25).

Except as otherwise provided, beginning January 1, 1988, every new license issued shall expire on the 31st day of December of the following year.

Application for a new license or a renewal license, together with the appropriate application fee, shall be made prior to the handling of market milk or the expiration date of the license held. If it is not so made, the applicant shall pay an additional twenty-five dollars ($25) before the license shall be issued.

CHAPTER 535

An act to amend Sections 10450.6 and 10471 of the Business and Professions Code, relating to real estate, and making an appropriation therefor.

[Approved by Governor September 10, 1987 Filed with Secretary of State September 11, 1987.]

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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) The Real Estate Recovery Program administered by the Department of Real Estate, and funded by licensee contributions, has, for many years, provided a valuable public and consumer service by assisting in compensating individuals who have suffered economic losses by the actions of real estate licensees who are unable to respond to judgments, thereby providing greater confidence for the public in dealing with real estate brokers and salespersons licensed by the State of California.

(b) The economic vitality of the Real Estate Recovery Program must be protected in order for the program to continue to perform valuable consumer protection functions.

(c) An independent study completed for the Department of Real Estate has determined that, based upon anticipated future program revenues and claims, the Real Estate Recovery Program is now insolvent.

(d) In recent years the Real Estate Recovery Program has been subject to claims which have exceeded the intended purpose of the program, in certain cases brought by claimants who have employed judicial procedures designed solely to assure access to the Recovery Account.

(e) Legislative action is necessary to provide sufficient funding for the Real Estate Recovery Program so that future claims within the intended scope of the program and diligently pursued by

aggrieved parties may be paid in a prompt and timely fashion.

SEC. 2. Section 10450.6 of the Business and Professions Code is amended to read:

10450.6. There shall be separate accounts in the Real Estate Fund for purposes of real estate education and research and for purposes of recovery which shall be known respectively as the Education and Research Account and the Recovery Account. Eight percent of the amount of any license fee collected under this part shall be credited to the Education and Research Account and 12 percent of the amount of any license fee collected shall be credited to the Recovery Account. Funds in the Education and Research Account shall be used by the commissioner in accordance with Section 10451.5. The Recovery Account is a continuing appropriation for carrying out Chapter 6.5 (commencing with Section 10470).

SEC. 3. Section 10471 of the Business and Professions Code is amended to read:

10471. (a) When an aggrieved person obtains a final judgment in a court of competent jurisdiction or an arbitration award which includes findings of fact and conclusions of law rendered in accordance with the rules established by the American Arbitration Association or another recognized arbitration body, and in accordance with Sections 1281 to 1294.2, inclusive, of the Code of Civil Procedure where applicable, and where the arbitration award has been confirmed and reduced to judgment pursuant to Section 1287.4 of the Code of Civil Procedure, against a defendant based upon the defendant's fraud, misrepresentation, or deceit, made with intent to defraud, or conversion of trust funds arising directly out of any transaction not in violation of Section 10137 or 10138 in which the defendant, while licensed under this part, performed acts for which that license was required, the aggrieved person may, upon the judgment becoming final, file an application with the Department of Real Estate for payment from the Recovery Account, within the limitations specified in Section 10474, of the amount unpaid on the judgment which represents an actual and direct loss to the claimant in the transaction.

(b) The application shall be delivered in person or by certified mail to an office of the department and a copy served on the judgment debtor in accordance with Section 10471.1 not later than one year after the judgment has become final.

(c) The application shall be made on a form prescribed by the department, verified by the claimant, and shall include the following:

(1) The name and address of the claimant.

(2) If the claimant is represented by an attorney, the name, business address, and telephone number of the attorney.

(3) The identification of the judgment, the amount of the claim and an explanation of its computation.

(4) A detailed narrative statement of the facts in explanation of the allegations of the complaint upon which the underlying

judgment is based.

(5) A statement by the claimant, signed under penalty of perjury, that the complaint upon which the underlying judgment is based was prosecuted conscientiously and in good faith. As used in this section, "conscientiously and in good faith" means that no party potentially liable to the claimant in the underlying transaction was intentionally and without good cause omitted from the complaint, that no party named in the complaint who otherwise reasonably appeared capable of responding in damages was dismissed from the complaint intentionally and without good cause, and that the claimant employed no other procedural tactics contrary to the diligent prosecution of the complaint in order to provide access to the Recovery Account.

(6) The name and address of the judgment debtor or, if not known, the names and addresses of persons who may know the judgment debtor's present whereabouts.

(7) The following representations and information from the claimant:

(A) That he or she is not a spouse of the judgment debtor nor a personal representative of the spouse.

(B) That he or she has complied with all of the requirements of this chapter.

(C) That the judgment underlying the claim meets the requirements of subdivision (a).

(D) A description of searches and inquiries conducted by or on behalf of the claimant with respect to the judgment debtor's assets liable to be sold or applied to satisfaction of the judgment, an itemized valuation of the assets discovered, and the results of actions by the claimant to have the assets applied to satisfaction of the judgment.

(E) That he or she has diligently pursued collection efforts against other judgment debtors and all other persons liable to the claimant in the transaction that is the basis for the underlying judgment.

(F) That the underlying judgment and debt have not been discharged in bankruptcy, or, in the case of a bankruptcy proceeding that is open at the time of the filing of the application, that the judgment and debt have been declared to be nondischargeable.

(G) That the application was mailed or delivered to the department no later than one year after the underlying judgment became final.

(d) The application form shall include detailed instructions with respect to documentary evidence, pleadings, court rulings, the products of discovery in the underlying litigation, and a notice to the applicant of his or her obligation to protect the underlying judgment from discharge in bankruptcy, to be appended to the application.

CHAPTER 536

An act to amend Section 432 of the Public Utilities Code, relating to the Public Utilities Commission.

[Approved by Governor September 10, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. Section 432 of the Public Utilities Code is amended to read:

432. The commission shall establish the fee pursuant to Section 431 with the approval of the Department of Finance and in accordance with all of the following:

(a) In its annual budget request, the commission shall specify both of the following:

(1) The amount of its budget to be financed by the fee.

(2) The dollar allocation of the amount of its budget to be financed by the fee by each class of public utility subject to the fee. The fee allocation among classes of public utilities shall bear the same ratio that the commission's workload for each class of public utility subject to the fee bears to the commission's total workload for all public utilities subject to the fee.

(b) The commission may establish different and distinct methods of assessing fees for each class of public utility, if the revenues collected are consistent with paragraph (2) of subdivision (a).

(c) Within each class of public utility subject to the fee, the commission shall allocate among the members of the class the amount of its budget to be financed by the fee using the following methods:

(1) For electrical corporations, the ratio that each corporation's sales in kilowatt hours bears to the total sales in kilowattt hours for the class.

(2) For gas corporations, the ratio that each corporation's sales in therms bears to the total sales in therms for the class.

(3) For telephone and telegraph corporations, the ratio that each corporation's gross intrastate revenues bears to the total gross intrastate revenues for the class. If the commission determines that there is a need for consultants or advisory services to assist in determining the reasonableness of capital expenditures for a telephone corporation, the commission may adjust the fees within the class so that the expenses for the consultants and advisory services are fully allocated to that telephone corporation.

(4) For water and sewer system corporations, the ratio that each corporation's gross intrastate revenues bears to the total gross intrastate revenues for the class.

(5) For all other public utilities, an appropriate measurement methodology determined by the commission.

(d) Every public utility belonging to more than one class shall be subject to the fee for each class of which it is a member.

(e) For every public utility with annual gross intrastate revenues of seven hundred fifty thousand dollars ($750,000) or less, the commission shall annually establish uniform fees to be paid by each such public utility, if the revenues collected thereby are consistent with paragraph (2) of subdivision (a) and subdivision (c).

CHAPTER 537

An act to amend Sections 80, 531.2, and 532 of, and to add Section 51.5 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 11, 1987. Filed with Secretary of State September 11, 1987.]

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

SECTION 1. (a) The Legislature finds and declares that fairness and equity require that county assessors have express authority to make corrections to property tax base-year values whenever it is discovered that a base-year value does not reflect applicable constitutional or statutory valuation standards or the base-year value was omitted. Any limitations imposed upon the assessor's authority to correct these errors would result in a system of taxation which, on the one hand, denies the benefits of Article XIII A of the California Constitution to some taxpayers where the barred error or correction would reduce the base-year value and, on the other hand, encourages even the most honest person to engage in deception and concealment in order to delay discovery of changes in ownership or new construction beyond the point where a correction of the base-year value can be made. Further, the failure to place any value on the assessment roll for property which completely escapes taxation because of limitations on the authority to correct errors would violate the constitutional requirement that all property in the state shall be subject to taxation. Nothing in this act violates either the spirit or the letter of Article XIII A of the California Constitution since all corrections permitted by it must be consistent with applicable constitutional and statutory valuation standards.

(b) The Legislature further finds and declares that the provisions of law relating to escape assessments are in no way inconsistent with Article XIII A of the California Constitution. An escape assessment merely reflects the amount by which the property has been underassessed and is a mechanism which permits the correction of the effects of that underassessment. The amount of the underassessment must be determined, however, in accordance with the applicable statutory valuation standards. Thus, an escape assessment is merely a mechanism for implementing existing

property tax law and cannot be in conflict with it. Accordingly, the amendments to Sections 531.2 and 532 of the Revenue and Taxation Code made by this act are necessary to make clear that an escape assessment resulting from the correction of an error in a base-year value may be made within four, six, or eight years, as applicable, after the first day of July of the assessment year, as defined in Section 118 of the Revenue and Taxation Code, in which the property either wholly escaped taxation or was underassessed, as determined by applying the applicable Article XIII A valuation standards.

SEC. 2. Section 51.5 is added to the Revenue and Taxation Code, to read:

51.5. (a) Notwithstanding any other provision of the law, any error or omission in the determination of a base-year value pursuant to paragraph (2) of subdivision (a) of Section 110.1, including the failure to establish that base-year value, which does not involve the exercise of an assessor's judgment as to value, shall be corrected in any assessment year in which the error or omission is discovered.

(b) An error or an omission described in subdivision (a) which involves the exercise of an assessor's judgment as to value may be corrected only if it is placed on the current roll or roll being prepared within four years after July 1 of the assessment year for which the base-year value was first established.

(c) An error or an omission involving the exercise of an assessor's judgment as to value shall not include errors or omissions resulting from the taxpayer's fraud, concealment, misrepresentation, or failure to comply with any provision of law for furnishing information required by Sections 441, 470, 480, 480.1, and 480.2, or from clerical errors.

(d) If a correction authorized by subdivision (a) or (b) reduces the base-year value, appropriate cancellations or refunds of tax shall be granted in accordance with this division. If the correction increases the base-year value, appropriate escape assessments shall be imposed in accordance with this division.

(e) The existence of a clerical error shall be proved by a preponderance of the evidence, except that if the correction is made more than four years after July 1 of the assessment year for which the base-year value was first established the clerical error shall be proved by clear and convincing evidence, including the papers in the assessor's office. Nothing in this subdivision shall be construed to change the standard of proof applicable to a determination of the value of property.

(f) For purposes of this section:

(1) "Assessment year" means an assessment year as defined in Section 118.

(2) "Clerical errors" means only those defects of a mechanical, mathematical, or clerical nature, not involving judgment as to value, where it can be shown from papers in the assessor's office or other evidence that the defect resulted in a base-year value that was not intended by the assessor at the time it was determined.

SEC. 3. Section 80 of the Revenue and Taxation Code is amended to read:

80. (a) An application for reduction in the base-year value of an assessment on the current local roll may be filed during the regular filing period for that year as set forth in Section 1603 or Section 1840, subject to the following limitations:

(1) The base-year value determined by a local board of equalization or by the State Board of Equalization, originally or on remand by a court, or by a court shall be conclusively presumed to be the base-year value for any 1975 assessment which was appealed.

(2) The base-year value determined pursuant to paragraph (1) of subdivision (a) of Section 110.1 shall be conclusively presumed to be the base-year value unless an equalization application is filed no later than the regular filing period following the 1980 lien date. Once an application is filed, the base-year value determined pursuant to that application shall be conclusively presumed to be the base-year value for that assessment.

(3) The base-year value determined pursuant to paragraph (2) of subdivision (a) of Section 110.1 shall be conclusively presumed to be the base-year value, unless an application for equalization is filed during the regular equalization period for the year in which the assessment is placed on the assessment roll or in any of the three succeeding years. Once an application is filed, the base-year value determined pursuant to that application shall be conclusively presumed to be the base-year value for that assessment.

(4) The base-year value determined pursuant to Section 51.5 shall be conclusively presumed to be the base-year value unless an application for equalization is filed during the appropriate equalization period for the year in which the error is corrected or in any of the three succeeding years. Once an application is filed, the base-year value determined pursuant to that application shall be conclusively presumed to be the base-year value for that assessment.

(5) Any reduction in assessment made as the result of an appeal under this section shall apply for the assessment year in which the appeal is taken and prospectively thereafter.

(b) This section does not prohibit the filing of an application for appeal where a new value was placed on the roll pursuant to Section 51.

(c) An application for equalization made pursuant to Section 620 or Section 1605 when determined, shall be conclusively presumed to be the base-year value in the same manner as provided herein.

SEC. 4. Section 531.2 of the Revenue and Taxation Code is amended to read:

531.2. When the property is real property which subsequent to July 1 of the year of escape for purposes of this article, or subsequent to July 1 of the year in which the property should have been lawfully assessed, for purposes of Article 3 (commencing with Section 501), but prior to the date of that assessment and the showing thereof on the secured roll, with the date of entry specified thereon, has

(1) been transferred or conveyed to a bona fide purchaser for value, or (2) become subject to a lien of a bona fide encumbrance for value, the escape assessment pursuant to either of these articles shall not create or impose a lien or charge on that real property, but shall be entered on the unsecured roll in the name of the person who would have been the assessee in the year in which it escaped assessment and shall thereafter be treated and collected like other taxes on that roll. The tax rate applicable shall be the secured tax rate of the year in which the property escaped assessment.

If the real property escaped assessment as a result of an unrecorded change in ownership or change in control for which a change in ownership statement required by Section 480, 480.1, or 480.2 is not filed, the assessor shall appraise the property as of the date of transfer and enroll the difference in taxable value for each of the subsequent years on the secured roll, with the date of entry specified thereon, provided, however, that if prior to the date of the assessment the property has (1) been transferred or conveyed to a bona fide purchaser for value, or (2) become subject to a lien of a bona fide encumbrance for value, the escape assessment pursuant to this paragraph shall not create or impose a lien or charge on such real property but shall be entered on the unsecured roll in the name of the person who would have been the assessee in the year in which it escaped assessment and shall thereafter be treated and collected like other taxes on that roll. The tax rate applicable shall be the secured rate of the year in which the property escaped assessment. Notwithstanding the provisions of Section 532, escaped assessments resulting from these unrecorded changes in ownership or changes in control shall be made within eight years after July 1 of the assessment year in which the real property escaped taxation or was underassessed. "Assessment year" means the period defined in Section 118.

SEC. 5. Section 532 of the Revenue and Taxation Code is amended to read:

532. Any assessment to which the penalty provided for in Section 504 must be added shall be made within six years after July 1 of the assessment year in which the property escaped taxation or was underassessed. Any other assessment made pursuant to Article 3 (commencing with Section 501), or pursuant to this article shall be made within four years after July 1 of the assessment year in which the property escaped taxation or was underassessed. "Assessment year" means the period defined in Section 118.

CHAPTER 538

An act to add Section 21655.3 to the Vehicle Code, relating to highways.

[Approved by Governor September 11, 1987. Filed with Secretary of State September 11, 1987]

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

SECTION 1. Section 21655.3 is added to the Vehicle Code, to read:

21655.3. (a) A high-occupancy vehicle lane on a state highway which has been given permanent operational status as a high-occupancy lane by the department on or after January 1, 1987, but before December 31, 1987, in conjunction with a transportation planning agency, and which is operated as a high-occupancy vehicle lane on a 24-hour basis after that date, shall be separated from adjacent mixed-flow lanes by a buffer area of at least four feet in width.

(b) The transportation planning agency having within its area of jurisdiction a high-occupancy vehicle lane meeting the operational requirements of subdivision (a) and having no buffer or a buffer less than four feet in width shall, by July 1, 1988, do one of the following:

(1) Enter into an agreement with the department to provide a four-foot buffer between the high-occupancy vehicle lane and the adjacent lanes and agree to pay any costs for the buffer not programmed by the department.

(2) Submit to the department a written request that the high-occupany vehicle lane be changed to a mixed-flow lane.

(c) Upon receipt of notification by the transportation planning agency of its request that the high-occupancy vehicle lane become a mixed-flow lane, the department shall proceed with the work necessary to change the high-occupancy lane to a mixed-flow lane.

(d) The width of a buffer between a high-occupancy vehicle lane and adjacent lanes may be less than four feet at locations where a four-foot buffer would require the removal, relocation, or reconstruction of any existing bridge support structures or where part of the buffer space is required for enforcement refuge areas.

SEC. 2. Section 1 of this act shall become operative only if, and at the same time as, Senate Bill 622 becomes operative.

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.