STATUTES OF CALIFORNIA

1987–88

REGULAR SESSION

1988 CHAPTERS

CHAPTER 1

An act to amend Section 20022 of the Government Code, relating to state employees, declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 19, 1988. Filed with Secretary of State January 19, 1988.]

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

SECTION 1. Section 20022 of the Government Code is amended to read:

20022. (a) "Compensation" includes: (1) the remuneration paid in cash out of funds controlled by the employer, plus the monetary value, as determined by the board, of living quarters, board, lodging, fuel, laundry and other advantages of any nature furnished a member by his or her employer in payment for his or her services or for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence; (2) any payments in cash by his or her employer to one other than an employee for the purpose of purchasing an annuity contract for a member under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of the United States; (3) 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; (4) any amount deducted from the member's salary for payment for participation in a retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code of the United States; (5) any amount deducted from the member's salary for payment into a money purchase pension plan and trust which meets the requirements of Section 401(a) of the Internal Revenue Code of the United States; (6) employer "pick up" of member contributions which meets the requirements of Section 414(h)(2) of the Internal Revenue Code of the United States; (7) any disability or workers' compensation payments to safety members in accordance with Sections 4800 and 4850 of the Labor Code; (8) 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; (9) compensation for uniforms, except as provided in Section 20022.1; (10) any other payments the board may determine to be compensation.

(b) "Compensation" shall not include: (1) the provision by an employer of any medical or hospital service or care plan or insurance plan (other than the purchase of annuity contracts referred to in this section) for its employees, any contribution by an employer to meet the premium or charge for such plan, or any payment into a private fund to provide health and welfare benefits for its employees; (2) any payment by an employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act; (3) amounts not available for payment of salaries and which are applied by an employer for the purchase of annuity contracts including those which meet the requirements of Section 403(b) of the Internal Revenue Code of the United States; (4) the bonus sum provided for low-paid state employees in the Budget Act of 1975; (5) any benefits paid pursuant to Article 5 (commencing with Section 19878) of Chapter 2.5 of Part 2.6 of this division; (6) employers' payments which are to be credited as employee contributions for benefits provided by this system, or employers' payments which are to be credited to employee accounts in deferred compensation plans; provided, that amounts deducted from a member's wages for participation in a deferred compensation plan pursuant to paragraph (3) of subdivision (a) shall not be considered to be employer's payments; (7) payments for lump-sum vacation or compensating time off upon termination of employment; (8) final settlement pay; (9) lump-sum sick leave payment; (10) payments for overtime, including pay in lieu of vacation or holiday; (11) 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; (12) advanced disability pension payments provided pursuant to Section 4850.3 of the Labor Code; (13) amounts not available for payment of salaries and which are applied by the employer for the purchase of a retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code of the United States; (14) amounts not available for payment of salaries which are applied by the employer for payment into a money purchase pension plan and trust which meets the requirements of Section 401(a) of the Internal Revenue Code of the United States; and (15) any other payments the board may determine not to be compensation.

(c) If the provisions of this section are in conflict with the provisions of the memoranda of understanding reached pursuant to Section 3517.5 for state bargaining units 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, and 20, the memoranda of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(d) Subdivision (c) is not applicable to base salary payments or payments for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or

leave of absence.

SEC. 2. The provisions of the following memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the specified employee organization on the date listed below, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

Unit 11 - California State Employees Association, dated December 16, 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 the 1987–88 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 2

An act to amend Section 20022 of the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 19, 1988. Filed with Secretary of State January 19, 1988]

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

SECTION 1. Section 20022 of the Government Code is amended to read:

20022. (a) "Compensation" includes: (1) the remuneration paid in cash out of funds controlled by the employer, plus the monetary value, as determined by the board, of living quarters, board, lodging, fuel, laundry and other advantages of any nature furnished a member by his or her employer in payment for his or her services or for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence; (2) any payments in cash by his or her employer to one other than an employee for the purpose of purchasing an annuity contract for a member under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of the United States; (3) 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; (4) any amount deducted from the member's salary for payment for participation in a retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code of the United States; (5) any amount deducted from the member's salary for payment into a money purchase pension plan and trust which meets the requirements of Section 401(a) of the Internal Revenue Code of the United States; (6) employer "pick up" of member contributions which meets the requirements of Section 414(h)(2) of the Internal Revenue Code of the United States; (7) any disability or workers' compensation payments to safety members in accordance with Sections 4800 and 4850 of the Labor Code; (8) 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; (9) compensation for uniforms, except as provided in Section 20022.1; (10) any other payments the board may determine to be compensation.

(b) "Compensation" shall not include: (1) the provision by an employer of any medical or hospital service or care plan or insurance plan (other than the purchase of annuity contracts referred to in this section) for its employees, any contribution by an employer to meet the premium or charge for such plan, or any payment into a private fund to provide health and welfare benefits for its employees; (2) any payment by an employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act; (3) amounts not available for payment of salaries and which are applied by an employer for the purchase of annuity contracts including those which meet the requirements of Section 403(b) of the Internal Revenue Code of the United States; (4) the bonus sum provided for low-paid state employees in the Budget Act of 1975; (5) any benefits paid pursuant to Article 5 (commencing with Section 19878) of Chapter 2.5 of Part 2.6 of this division; (6) employers' payments which are to be credited as employee contributions for benefits provided by this system, or employers' payments which are to be credited to employee accounts in deferred compensation plans; provided, that amounts deducted from a member's wages for participation in a deferred compensation plan pursuant to paragraph (3) of subdivision (a) shall not be considered to be employer's payments; (7) payments for lump-sum vacation or compensating time off upon termination of employment; (8) final settlement pay; (9) lump-sum sick leave payment; (10) payments for overtime, including pay in lieu of vacation or holiday; (11) 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; (12) advanced disability pension payments provided pursuant to Section 4850.3 of the Labor Code; (13) amounts not available for payment of salaries and which are applied by the employer for the purchase of a retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code of the United States; (14) amounts not available for payment of salaries which are applied by the employer for payment into a money purchase pension plan and trust which meets the requirements of Section 401(a) of the Internal Revenue Code of the United States; and (15) any other payments the board may determine not to be compensation.

(c) If the provisions of this section are in conflict with the provisions of the memoranda of understanding reached pursuant to Section 3517.5 for state bargaining units 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20, the memoranda of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(d) Subdivision (c) is not applicable to base salary payments or payments for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence.

SEC. 2. The provisions of the following memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the specified employee organization on the date listed below, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

Unit 12 - Association of Trades and Maintenance, dated January 8, 1988.

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 the 1987–88 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 3

An act to amend Sections 69948 and 74839 of, and to add Section 70045.1 to, the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 26, 1988. Filed with Secretary of State January 26, 1988]

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

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

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

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

(c) In Madera County, the board of supervisors may, by ordinance or resolution, prescribe a higher rate of compensation for superior court reporters.

(d) In Kings County, the fee for reporting testimony and proceedings in contested cases is one hundred dollars ($100) a day, or any fractional part thereof.

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

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

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

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

(i) In Sutter County, except as may otherwise be provided in Sections 70045.11 and 74839, the fee for reporting testimony and proceedings in contested cases is one hundred ten dollars ($110) per day, or any fractional part thereof; provided that the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

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

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

(*l*) In Monterey County, the fee for reporting testimony and

proceedings in contested cases in any court is seventy-five dollars ($75) a day or any fractional part thereof.

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

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

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

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

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

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

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

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

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

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

(w) In Shasta County, the board of supervisors may prescribe a higher rate of compensation for superior court reporters.

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

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

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

SEC. 2. Section 70045.11 is added to the Government Code, to read:

70045.11. In lieu of the compensation provided for in Section 69948, the Board of Supervisors of Sutter County may, with the approval of the presiding judge of the superior court, contract with official court reporters, and reporters pro tempore, for the superior court with respect to the fee for reporting testimony and proceedings in contested cases, per diem, and traveling and other expenses, which shall be a proper county charge.

SEC. 3. Section 74839 of the Government Code is amended to read:

74839. The fee for reporting testimony and proceedings in contested cases in the Sutter County Municipal Court is one hundred ten dollars ($110) per day, or any fractional part thereof.

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

In order to ensure adequate court reporter services in Sutter County, it is necessary that this act take effect immediately.

CHAPTER 4

An act to add Chapter 3.2 (commencing with Section 14350) to Division 12 of the Public Resources Code, relating to the California Conservation Corps.

[Approved by Governor January 28, 1988 Filed with Secretary of State January 29, 1988.]

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

SECTION 1. Chapter 3.2 (commencing with Section 14350) is added to Division 12 of the Public Resources Code, to read:

CHAPTER 3.2. TRAINING OF COUNTY OR CITY MEMBERS

14350. The director may establish a training program for members of county or city conservation corps. The program may be designed to provide the same training to members of county or city conservation corps as provided to corpsmembers of the corps and may be conducted in the same facilities. The program is authorized only to the extent that it does not adversely affect the ability of the California Conservation Corps to maintain 2,000 active corpsmembers.

14351. If the corps establishes a training program as described in Section 14350, the corps may contract with the county or city requesting the training, and the contract may require the corps to be fully reimbursed for all costs of the training program.

CHAPTER 5

An act to amend Section 98 of the Labor Code, relating to employees.

[Approved by Governor February 1, 1988. Filed with Secretary of State February 2, 1988.]

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

SECTION 1. Section 98 of the Labor Code is amended to read:

98. (a) The Labor Commissioner shall have the authority to investigate employee complaints. The Labor Commissioner may provide for a hearing in any action to recover wages, penalties, and other demands for compensation properly before the division or the Labor Commissioner including orders of the Industrial Welfare Commission, and shall determine all matters arising under his or her jurisdiction. It shall be within the jurisdiction of the Labor Commissioner to accept and determine claims from holders of payroll checks or payroll drafts returned unpaid because of insufficient funds, if, after a diligent search, the holder is unable to return the dishonored check or draft to the payee and recover the sums paid out. Within 30 days of filing of the complaint, the Labor Commissioner shall notify the parties as to whether a hearing will be held, or whether action will be taken in accordance with Section 98.3, or whether no further action will be taken on the complaint. If the determination is made by the Labor Commissioner to hold a hearing, the hearing shall be held within 90 days of the date of that determination. However, the Labor Commissioner may postpone or grant additional time before setting a hearing if the Labor Commissioner finds that it would lead to an equitable and just resolution of the dispute.

It is the intent of the Legislature that hearings held pursuant to this section be conducted in an informal setting preserving the right of the parties.

(b) When a hearing is set, a copy of the complaint, which shall include the amount of compensation requested, together with a notice of time and place of the hearing, shall be served on all parties, personally or by certified mail.

(c) Within 10 days after service of the notice and the complaint, a defendant may file an answer with the Labor Commissioner in any form as the Labor Commissioner may prescribe, setting forth the particulars in which the complaint is inaccurate or incomplete and the facts upon which the defendant intends to rely.

(d) No pleading other than the complaint and answer of the defendant or defendants shall be required. Both shall be in writing and shall conform to the form and the rules of practice and procedure adopted by the Labor Commissioner.

(e) Evidence on matters not pleaded in the answer shall be

allowed only on terms and conditions the Labor Commissioner shall impose. In all these cases, the claimant shall be entitled to a continuance for purposes of review of the new evidence.

(f) If the defendant fails to appear or answer within the time allowed under this chapter, no default shall be taken against him or her, but the Labor Commissioner shall hear the evidence offered and shall issue an order, decision, or award in accordance with the evidence. A defendant failing to appear or answer, or subsequently contending to be aggrieved in any manner by want of notice of the pendency of the proceedings, may apply to the Labor Commissioner for relief in accordance with Section 473 of the Code of Civil Procedure. The Labor Commissioner may afford that relief. No right to relief, including the claim that the findings or award of the Labor Commissioner or judgment entered thereon are void upon their face, shall accrue to the defendant in any court unless prior application is made to the Labor Commissioner in accordance with this chapter.

(g) All hearings conducted pursuant to this chapter are governed by the division and by the rules of practice and procedure adopted by the Labor Commissioner.

CHAPTER 6

An act to amend Section 19533 of the Business and Professions Code, relating to horseracing.

[Approved by Governor February 6, 1988. Filed with Secretary of State February 8, 1988.]

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

SECTION 1. Section 19533 of the Business and Professions Code is amended to read:

19533. Any license granted to an association other than a fair shall be only for one type of racing, thoroughbred, harness, or quarter horse racing as the case may be, except that the board may, by regulation, authorize the entering of thoroughbred horses in quarter horse races at a distance of 870 yards at quarter horse meetings, mixed breed meetings, and fair meetings.

CHAPTER 7

An act to repeal and add Section 4 of Chapter 375 of the Statutes of 1986, relating to the Coast Life Support District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 6, 1988. Filed with Secretary of State February 8, 1988.]

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

SECTION 1. Section 4 of Chapter 375 of the Statutes of 1986 is repealed.

SEC. 2. Section 4 is added to Chapter 375 of the Statutes of 1986, to read:

Sec. 4. Beginning at the northerly boundary of the Irish Beach Water District, being a portion of Sections 5 and 6, T 13N, R 16W, and portions of Sections 31 and 32, T 14N, R 16W, MDM, at the mean high water mark of the Pacific Ocean; thence easterly along said boundary to a ½ inch iron pipe tagged LS 3089 located at the northeasterly corner of lot 31 Mendocino Coast unit #3, recorded in map case 2, drawer 8, page 29, Mendocino County Records; thence south 89 15'20" east, 129.39 feet; thence north 44 58'38" east 316.76 feet; thence along the arch of a tangent curve to the right, having a radius of 155 feet, through a central angle of 115 26'49", a length of 312.31 feet; thence south 19 34'33" east, 110.31 feet; thence south 16 36'25" east, 72.52 feet to a point on the south line of the northeast quarter of the southwest quarter of said Section 31, T 14N, R 16W; thence east 918.46 feet along said line to the northeast corner of the southeast quarter of the southwest quarter of said Section 31; thence north 2,640 feet to the northwest corner of the southwest quarter of the northeast quarter of Section 31; thence east 3,960 feet to the northeast corner of the southwest quarter or the northwest quarter of Section 32, T 14N, R 16W; thence south 2,640 feet to the northeast corner of the southwest quarter of the southwest quarter of the Section 32; thence east 2,640, feet to the northwest corner of the southeast quarter of the southeast quarter of Section 32; thence south 1,320 feet to a point on the township line at the southwest corner of the southeast quarter of the southeast quarter of Section 32; thence east along the common Township 13N and 14N line to the northeast corner of lot 1, Section 5, Township 13N, R 16W; thence northerly along the east line of Sections 32 and 29, to the northeast corner of Section 20, and thence easterly and along the north line of Sections 21, 22, 23 and 24 to the NE corner of said Section 24 said corner being on the range line common to Ranges 15 and 16 west; thence southerly and along said range line to the NW corner of Section 19, T 13 N, R 15 W; thence easterly and along the north line of Sections 19, 20, and 21 to the SW corner of Section 15; thence northerly and along the west line of Sections 15, 10, and 3 to the NW corner of said Section 3; thence

easterly and along the north line of Sections 3 and 2 to the NE corner of said Section 2; thence southerly along the east line of said Section 2 to the NW corner of Section 12; thence easterly and along the north line of Section 12 to the north ¼ corner thereof; thence southerly and along the ¼ section line to the north ¼ corner of Section 13; thence easterly and along the north line of Section 13 to the NE corner thereof; thence southerly and along the east line of said Section 13 to the SE corner thereof, said corner being on the range line common to Ranges 14 and 15 west; thence easterly and along the north line of Section 19, T 13 N, R 14 W, to the north ¼ corner thereof; thence southerly through the center of Sections 19, 30, and 31 and along the ¼ section line thereof to the south ¼ corner of Section 31, said corner being on the township line common to Townships 12 and 13 North; thence easterly and along said township line to the NE corner of Section 4, T 12 N, R 14 W; thence southerly and along the east line of Sections 4 and 9 to the NW corner of Section 15; thence easterly and long the north line of Sections 15 and 14 to the E 1/16 corner of said Section 14; thence southerly along the east 1/16 line thereof to the NE 1/16 corner thereof; thence easterly along the 1/16 section line to the N 1/16 corner of said Section 14; thence southerly and along the east line of Sections 14, 23, 26, and 35, T 12 N, R 14 W; thence continuing southerly along the east line of Sections 2, 11, 14, and 23 to the common boundary between Mendocino and Sonoma Counties; thence easterly, northerly, and easterly along said boundary to the common corner of Sections 8, 9, 16, and 17, T 11 N, R 12 W; thence south along the east line of Sections 17, 20, 29, and 32, T 11 N, R 12 W, to the south line of Section 32, thence west along the south line of Sections 32 and 31, T 11 N, R 12 W and Section 36 T 11 N, R 13 W to the range line between T 10 N, R 12 W and T 10 N, R 13 W; thence south along range line to the southeast corner of Lot 3 of Section 1, T 10 N, R 13 W; thence along the south boundary of said Lot 1 and Lot 8 westerly to the east line of Section 2 T 10 N, R 13 W; thence southerly along the east line of said Section 2 to the easterly ¼ corner thereof; thence easterly along the east-west ¼ section line of Section 2 to the northeast corner of the NW ¼ of the SW ¼ of said Section 2; thence southerly along the 1/16 line to the northeast corner of the SW ¼ of the SW ¼ of said Section 2; thence westerly along the 1/16 line to the east line of Section 3 T 10 N, R 13 W; thence southerly to the northeast corner of Section 10; thence westerly along the northerly line of Section 10 to the northwest corner of the NE ¼ of the NE ¼ of Section 10; thence southerly along the 1/16 line to the east-west ¼ section line of said Section 10; thence westerly along said ¼ section line to the northwesterly corner of the NE ¼ of the SW ¼ of said Section 10; thence southerly along the 1/16 line to the northeast corner of the SW ¼ of the SW ¼ of said Section 10; thence westerly along the 1/16 line to the east line of Section 9, T 10 N, R 13 W; thence southerly along the east line of Sections 9 and 16 to the NW corner of the SW ¼ of the SW ¼ of Section 15, T 10 N, R 13 W; thence easterly along the 1/16 line of said Section 15 to

the northeast corner of the SW ¼ of SE ¼ thereof; thence along the north-south ¼ section line of said Section 15, southerly to the north line of Section 22, T 10 N R 13 W; thence easterly along said north line of Section 22 to the NW corner of Section 23; thence southerly along the common line of Sections 22 and 23 to the southwest corner of the NW ¼ of the NW ¼ of said Section 23; thence easterly along the 1/16 line to the southwest corner of the NE ¼ of NE ¼ of said Section 23; thence northerly along the 1/16 line to the north line of said Section 23; thence easterly along the north line of Section 23 to the NE corner of said Section 23; thence northerly along the common line between Sections 13 and 14, T 10 N, R 13 W, to the west ¼ corner of said Section 13; thence easterly along ¼ section line to the center of said Section 13; thence southerly along the north-south ¼ section line to the NW corner of the SW ¼ of the SE ¼ of said Section 13; thence east along the 1/16 line to range line between R 13 W and R 12 W; thence southerly along said range line to the NW corner of Section 6 T 9 N, R 12 W; thence easterly along the northerly line of Sections 6, 5, 4, 3, 2, and 1 to the northeast corner of said Section 1; thence southerly along the east line of Sections 1, 12, and 13 to the southeast corner of said Section 13; thence westerly along the southerly line of Sections 13, 14, 15, 16, and 17 to the common corner to Sections 18, 17, 19, and 20 of T 9 N, R 12 W; thence northerly along the west line of said Section 17 to the northwest corner thereof; thence westerly along the common section line of Sections 18 and 7 to the range line between R 13 W and R 12 W; thence northerly along said range line to the SE corner of Section 12 T 9 N, R 13 W; thence westerly along the southerly line of Sections 12, 11, 10, and 9 to the common corner of Sections 8, 9, 17, and 16; thence southerly along the east line of said Section 17 and Section 20 to the intersection with the center line of the south fork of the Gualala River; thence northwesterly along the south fork of the Gualala River to its intersection with the north line of Section 18 T 9 N, R 13 W; thence west along the north line of said Section 18 to the ¼ section line running north and south through the center of said Section 18; thence south along the said ¼ section line to the south line of the north ½ of the northwest ¼ of said Section 18; thence west along the south line of the said north ½ of the northwest ¼ of Section 18 to the range line between T 9 N, R 13 W and T 9 N, R 14 W; thence south along the said range line to its intersection with the northeasterly line of the German Rancho; thence southeasterly along the northeasterly line of the German Rancho to its intersection with the southerly line of the lands of A.H. Richardson; thence southwesterly along the southerly line of the lands of A.H. Richardson to a point of intersection with the mean high tide mark of the Pacific Ocean; thence northwesterly along the Pacific Ocean to the Point of Beginning.

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 for Mendocino and Sonoma Counties to collect assessments as authorized for the Coast Life Support District this year it is necessary that this act go into immediate effect.

CHAPTER 8

An act to amend Sections 6303.1, 6303.2, 6303.3, 6305, 6305.1, 6306, 6307, 6311, 6312, 6313, 6316, 6325, 6326, 6327, 6328, 6331, 6342, 6355, 6360, 6361, 6363, and 6367 of, to amend and renumber Section 6329.1 of, to add Sections 6328.3 6328.5, 6360.5, and 6361.5 to, to repeal Sections 6329.2, 6365.2, 10217.1, 10228.1, and 10228.3 of, and to repeal and add Sections 6329, 6365, 6365.1 and 6365.3 of, the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 9, 1988. Filed with Secretary of State February 9, 1988]

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

SECTION 1. Section 6303.1 of the Elections Code is amended to read:

6303.1. (a) Participation in the delegate selection process in primaries and caucuses shall be restricted to Democratic voters only who publicly declare their party preference as Democratic supporters and whose affidavits of registration declare the Democratic Party as their party affiliation. At no stage of the delegate selection process shall any person be required, directly or indirectly, to pay a cost or fee as a condition for participating in the delegate selection process.

(b) No person shall participate or vote in the nominating process for the Democratic presidential candidate who also participates in the nominating processes of any other party in the same presidential election year.

(c) No person shall participate in more than one congressional district delegate caucus.

SEC. 2. Section 6303.2 of the Elections Code is amended to read:

6303.2. All official Democratic Party meetings and events related to the national convention delegate selection process, including caucuses, conventions, committee meetings, filing dates, and party enrollment periods shall be scheduled for dates, times, and public places which are consistent with this chapter and which would be

most likely to encourage the participation of all Democrats.

SEC. 3. Section 6303.3 of the Elections Code is amended to read:

6303.3. (a) In the selection of the state's national convention delegation as a whole, consideration shall be given to achieving the goals of the State Democratic Party's affirmative action plan.

(b) There shall be approximately equal division between delegate men and delegate women and alternate men and alternate women in the national convention delegation.

SEC. 4. Section 6305 of the Elections Code is amended to read:

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

(b) The chairperson shall notify each statewide-elected officeholder, each Member of the Legislature, each United States Senator from California, and each Member of the House of Representatives from California who is affiliated with the Democratic Party as to the officeholder's right to serve as a pledged elected official delegate to the Democratic National Convention.

(c) The chairperson shall also notify the Secretary of State at the time prescribed in subdivision (a) as to the number of delegates which may be selected from each congressional district in connection with the presidential primary. The number of delegates which may be selected from each congressional district shall be based on a formula which apportions 75 percent of the state's base delegation allocated by the Democratic National Committee, among the congressional districts in a manner which gives equal weight to the vote for the Democratic candidates in the most recent presidential and gubernatorial elections.

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

(d) Delegates and alternate delegates apportioned to each congressional district shall be selected based on the proportion of the vote a presidential candidate or uncommitted delegation receives within the congressional district pursuant to Section 6365.

SEC. 5. Section 6305.1 of the Elections Code is amended to read:

6305.1. (a) All persons wishing to be elected to a district-level or at-large delegate or alternate position shall file a statement of candidacy designating the presidential or uncommitted preference of the delegate candidate, and a signed pledge of support for the presidential candidate the person favors, if any, with the state party chair by a time specified by the party chair.

(b) If persons eligible for pledged party and elected official delegate positions have not made known their presidential preference under subdivision (a), their preferences shall be ascertained through alternative procedure established by the

Democratic State Party. An alternative system may have a later deadline for submitting a pledge of support than the regular procedure.

(c) All presidential candidates or uncommitted delegations shall hold caucuses to select congressional district delegate candidates and alternate delegate candidates pursuant to Section 6329.

SEC. 6. Section 6306 of the Elections Code is amended to read:

6306. The notification of the number of delegates and alternate delegates shall be in substantially the following form:

Statement of Number of Delegates and Alternate Delegates to Democratic National Convention and of Number of Delegates and Alternate Delegates to Be Selected from Congressional Districts

To the Secretary of State
Sacramento, California

You are hereby notified that the number of delegates and alternate delegates to represent the State of California in the next national convention of the Democratic Party is _____.

You are hereby notified that the number of delegates which may be selected from all congressional districts as a part of the delegation to the national convention of the Democratic Party is as follows:

Congressional District No. 1. ____ delegates ____ alternates.
Congressional District No. 2. ____ delegates ____ alternates.
Congressional District No. 3. ____ delegates ____ alternates.
(Followed by the remaining congressional districts).

You are hereby notified that the number of pledged party and elected official delegates, at-large delegates, and at-large alternate delegates is as follows:

Pledged Party and Elected Official Delegates _____
At-large Delegates _____
At-large Alternate Delegates _____

Dated this _____ day of _____, 19__.

_____
Chairperson of the State Central Committee of the Democratic Party.

SEC. 7. Section 6307 of the Elections Code is amended to read:

6307. If the chairperson of the Democratic State Central Committee fails to file the notice required by Section 6305 with the Secretary of State, the Secretary of State shall ascertain the total number of delegates from the call for the national convention issued by the National Committee of the Democratic Party and shall compute the number of delegates which may be selected from each

congressional district from the formula specified in Section 6305.

SEC. 8. Section 6311 of the Elections Code is amended to read:

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

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

SEC. 9. Section 6312 of the Elections Code is amended to read:

6312. When the Secretary of State decides to place the name of a candidate on the ballot pursuant to Section 6311, he or she shall notify the candidate that the candidate's name will appear on the ballot of this state in the presidential primary election.

The secretary shall also notify the candidate that the candidate may withdraw his or her name from the list of recognized candidates by filing with the Secretary of State an affidavit pursuant to Section 6313. Such notification shall also inform the candidate that the affidavit shall be filed with the Secretary of State no later than two days after the Secretary of State makes the public announcement set forth in Section 6311.

SEC. 10. Section 6313 of the Elections Code is amended to read:

6313. If a selected candidate or an unselected candidate files with the Secretary of State, no later than the time specified in Section 6312, an affidavit stating without qualification that he or she is not now a candidate for the office of President of the United States, and stating that similar documents, also without qualification, have been or will be timely filed, where applicable, with the appropriate public election official in all other states holding open presidential primaries, such candidate's name shall be omitted from the list of names certified by the Secretary of State to the county clerks for the ballot and his or her name shall not appear on the ballot.

SEC. 10.5. Section 6316 of the Elections Code is amended to read:

6316. Any unselected candidate or uncommitted delegation desiring to be placed on the presidential primary ballot shall have nomination papers circulated on behalf of the candidacy. In order to qualify for placement on the presidential primary ballot, the candidate's or uncommitted delegation's nomination papers shall be signed by voters registered as affiliated with the Democratic Party

equal in number to not less than 1 percent or 500, whichever is fewer, in each congressional district of the number of persons registered as members of the Democratic Party in the report of registration issued by the Secretary of State in January of the presidential primary year.

The unselected candidates or uncommitted delegations shall meet the statewide signature requirements from each congressional district in order to be eligible for placement on the ballot in any one congressional district.

SEC. 11. Section 6325 of the Elections Code is amended to read:

6325. Each selected candidate and each candidate who seeks to qualify under Article 4 (commencing with Section 6315) of this chapter and each group proposing an uncommitted delegation shall appoint a steering committee of seven members and shall appoint one of the members to serve as the chairperson.

SEC. 12. Section 6326 of the Elections Code is amended to read:

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

SEC. 13. Section 6327 of the Elections Code is amended to read:

6327. Each steering committee shall be responsible for the circulation of nomination papers of candidates who seek to qualify under Article 4 (commencing with Section 6315) of this chapter and groups proposing uncommitted delegations, including the appointment of verification deputies. Each steering committee shall appoint a caucus organizer for each congressional district and shall perform the duties required of it by this chapter.

SEC. 14. Section 6328 of the Elections Code is amended to read:

6328. All persons who intend to seek election as delegates or alternate delegates during any step in the delegate selection process shall file a declaration of candidate for delegate with the Democratic State Central Committee during the time periods designated by the committee.

A candidate for district-level delegate shall reside in the congressional district from which he or she wishes to be selected as a delegate, shall be a member of the Democratic Party, and shall sign a declaration pledging his or her support for that presidential candidate or uncommitted delegation before he or she becomes a bona fide candidate for delegate. The pledge of support for a presidential candidate shall be binding on the delegate until the presidential candidate agrees to release the delegate from his or her pledge.

The Democratic State Central Committee shall make these declarations available to the steering committee of each presidential candidate or uncommitted delegation.

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

Declaration of Candidate for Delegate

I, _____, reside and am registered to vote as a Democrat at No. _____ Street, in the City (or town) of _____, County of _____, in the _____ congressional district, State of California.

I pledge my support if elected as a delegate to the _____ Democratic National Convention to _____. I understand that California law requires me to support this candidate at the Convention on all ballots until the candidate agrees to release me from my pledge.

(This statement of preference shall be omitted where the candidate for delegate is part of a group expressing no preference as to a particular candidate.)

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

As a delegate, I shall, in all good conscience, reflect the sentiments of those who elected me.

Date _____ Place _____

Signed _____

SEC. 15. Section 6328.3 is added to the Elections Code, to read:

6328.3. On or before the third Tuesday in April, the Democratic State Central Committee shall transmit to the steering committee of each presidential candidate and uncommitted delegation a list of all persons who have filed a declaration of candidate for delegate pledged to that presidential candidate or uncommitted delegation.

SEC. 16. Section 6328.5 is added to the Elections Code, to read:

6328.5. Delegate candidates shall be considered bona fide supporters of the presidential candidate or uncommitted delegation that they have pledged to support, unless the steering committee states otherwise in writing to the Democratic State Central Committee by the time specified in the delegate selection and affirmative action plan.

Delegate candidates removed from the list of bona fide supporters by the steering committee of a presidential candidate or uncommitted delegation may not be voted on as a delegate candidate or alternate delegate candidate pledged to that presidential candidate or uncommitted delegation.

Except as provided in this section, no delegate candidate may be removed from the list of bona fide supporters unless at least three names remain for each delegate or alternate delegate allocated to each congressional district pursuant to Section 6306.

SEC. 17. Section 6329 of the Elections Code is repealed.

SEC. 18. Section 6329 is added to the Elections Code, to read:

6329. On the first Sunday in May of the presidential primary year, at 3 p.m., the caucus chairperson in each congressional district shall

convene a caucus for the purpose of electing potential delegates and alternate delegates. The steering committee of each candidate or uncommitted delegation shall have sole authority to establish rules and procedures, including the naming of caucus chairpersons, by which the caucuses of that candidate or uncommitted delegation shall be conducted. Such rules and procedures shall be uniform statewide, and in compliance with the Democratic State Central Committee's delegate selection and affirmative action plan. Each caucus shall elect a slate of delegate nominees in each congressional district pursuant to Article 2 (commencing with Section 6305), ranked in the manner specified by this section. Such slate shall be transmitted to the steering committee of each candidate and uncommitted delegation.

Each participant at each caucus shall reside in and be a registered Democrat of the congressional district of the caucus he or she attends and each shall sign a statement of support for that presidential candidate or uncommitted delegation. Within five days after the convening of the caucus, the steering committee of each candidate or uncommitted delegation shall rank the delegate candidates from the slate of delegate candidates provided by each caucus. The delegate candidate receiving the greatest number of votes shall be ranked as the first delegate candidate. The delegate candidate of the opposite sex as the first ranked delegate candidate receiving the greatest number of votes shall be ranked as the second delegate candidate. The remaining delegate candidates to be ranked shall continue to be alternated between sexes in the order of vote totals. Immediately, thereafter, the chairperson of a steering committee shall file with the Secretary of State a statement containing the names of delegate candidates in ranked order from each congressional district. In all cases, the slate for each congressional district shall be equal to the number of delegates and alternate delegates allotted to each congressional district pursuant to Section 6306.

SEC. 19. Section 6329.1 of the Elections Code is amended and renumbered to read:

6329.5. Presidential candidates and uncommitted delegations or their steering committees shall take steps to ensure public participation in the delegate selection process, which shall include, but is not limited to, the convening of congressional district caucuses to select delegate candidates, the distribution of information to statewide and community press, informing Democratic electors of the procedures for delegate candidacy and additional steps necessary to achieve the representational goals established in the California Democratic Party's Affirmative Action Plan.

SEC. 20. Section 6329.2 of the Elections Code is repealed.

SEC. 21. Section 6331 of the Elections Code is amended to read:

6331. Nomination papers to be circulated pursuant to Section 6316 shall be prepared, circulated, signed and verified and shall be left for examination with the county clerk of the county in which

they are circulated at least 75 days prior to the presidential primary election.

SEC. 22. Section 6342 of the Elections Code is amended to read:

6342. Circulators may obtain signatures to the nomination paper for which they were appointed, at any time not before February 1 nor after 75 days prior to the presidential primary election.

SEC. 22.5. Section 6355 of the Elections Code is amended to read:

6355. At least 64 days before a presidential primary, the Secretary of State shall notify each steering committee whether or not it has qualified a candidate or uncommitted delegation for placement on the ballot pursuant to Section 6315.

SEC. 23. Section 6360 of the Elections Code is amended to read:

6360. At least 59 days before a presidential primary election, the Secretary of State shall transmit to each county clerk a certified list containing the name of each candidate who is entitled to be voted for on the ballot at the presidential primary, and the name of each chairperson of a steering committee of an uncommitted delegation who is to be voted for on the same ballot.

If no uncommitted delegation has qualified pursuant to Article 4 (commencing with Section 6315), the Secretary of State shall inform the county clerks to provide for an uncommitted delegate space on the ballot.

The certified list shall be in substantially the following form:

Certified List of Presidential Candidates and Uncommitted Delegations

To the County Clerk of _____ County:

I, _____, Secretary of State, do hereby certify that the following list contains the name of each person who is entitled to be voted for as a candidate of the Democratic Party at the presidential primary election to be held on the _____ day of June, 19__, and the name of each chairperson of a steering committee of an uncommitted delegation which is entitled to be voted for on the ballot.

List of Presidential Candidates and Uncommitted Delegations
Linda Adams
Joseph Black
John Reardon
Unpledged delegation
Paul Minor,
Chairperson

Dated at Sacramento, California, this _____ day of _____, 19__.

_____

(SEAL) Secretary of State

SEC. 23.5. Section 6360.5 is added to the Elections Code, to read:

6360.5. Within three days of receiving the names of delegate candidates from the chairpersons of the steering committees, as provided for in Section 6329, the Secretary of State shall transmit to each county clerk a certified list, for each congressional district wholly or partially within that county, containing the names of the delegate candidates selected and pledged to each candidate or uncommitted delegation who is entitled to be voted for on the ballot at the presidential primary.

The certified list shall be in substantially the following form:

Certified List of Delegate Candidates
In the _____ Congressional District

To the County Clerk of _____ County:

I, _____, Secretary of State, do hereby certify that the following persons, listed beneath the name of the presidential candidate or uncommitted delegation they are pledged to, are the delegate candidates who will represent the voters of this Congressional District at the _____ Democratic National Convention to the extent, based on his or her proportional share of the total votes for president in this district, that each presidential candidate or uncommitted delegation is entitled to delegates from this district.

List of Delegates Pledged to Presidential
Candidates and Uncommitted Delegations
In the _____ Congressional District

Delegates Pledged to Linda Adams	Delegates Pledged to Joseph Black
Nancy Burt Tim Hodson Nettie Sabelhaus Darren Chesin	Cliff Berg Pat Webb Avedis Shahabian Nancy Oliver
Delegates Pledged to John Reardon	Delegates Pledged to Unpledged Delegation, Paul Minor, Chairperson
Virgil White Anna Hernandez Stan Hadden Nancy Michel	Daphne Anas Mel Assagai Susan Fong Robert Forsythe

Dated at Sacramento, California, this _____ day of _____ _____, 19 ____.

(seal)

_____
Secretary of State

SEC. 24. Section 6361 of the Elections Code is amended to read:

6361. Immediately after the county clerk receives the certified list of presidential candidates and uncommitted delegations from the Secretary of State, he or she shall publish it in a presidential primary notice, under the proper party designation. The notice shall also contain:

(a) The date of the election.

(b) The hours during which the polls will be open.

SEC. 24.5. Section 6361.5 is added to the Elections Code, to read:

6361.5. Immediately after the county clerk receives the certified list of delegates pledged to presidential candidates and uncommitted delegations from the Secretary of State, he or she shall enclose a copy of the appropriate list for each congressional district with each absentee ballot mailed for the primary election in that congressional district. The county clerk shall also post a copy of the list at each polling place and provide a copy of the list to each Democratic voter with their presidential primary election ballot on election day.

SEC. 25. Section 6363 of the Elections Code is amended to read:

6363. The notice of the list of presidential candidates and uncommitted delegations published by the county clerk shall be in substantially the following form:

Notice by County Clerk of Time and Place of Presidential Primary Election, and Names of Democratic Presidential Candidates and Uncommitted Delegations.

Notice is hereby given that the presidential primary election is to be held in the County of _____ on the _____ day of June, 19__, and that hereinafter there is stated the name of each person and each uncommitted delegation which is entitled to be voted for on the ballot at the election.

List of Presidential Candidates and Uncommitted Delegations

Democratic Party

Linda Adams
Joseph Black
John Reardon
Unpledged delegation
Paul Minor,
Chairperson

Notice is also hereby given that at the presidential primary election the polls will be open from 7 a.m. to 8 p.m. on the day thereof.

Dated this _____ day of _____, 19__.

_____, County Clerk

SEC. 26. Section 6365 of the Elections Code is repealed.

SEC. 27. Section 6365 is added to the Elections Code, to read:

6365. (a) On or before the Monday preceding the third Saturday following the primary election, the Secretary of State, in consultation with the chairperson of the Democratic State Central Committee, shall announce the number of delegates and alternate delegates to which each candidate or uncommitted delegation is entitled and shall announce the names of the congressional district delegates and alternate delegates.

(b) The congressional district delegates and alternates shall be chosen in the order in which they were ranked from the delegate and alternate delegate caucus statements filed by the steering committee pursuant to Section 6329.

(c) The congressional district delegates shall be chosen to reflect the strength of support a candidate or uncommitted delegation has received in each congressional district. Congressional district delegates shall be allocated in the following manner:

(1) The percentage of the vote each presidential and uncommitted delegation received in each congressional district shall be calculated to three decimals.

(2) A "base vote" shall be determined for each congressional district. The base vote shall be the sum of the total votes received by each presidential and uncommitted delegation which received 15 percent or more of the vote in the congressional district as determined in paragraph (1).

(3) The percentage of the vote received by each presidential and uncommitted delegation shall be recalculated to three decimals, by dividing the total votes received by each presidential and uncommitted delegation which received 15 percent or more of the vote by the base vote.

(4) The percentage for each candidate or uncommitted delegation, as determined in paragraph (3), shall be multiplied by

the total number of delegates to be selected in the congressional district.

(5) Each presidential and uncommitted delegation shall be entitled to that number of delegates which is equal to the whole number, if any, in the product determined in paragraph (4).

(6) Remaining delegates, if any, shall be awarded in the order of the highest fractional remainders determined in paragraph (4).

In case of a tie, the delegates shall be awarded to the candidate or uncommitted delegation with the highest congressional district vote total, or if the vote is a tie, shall be awarded to the candidate or uncommitted delegation with the highest statewide vote total. Alternate delegates shall be allocated in the same manner as delegates.

A presidential or uncommitted preference receiving less than 15 percent of the total vote in a congressional district shall be awarded no delegates or alternate delegates in that district. If no candidates, or uncommitted delegations, in a particular congressional district received a percentage of the vote which equaled or exceeded the 15 percent threshold for that district, the delegates shall be allocated by using a recalculated threshold, which shall be the percentage of the vote received by the front runner minus 10 percent.

(d) Pledged party and elected official delegates, at-large delegates, and at-large alternate delegates shall be apportioned among the presidential candidates and uncommitted delegations in the following manner:

(1) The percentage of the statewide vote each presidential and uncommitted delegation received shall be calculated to three decimals.

(2) A "statewide base vote" shall be determined. The statewide base vote shall be the sum of the combined statewide vote for all candidates and uncommitted delegations which received at least 15 percent of the statewide vote.

(3) The percentage of the vote received by each presidential and uncommitted delegation shall be recalculated to three decimals, by dividing the total statewide vote received by each presidential and uncommitted delegation which received 15 percent or more of the vote by the statewide base vote.

(4) The percentage for each candidate or uncommitted delegation, as determined in paragraph (3), shall be multiplied by the total number of delegates to be selected.

(5) Each presidential and uncommitted delegation shall be entitled to that number of delegates which is equal to the whole number, if any, in the product determined in paragraph (4).

(6) Remaining delegates, if any, shall be awarded in the order of the highest fractional remainders determined in paragraph (4).

No delegates or alternate delegates shall be awarded to any candidate or uncommitted delegation which received less than 15 percent of the statewide vote. If no candidate or uncommitted delegation received at least 15 percent of the statewide vote, the

delegates shall be allocated by using a recalculated threshold, which shall be the percentage of the vote received by the front runner minus 10 percent.

If a presidential candidate is no longer a candidate at the time of the convention held pursuant to Section 6365.1, then those delegate positions which would have been allocated to the candidate will be proportionally divided among the remaining candidates and uncommitted delegations based on the recalculated percentage determined by the vote each remaining candidate or uncommitted delegation received divided by the combined vote for all remaining candidates and uncommitted delegations which received at least 15 percent of the statewide vote.

If a presidential candidate or uncommitted delegation is entitled to one or more delegates but would not otherwise be entitled to an alternate delegate position, that candidate or uncommitted delegation shall be given one at-large delegate.

SEC. 28. Section 6365.1 of the Elections Code is repealed.

SEC. 29. Section 6365.1 is added to the Elections Code, to read:

6365.1. On the second Saturday following the primary election, the Democratic State Central Committee shall transmit to the steering committee of each presidential candidate or uncommitted delegation a list of the persons who have filed for pledged party and elected official delegate, at-large delegate and at-large alternate delegate positions pledged to that presidential candidate or uncommitted delegation. All such delegate candidates and alternate candidates shall be considered bona fide supporters, unless rejected in accordance with the provisions set forth in Section 6328.5. On the third Saturday following the presidential primary election, the congressional district elected delegates shall meet in convention at the time and place specified by the chairperson of the Democratic State Central Committee in consultation with the chairperson of each steering committee to elect the pledged party and elected official delegates, at-large delegates and at-large alternate delegates. The chairperson of the Democratic State Central Committee shall serve as chairperson of the convention until the selection process is completed.

The first delegates to be elected shall be the pledged party and elected official delegates. Those delegates shall be selected in the following priority order of consideration: large city mayors, state constitutional officers, state legislative leaders, state legislators, members of Congress not previously selected, and other state and locally elected official and party officials.

After the selection of pledged party and elected official delegates, the convention shall elect the at-large delegates and at-large alternate delegates. Pledged party and elected official delegates, at-large delegates and at-large alternate delegates shall be apportioned among the presidential candidates and uncommitted delegations in accordance with Section 6365.

If a presidential candidate or uncommitted delegation is entitled

to one or more delegates but would not otherwise be entitled to an alternate delegate position that candidate or uncommitted delegation shall be given one at-large alternate delegate.

All individuals who intend to seek election by the convention as a delegate or alternate delegate shall file a Declaration of Candidate for Delegate pursuant to Section 6328.

The election of at-large delegates and at-large alternates shall be used if necessary, to achieve equal division of the delegates between men and women and may be used to achieve the representational goals established by the Democratic State Central Committee. Delegates and alternate delegates are to be considered separate groups for this purpose.

SEC. 30. Section 6365.2 of the Elections Code is repealed.

SEC. 31. Section 6365.3 of the Elections Code is repealed.

SEC. 32. Section 6365.3 is added to the Elections Code, to read:

6365.3. The following shall serve as unpledged party and elected official delegates:

(a) All members of the Democratic National Committee from California.

(b) Members of Congress selected to serve according to the rules of the Democratic National Committee.

(c) The Governor of California, if he or she is a Democrat.

SEC. 33. Section 6367 of the Elections Code is amended to read:

6367. Within five days after the convention held pursuant to Section 6365.1, the chairperson of the delegation shall notify the Secretary of State of the names and addresses of the delegates and alternates selected at the postprimary convention. The delegates filed shall be the final delegates as determined by the official canvass as reported pursuant to Section 17090. The chairperson of the delegation shall file with the Secretary of State affidavits executed by all such delegates and alternates in substantially the same form provided for in Section 6328.

SEC. 34. Section 10217.1 of the Elections Code is repealed.

SEC. 35. Section 10228.1 of the Elections Code is repealed.

SEC. 36. Section 10228.3 of the Elections Code is repealed.

SEC. 37. 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. 38. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 be effective in time for

the 1988 Democratic presidential primary election, it is necessary that this act go into immediate effect.

CHAPTER 9

An act to add Section 14533.6 to, to add and repeal Article 2.5 (commencing with Section 14130) of Chapter 2 of Part 5 of Division 3 of Title 2 of, and to add and repeal Sections 14524.1 and 14524.2 of, the Government Code, and to amend Section 114 of, and to amend, repeal, and add Section 167 of, the Streets and Highways Code, relating to transportation.

[Approved by Governor February 10, 1988. Filed with Secretary of State February 10, 1988.]

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

SECTION 1. Article 2.5 (commencing with Section 14130) is added to Chapter 2 of Part 5 of Division 3 of Title 2 of the Government Code, to read:

Article 2.5. Contracts for Professional and Technical Services

14130. (a) The Legislature hereby finds and declares all of the following:

(1) There is a compelling public interest in ensuring that all federal, state, local, and private funds available for the state highway program are captured and used in a timely manner.

(2) In order to maximize the use of federal, state, local, and private funds and to maintain a competitive posture in seeking supplemental federal funds, it is necessary for California to be plan-ready.

(3) Changes in federal, state, and local revenues and the growing private participation in state highway construction can result in significant fluctuations in project development workload. To maintain a more stable workforce in the department and avoid the costly process of short-time hiring and layoff while still responding in a timely manner to funding opportunities and uncertainties, additional flexibility through outside contracting and cooperative agreements with local public agencies is needed to supplement the department's program staff.

(b) Therefore, it is the intent of the Legislature that the department contract for the services of engineers, architects, surveyors, planners, environmental specialists, and materials testing specialists, in order to provide professional and technical project development services to the department whenever the department is inadequately staffed to satisfactorily carry out its project development program in a timely and effective manner. It is the

further intent of the Legislature to permit, through cooperative agreements with the department, local public agencies to undertake state highway project development activities for which they are a funding source.

14131. The department may contract for the services of engineers, architects, surveyors, planners, environmental specialists, and materials testing specialists to provide professional and technical project development services to the department whenever the director determines that the guidelines adopted pursuant to Section 14134 are applicable. Services contracted for shall not cause the displacement of any permanent, temporary, or part-time employee of the department.

For purposes of this section, "displacement" means layoff, demotion, involuntary transfer to a new class, or involuntary transfer to a new work location requiring the employee to change his or her place of residence in order to be able to continue in his or her job classification.

14132. Regulations adopted by the department pursuant to Section 4526 shall conform to the requirements of Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 and shall conform to all of the following requirements:

(a) The department shall request proposals from interested firms. Each request for proposal shall include a description of the work to be performed and shall require each interested firm to submit a proposal that includes, at a minimum, a statement of the firm's qualifications and a description of the manner in which it proposes to furnish the required services.

(b) The department shall establish 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 shall apply to the overall dollar amount expended each year by the department pursuant to this article.

(c) The department shall develop a list of qualified minority and women business enterprises utilizing existing resources such as the Office of Small and Minority Business, the Minority Business Development Agency, and the Small Business Administration. Notice of the development of the list and request for qualifications shall be published in professional publications at least 60 days prior to the deadline for submittal of qualifications. The qualifications required for minority business enterprises and women business enterprises shall be the same as those required for any other firm or individual contracting with the department for the purposes of this article.

(d) Any minority business enterprise or women business enterprise not initially included on the list of qualified firms may request evaluation of qualifications at any time, and the department shall evaluate the qualifications and notify the minority or women business enterprise of their determination within 60 days of the request. Any minority business enterprise or women business

enterprise meeting the standard qualifications will be added to the list of qualified firms immediately.

(e) The department shall request proposals pursuant to this section from all qualified minority and women business enterprises.

(f) The department shall evaluate all proposals and shall conduct discussions with at least three firms, or a lesser number if fewer than three firms have responded, regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. The department shall select from among all proposers, in order of preference based upon criteria established and published by the department, not less than three firms deemed to be the most qualified to provide the services required if three or more qualified firms have responded to the request for proposal.

(g) From among the three firms so selected, the department shall negotiate a contract for the services with the best qualified firm, at a price which the department determines is fair and reasonable to the department.

(h) If the department is unable to negotiate a satisfactory contract with the best qualified firm, negotiations with that firm shall be terminated and negotiations undertaken with the second best qualified firm. If a satisfactory contract cannot be negotiated with the second best qualified firm, negotiations shall be terminated and the negotiation process continued with the remaining qualified proposers in order of their qualifications until a satisfactory contract is negotiated.

14133. (a) Contracts made pursuant to this article are not subject to Article 4 (commencing with Section 19130) of Chapter 6 of Part 2 of Division 5.

(b) Contracts for engineering or architectural services made pursuant to this article are subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1. Notwithstanding Section 10295 of the Public Contract Code, the determination as to whether the guidelines for contracting adopted pursuant to Section 14134 have been met shall be the sole responsibility of the Director of Transportation. The Department of General Services shall have 30 working days upon receipt of a contract under this article in which to act on the contract, except in cases where further clarification is required by the department to execute the contract.

14134. (a) The department, after consultation with the commission and local transportation agencies, shall adopt guidelines for determining the appropriateness of contracting with private firms or on projects developed cooperatively with local jurisdictions. The guidelines shall include, but not be limited to, consideration of the following:

(1) Ensuring that all available federal, state, and local funds, including supplemental federal funds, are captured and used in a timely manner.

(2) Reducing short-term fluctuations in the department's project development workload while still enabling the department to be

plan-ready.

(3) Facilitating the expeditious use of locally raised funds for state highway projects, recognizing that, in this instance, local governments are partners in state highway construction and that locally financed projects should not be unnecessarily delayed.

(4) Ensuring that the cost effectiveness of contracting is considered equally with other factors when a determination of the appropriateness of contracting is made.

(5) Ensuring that contract selection is performed in accordance with applicable state laws regarding the selection of professional architectural, engineering, or land surveying services, and to ensure the selection process avoids or prohibits unlawful or unfair procedures or activities.

(b) These guidelines shall serve as general criteria for the determination of the appropriateness of contracting for project development services and shall not be deemed to require the department to contract for specific projects solely because they may meet these criteria.

(c) The department may contract with local jurisdictions, rather than with private firms, for professional and technical project development services. In such a case, the services shall be only for a project located within the area of the local jurisdiction.

14135. Each contract for engineering or architectural services entered into pursuant to this article and any construction contract resulting therefrom is subject to all of the following conditions:

(a) The engineering or architectural firm providing design services for a project is not eligible to bid on or to be awarded the construction contract for that project.

(b) The department shall provide a regular civil service employee as the resident engineer on any construction contract that results from project design services performed by engineers or architects selected pursuant to this article.

(c) All contract plans and changes to plans prepared by an engineer or architect selected pursuant to this article shall be subject to review and approval by a licensed engineer or architect of the department.

14136. This article shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted on or before January 1, 1993, deletes or extends that date.

SEC. 2. Section 14524.1 is added to the Government Code, to read:

14524.1. (a) Not later than November 15 of each year, the department shall prepare and submit to the appropriate fiscal and policy committees of the Legislature, and to the Joint Legislative Budget Committee, a project delivery plan based on the state transportation improvement program adopted by the commission pursuant to Section 14529 on or before the preceding July 1. The plan shall consist of all of the following:

(1) The capital outlay project development staffing needs of the

department in the next fiscal year necessary to deliver the adopted state transportation improvement program and any new funding capacity as indicated in the adopted funding estimate for the subsequent state transportation improvement program period, including projects to be advanced.

(2) A determination of that portion of the project development workload developed pursuant to subdivision (a) that is proposed to be accomplished by the department's project development staff and that portion that is proposed by the department to be accomplished by contract for professional and technical services.

(3) An assessment of the progress the department has made in the prior year toward delivering the projects as scheduled in the adopted state transportation improvement program, including what was promised, what was delivered, what projects were delayed, and the reasons for the delays.

(b) The Legislative Analyst shall include its assessment of the department's project delivery plan in its annual analysis of the Governor's proposed budget. This assessment should include each of the following:

(1) An analysis of the progress the department has made in the prior year toward delivering projects as scheduled in the adopted state transportation improvement program.

(2) An overall assessment of the plan's adequacy in ensuring that all federal, state, local, and private funds are used in a timely and efficient manner with a minimum of project delays.

(3) The Legislative Analyst's recommendations, if any, for improving the plan's project delivery performance.

(4) The extent to which the department continues to meet its affirmative action goals for project development staff, including those personnel year equivalents contracted out pursuant to this article.

(5) The extent to which the department has met the minority and women business enterprise goals established pursuant to this article.

(c) Beginning on January 1, 1989, and on January 1 of each year thereafter, the department shall report to the Governor and the Legislature on the level of participation by minority and women business enterprises in contracting pursuant to this article. If the established goals are not met, the department shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

(d) Not later than March 1 of each year, the department shall submit to the appropriate fiscal and policy committees of the Legislature, and to the Joint Legislative Budget Committee, a revised project delivery plan, which shall be the project delivery plan submitted pursuant to subdivision (a) updated to reflect the fund estimate provided the commission pursuant to Section 14524.

(e) 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 on or before January 1, 1993, deletes or extends that date.

SEC. 2.5. Section 14524.2 is added to the Government Code, to read:

14524.2. (a) If the department's total project delivery plan for any year pursuant to subdivision (a) of Section 14524.1 requires a permanent and temporary capital outlay support staffing level which equals the 1986–87 budgeted permanent and temporary capital outlay support staffing level, the department's budget request for that year shall contain a permanent and temporary capital outlay support staffing level equal to its 1986–87 authorized permanent and temporary capital outlay support staffing level.

(b) If the department's total project delivery plan for any year pursuant to subdivision (a) of Section 14524.1 requires a permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime and contract services which exceeds the 1986–87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime and contract services, the department's budget request for that year shall contain a permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime equal to the 1986–87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime plus one-half of the excess over the 1986–87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime and contract services. The department may contract out, pursuant to Section 14131, an equal number of personnel year equivalents for each authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime which exceeds the 1986–87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime.

(c) For purposes of this section, "permanent and temporary capital outlay support staffing level" means the department's permanent and temporary capital outlay support staffing level funded by state and federal funds through the State Highway Account.

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 on or before January 1, 1993, deletes or extends that date.

SEC. 3. Section 14533.6 is added to the Government Code, to read:

14533.6. As used in this chapter:

(a) "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.

(b) "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.

SEC. 4. Section 114 of the Streets and Highways Code is amended to read:

114. (a) When the commission or other public entity has allocated any funds for the construction, improvement, or maintenance of any portion of a state highway within a city or a county, the department may enter into a cooperative agreement with the city or county or county transportation commission for the performance of the work by the department or by the city or county or county transportation commission, or for the apportionment of the expense of the work between the department and the city or county or county transportation commission.

(b) The department shall enter into a cooperative agreement with the city or county or county transportation commission to perform professional and technical project development services when the department would otherwise contract for those services and where local public agency resources currently available are qualified to perform the services.

SEC. 5. Section 167 of the Streets and Highways Code is amended to read:

167. With respect to the funds in the State Highway Account, the proposed budget shall be organized on a program basis. The proposed budget shall list the proposed expenditures for the highway program under the following program elements:

(a) Administration.
(b) Program development.
(c) Maintenance.
(d) Operation.
(e) Rehabilitation.
(f) Operational improvements.
(g) New facilities.
(h) Local assistance.

The rehabilitation, operational improvements, and new facilities program elements shall be separated into (1) work performed by state employees, and (2) work accomplished by contract for professional and technical services.

The basis for defining major and minor capital outlay projects shall be established by the commission.

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 on or before January 1, 1993, deletes or extends that date.

SEC. 6. Section 167 is added to the Streets and Highways Code, to read:

167. With respect to the funds in the State Highway Account, the proposed budget shall be organized on a program basis. The proposed budget shall list the proposed expenditures for the highway program under the following program elements:

(a) Administration.
(b) Program development.
(c) Maintenance.
(d) Operation.
(e) Rehabilitation.
(f) Operational improvements.
(g) New facilities.
(h) Local assistance.

The basis for defining major and minor capital outlay projects shall be established by the commission.

This section shall become operative on January 1, 1993.

CHAPTER 10

An act to amend Sections 447 and 1021.1 of, to add Section 631.2 to, and to repeal and add Section 631 of, the Code of Civil Procedure, relating to civil actions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 17, 1988. Filed with Secretary of State February 17, 1988.]

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

SECTION 1. Section 447 of the Code of Civil Procedure is amended to read:

447. (a) The signature of an attorney or party constitutes a certificate by him or her that he or she has read the pleading, motion, or other paper; that to the best of his or her knowledge, information, and belief formed after reasonable inquiry, it is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and that it is not interposed for any improper purpose, such as to harass or cause unnecessary delay or needless increase in the cost of litigation. If a pleading, motion, or other paper is not signed, it shall be stricken unless it is signed promptly after the omission is called to the attention of the pleader or movant. If a pleading, motion, or other paper is signed in violation of this section, the court, upon motion or upon its own initiative, shall impose upon the person who signed it, a represented party, or both, an appropriate sanction, which may

include an order to pay the other party or parties the amount of the reasonable expenses incurred because of the filing of the pleading, motion, or other paper, including a reasonable attorney's fee. Sanctions may be imposed only after notice and opportunity to be heard. An order imposing sanctions shall be in writing, and shall recite in detail the circumstances justifying sanctions.

(b) This section shall apply only in Riverside County and San Bernardino County. The Legislature finds and declares that, in order to assess the impact of this section on a limited basis before making it applicable on a statewide basis, it is necessary for this section to be applicable for a limited period of time in those counties.

(c) This section shall only be in effect from July 1, 1988, until January 1, 1991, and on that date is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1991, deletes or extends that date.

SEC. 2. Section 631 of the Code of Civil Procedure is repealed.

SEC. 3. Section 631 is added to the Code of Civil Procedure, to read:

631. (a) Trial by jury may be waived by the several parties to an issue of fact in any of the following ways:

(1) By failing to appear at the trial.

(2) By written consent filed with the clerk or judge.

(3) By oral consent, in open court, entered in the minutes or docket.

(4) By failing to announce that a jury is required, at the time the cause is first set for trial, if it is set upon notice or stipulation, or within five days after notice of setting if it is set without notice or stipulation.

(5) By failing to deposit with the clerk, or judge, advance jury fees 25 days prior to the date set for trial, or as provided by subdivision (b). The advanced jury fee shall not exceed the amount necessary to pay the average mileage and fees of 20 trial jurors in the court to which the jurors are summoned.

(6) By failing to deposit with the clerk, or judge, at the beginning of the second and each succeeding day's session a sum equal to one day's fees of the jury, and the mileage or transportation, if there are any.

(b) In a superior court action if a jury is demanded by either party in the memorandum to set the cause for trial and the party, prior to trial, by announcement or by operation of law waives a trial by jury, then all adverse parties shall have five days following the receipt of notice of the waiver to file and serve a demand for a trial by jury and to deposit any advance jury fees which are then due.

(c) When the party who has demanded trial by jury either waives such trial upon or after the assignment for trial to a specific department of the court, or upon or after the commencement of the trial, or fails to deposit the fees as provided in paragraph 6 of subdivision (a), trial by jury shall be waived by the other party either failing promptly to demand trial by jury before the judge in whose department the waiver, other than for the failure to deposit such

fees, was made, or by that party's failing promptly to deposit the fees provided in paragraph 6 of subdivision (a).

(d) The court may, in its discretion upon just terms, allow a trial by jury although there may have been a waiver of a trial by jury.

SEC. 4. Section 631.2 is added to the Code of Civil Procedure, to read:

631.2. (a) Notwithstanding any other provision of law, the county may pay jury fees in civil cases from general funds of the county available therefor. Nothing in this section shall be construed to change the requirements for the deposit of jury fees in any civil case by the appropriate party to the litigation at the time and in the manner otherwise provided by law. Nothing in this section shall preclude the right of the county to be reimbursed by the party to the litigation liable therefor for any payment of jury fees pursuant to this section.

(b) The party who has demanded trial by jury shall reimburse the county for the fees and mileage of all jurors appearing for voir dire examination, except those jurors who are excused and subsequently on the same day are called for voir dire examination in another case.

SEC. 5. Section 1021.1 of the Code of Civil Procedure is amended to read:

1021.1. (a) Reasonable attorney's fees, may be awarded in an amount to be determined in the court's discretion, to a party to any civil action as provided by this section, and that award shall be made upon notice and motion by a party and shall be an element of the costs of suit.

(b) A party may be entitled, in the discretion of the court, to an award of attorney's fees under this section if all of the following conditions are met:

(1) The party has made an offer for judgment under Section 998.

(2) That offer was not accepted within the time provided in Section 998.

(3) The party to whom the offer was made thereafter failed to obtain a more favorable judgment.

The party making the offer shall be entitled to attorney's fees only for legal services rendered after the date of the offer.

(c) In exercising its discretion to award attorney's fees the court shall consider the following factors:

(1) The reasonableness or lack thereof, of a party's failure to accept an offer for judgment under Section 998 in light of the facts known to the party at the time, of which, in light of all of the circumstances, should have been known to the party. Reasonableness shall be determined by a consideration of at least the following matters:

(A) The then apparent merit or lack of merit in the claim that was the subject of the action.

(B) The closeness of the questions of fact and law at issue.

(C) Whether the offeror has unreasonably refused to furnish information necessary to evaluate the reasonableness of the offer.

(D) Whether the action was in the nature of a "test case," presenting questions of far-reaching importance affecting nonparties.

(E) The relief that might reasonably have been expected if the claimant should prevail.

(F) The amount of the additional delay, cost, and expense that the offeror reasonably would be expected to incur if the litigation should be prolonged.

(G) Those other matters that the court may deem relevant in the interest of justice.

(2) The amount of damages and other relief sought and the results obtained for the client.

(3) The efforts made by the parties or the attorneys to settle the controversy.

(4) The existence of any bad faith or abuse of legal procedure by the parties or the attorneys.

(d) In exercising its discretion to determine the amount of attorney's fees to be awarded, the court shall consider the following factors, except that in no event shall the amount awarded exceed a reasonable fee for the services actually rendered.

(1) Customary fees in the community in which the action or proceeding is pending charged by attorneys with similar experience or expertise.

(2) The time and labor reasonably required to be spent by the attorney or attorneys.

(3) The experience and ability of the attorneys generally within the profession and also with respect to the action or proceeding.

(4) The novelty and difficulty of the questions involved and the skill required to perform the services properly.

(5) The extent to which the acceptance of the particular matter imposes extraordinary burdens on the attorney or attorneys (A) by way of precluding other employment, (B) by the time limitations imposed by the client, or (C) by the circumstances.

(6) Whether the fee is fixed or contingent.

(7) Those other factors that the court may deem relevant in the interest of justice, including any of the factors described in subdivision (c).

(e) Nothing in this section shall be construed to repeal or modify any other statutory provision for the award of attorney's fees or to diminish any express or implied contractual right which a party to a civil action may otherwise have to obtain an award of attorney's fees for the prosecution or defense of an action.

(f) No attorney's fees shall be awarded pursuant to this section in any of the following instances:

(1) Against a party who is proceeding in forma pauperis or a party whom the court has found not to have the financial ability to pay fees or who would suffer an unreasonable financial hardship if ordered to pay fees.

(2) For or against any party with respect to any cause of action

under which an award for reasonable attorney's fees is authorized or required by any other federal or California statute.

(3) For or against any party with respect to any cause of action or proceeding commenced or prosecuted under the provisions of Title 7 (commencing with Section 1230.010) of Part 3.

(4) For or against any party in any action in which one or more of plaintiffs seek to proceed as a class under Section 382.

(5) For or against any party as to any cause of action the gravamen of which is personal injury, wrongful death, or injunctive relief.

(g) The determination under this section shall be made after the final disposition of the action.

(h) This section shall apply only in Riverside County and San Bernardino County. The Legislature finds and declares that, in order to assess the impact of this section on a limited basis before making it applicable on a statewide basis, it is necessary for this section to be applicable for a limited period of time in those counties.

(i) This section shall only be in effect from July 1, 1988, until January 1, 1991, and on that date is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1991, deletes or extends that date.

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 properly administer the pilot projects affected by this act and to make the other changes relating to civil actions provided for by this act at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 11

An act to amend Sections 17024.5, 17039, 17043, 17052.4, 17052.12, 17054, 17055, 17061.5, 17062, 17063, 17073.5, 17076, 17085, 17145, 17207, 17220, 17265, 17270, 17276, 17504, 17506, 17551, 17551.5, 17552, 17560, 18001, 18036, 18402, 18684.2, 18689, 18802, 18817.3, 23051.5, 23051.7, 23181, 23186, 23601.4, 23609, 23701, 23732, 23734, 23801, 23802, 23803, 23808, 23809, 23810, 24347.5, 24348, 24416, 24443, 24513, 24592, 24633.5, 24654, 24667, 24673.2, 24692, 24725, 24904, 25561, 25901c, 25934.2, and 26132.05 of, to add Sections 17088, 17510, 17561, 17562, 18155, 18162, 23453, 23455, 23456, 23457, 23459, 23630, 23701w, 23710, 23811, 24412, 24440, 24594, 24637, 24691, and 26083 to, to repeal and add Sections 18006, 23400, and 24998 of, and to repeal Sections 17277, 18001.5, 18683.5, 23053.5, 23401, 23701m, 24670, 24902.1, 24902.2, and 24967 of, the Revenue and Taxation Code, and to amend Section 13009 of the Unemployment Insurance Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor February 18, 1988. Filed with Secretary of State February 19, 1988.]

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

SECTION 1. Section 17024.5 of the Revenue and Taxation Code is amended to read:

17024.5. (a) (1) Unless otherwise specifically provided, the terms "Internal Revenue Code," "Internal Revenue Code of 1954," or "Internal Revenue Code of 1986," for purposes of this part, mean Title 26 of the United States Code, including all amendments thereto as enacted on the specified date for the applicable taxable year as follows:

Taxable Year	Specified Date of Internal Revenue Code Sections
(A) For taxable years beginning on or after January 1, 1983, and on or before December 31, 1983	January 15, 1983
(B) For taxable years beginning on or after January 1, 1984, and on or before December 31, 1984	January 1, 1984
(C) For taxable years beginning on or after January 1, 1985, and on or before December 31, 1985	January 1, 1985
(D) For taxable years beginning on or after January 1, 1986, and on or before December 31, 1986	January 1, 1986
(E) For taxable years beginning on or after January 1, 1987	January 1, 1987

(2) For purposes of subparagraphs (C) and (D) of paragraph (1), the following applies:

(A) The provisions contained in Sections 41–44, inclusive, and 172 of the Tax Reform Act of 1984 (Public Law 98-369), relating to treatment of debt instruments, shall not be applicable.

(B) The provisions contained in Public Law 99-121, relating to the treatment of debt instruments, shall not be applicable.

(3) For taxable years beginning on and after January 1, 1987, the provisions referred to by subparagraphs (A) and (B) of paragraph (2) shall be applicable for purposes of this part in the same manner and with respect to the same obligations as the federal provisions, except as otherwise provided in this part.

(4) Unless otherwise specifically provided, the following shall apply:

(A) Any provision of the Internal Revenue Code which becomes operative on or after the specified date shall also become operative on the same date for purposes of this part.

(B) Any provision of the Internal Revenue Code which becomes

inoperative on or after the specified date, shall also become inoperative on the same date for purposes of this part.

(b) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any provision therein relating to any of the following shall not be applicable for purposes of this part:

(1) Except as provided in Chapter 4.5 (commencing with Section 23800) of Part 11 of Division 2, an electing small business corporation, as defined in Section 1361(b) of the Internal Revenue Code.

(2) Domestic international sales corporations (DISC), as defined in Section 992(a) of the Internal Revenue Code.

(3) A personal holding company, as defined in Section 542 of the Internal Revenue Code.

(4) A foreign personal holding company, as defined in Section 552 of the Internal Revenue Code.

(5) A foreign investment company, as defined in Section 1246(b) of the Internal Revenue Code.

(6) A foreign trust, as defined in Section 679 of the Internal Revenue Code.

(7) Foreign taxes and foreign tax credits.

(8) Section 911 of the Internal Revenue Code, relating to United States citizens living abroad.

(9) A foreign corporation, except that Section 367 of the Internal Revenue Code shall be applicable.

(10) Credits and credit carryovers.

(11) Nonresident aliens.

(12) Deduction for personal exemptions, as provided in Section 151 of the Internal Revenue Code.

(13) The tax on generation-skipping transfers imposed by Section 2601 of the Internal Revenue Code.

(14) The tax, relating to estates, imposed by Section 2001 or 2101 of the Internal Revenue Code.

(c) When applying the Internal Revenue Code for purposes of this part, any reference to regulations prescribed by "the secretary" shall not be applicable if the Franchise Tax Board has adopted and issued regulations. In the absence of regulations issued by the Franchise Tax Board, regulations issued by "the secretary" in effect as of the specified effective date of the Internal Revenue Code sections referred to in subdivision (a) shall be applicable to the extent that they do not conflict with this part.

(d) Whenever this part allows a taxpayer to make an election, the following rules shall apply:

(1) A proper election filed in accordance with the Internal Revenue Code or regulations issued by "the secretary" shall be deemed to be a proper election for purposes of this part, unless otherwise provided in this part or in regulations issued by the Franchise Tax Board.

(2) A copy of that election shall be furnished to the Franchise Tax Board upon request.

(3) To obtain treatment other than that elected for federal purposes, a separate election shall be filed with the Franchise Tax Board.

(4) The taxable year of a taxpayer may not be different than the taxable year used for purposes of the Internal Revenue Code, unless initiated or approved by the Franchise Tax Board.

(e) Whenever this part allows or requires a taxpayer to file an application or seek consent, the rules set forth in subdivision (d) shall be applicable with respect to any such application or consent.

(f) When applying the Internal Revenue Code for purposes of determining the statute of limitations under this part, any reference to a period of three years shall be modified to read four years for purposes of this part.

(g) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any reference to the "secretary" shall mean the "Franchise Tax Board."

(h) When applying any section of the Internal Revenue Code for purposes of this part—

(1) References to "adjusted gross income" shall mean the amount computed in accordance with Section 17072, except as provided in paragraph (2).

(2) References to "adjusted gross income" for purposes of computing limitations based upon a percentage of adjusted gross income, shall mean the amount required to be shown as adjusted gross income on the federal tax return for the same taxable year.

(i) Unless otherwise specifically provided, when applying the Internal Revenue Code for purposes of this part, any reference to a specific provision of the Internal Revenue Code shall include modifications of that provision, if any, in this part.

SEC. 2. Section 17039 of the Revenue and Taxation Code is amended to read:

17039. (a) Notwithstanding any provision in this part to the contrary, for the purposes of computing tax credits, the term "net tax" means the tax imposed under either Section 17041 or 17048 plus the tax imposed under Section 17504 (relating to the separate tax on lump-sum distributions) less the credits allowed by Section 17054 (relating to personal exemption credits). Credits shall be allowed against "net tax" in the following order:

(1) Credits which do not contain carryover or refundable provisions, except those described in paragraphs (4), (5), and (6).

(2) Credits which contain carryover provisions but do not contain refundable provisions.

(3) Credits which contain both carryover and refundable provisions.

(4) Credits for taxes paid to other states allowed by Chapter 12 (commencing with Section 18001).

(5) The minimum tax credit allowed by Section 17063 (relating to the alternative minimum tax).

(6) The low-income tax credit allowed by Section 17069.

(7) Credits which contain refundable provisions but do not contain carryover provisions.

For the purposes of paragraphs (2), (3), and this paragraph, the order within each paragraph shall be determined by the Franchise Tax Board.

(b) Notwithstanding the provisions of Sections 17053.5 (relating to the renter's credit), 17061 (relating to refunds pursuant to the Unemployment Insurance Code), and 18551.1 (relating to tax withholding), the credits provided in those sections shall be allowed in the order provided in paragraph (7) of subdivision (a).

(c) (1) Notwithstanding any other provision of this part, no tax credit shall reduce the tax imposed under Section 17041 or 17048 plus the tax imposed under Section 17504 (relating to the separate tax on lump-sum distributions) below the tentative minimum tax, as defined by Section 17062, except—

(A) The credit allowed by Section 17052.4 (relating to solar energy).

(B) Carryovers from the credit allowed by former Section 17052.5 (relating to solar energy).

(C) The credit allowed by Section 17053.5 (relating to the renter's credit).

(D) The credits allowed by Section 17054 (relating to personal exemption credits).

(E) The credit allowed by Section 17054.5 (relating to joint custody head of household).

(F) The credit allowed by Section 17061 (relating to refunds pursuant to the Unemployment Insurance Code).

(G) The credit allowed by Section 18551.1 (relating to tax withholding).

(H) Credits for taxes paid to other states allowed by Chapter 12 (commencing with Section 18001).

(2) Any credit which is partially or totally denied under paragraph (1) shall be allowed to be carried over and applied to the net tax in succeeding taxable years, if the provisions relating to that credit include a provision to allow a carryover when that credit exceeds the net tax.

(d) This section shall be applied in the computation of taxes for taxable years beginning on and after January 1, 1987.

SEC. 3. Section 17043 of the Revenue and Taxation Code is amended to read:

17043. (a) In filing returns as provided in Article 1 (commencing with Section 18041) of Chapter 17, an individual is required to use the same filing status as that used on his or her federal income tax return for the same taxable year, except as provided in subdivisions (b), (c), and (d).

(b) In the case of a husband and wife who file a joint federal income tax return, if one spouse was a resident of this state for all of the taxable year and the other spouse was a nonresident for all or any portion of the taxable year, a joint nonresident income tax return is

required to be filed.

(c) This section shall not apply to either of the following:

(1) A married couple, when either spouse was an active member of the armed forces or any auxiliary branch thereof during the taxable year.

(2) A married couple, when either spouse was a nonresident of this state for the entire taxable year and had no income from a California source during the taxable year.

(d) In the case of a married couple described in subdivision (c), that couple may either file separate returns or a single joint return on such forms and in such manner as the Franchise Tax Board may prescribe.

SEC. 4. Section 17052.4 of the Revenue and Taxation Code is amended to read:

17052.4. (a) Notwithstanding any other provision of this part, for taxable years beginning on or after January 1, 1987, there shall be allowed as a credit against the taxes imposed by this part an amount equal to 12 percent of the cost of a solar energy system installed on premises, used for commercial purposes, which are located in California and which are owned by the taxpayer during the taxable year. For purposes of taxpayers who lease a solar energy system pursuant to subdivision (m), the tax credit shall apply only to the principal recovery portion of lease payments for the term of the lease not to exceed 10 years, as defined in subdivision (o), which are made during the taxable year, and to the amounts which are expended on the purchased portion of the solar energy system, including installation charges, during the taxable year. For taxable years beginning on or after January 1, 1988, and before January 1, 1989, the credit percentage allowed by this section shall be 10 percent.

(b) The solar energy tax credit shall be claimed on the state income tax return for the taxable year in which the solar energy system was installed.

(c) A taxpayer who claimed the solar energy tax credit in the state income tax return for the taxable year in which the solar energy system was installed may claim the credit in subsequent years for additions to the system or additional systems by the amount prescribed in subdivision (a).

(d) For purposes of computing the credit provided by this section, the cost of any solar energy system eligible for the credit shall be reduced by any grant provided by a public entity for that system.

(e) The basis of any system for which a credit is allowed shall be reduced by the amount of the credit and the amount of any grant provided by a utility or public agency for the solar energy system. The basis adjustment shall be made for the taxable year for which the credit is allowed.

(f) With the exception of a husband and wife, if there is more than one owner of a premises on which a solar energy system is installed, each owner shall be eligible to receive the solar energy tax credit in proportion to his or her ownership interests in the premises. In the

case of a husband or wife who files a separate return, the credit may be taken by either or equally divided between them.

(g) In the case of a partnership, the solar energy tax credit may be divided between the partners pursuant to a written partnership agreement.

(h) (1) In the case where the credit allowed under this section exceeds the taxes imposed by this part for the taxable year, that portion of the credit which exceeds the taxes imposed by this part may be carried over to the taxes imposed by this part in succeeding taxable years, until the credit is used. The credit shall be applied first to the earliest years possible.

(2) Paragraph (1) shall also apply to carryforwards of the credit allowed under former Section 17052.5 within the limitations of subdivision (e) of that section (except that the "net tax" shall include the tax imposed under Section 17062).

(i) No tax credit may be claimed under this section for any expenditures which have been otherwise claimed as a tax credit for the current or any prior taxable year as energy conservation measures under this part.

(j) Energy conservation measures applied in conjunction with solar energy systems to reduce the total cost or backup energy requirements of those systems shall be considered part of the systems, and shall be eligible for the tax credit. Qualified energy conservation measures installed within six months of the date of installation of the solar energy system are considered to be installed "in conjunction with" the solar energy system, even if the period spans two taxable years. In cases involving more than six months between the dates of installation of the energy conservation measures and the solar energy system, the taxpayer must be able to provide persuasive evidence that the energy conservation measures were in fact installed in conjunction with a solar energy system. Eligible conservation measures applied in conjunction with solar space heating include, but are not limited to, ceiling, wall, and floor insulation above that required by law at the time of original construction. Eligible conservation measures applied in conjunction with solar water heating include, but are not limited to, water heater insulation jackets, and shower and faucet flow reducing devices. Energy conservation measures which shall be eligible for the tax credit when applied in conjunction with solar energy systems shall be defined by the Energy Resources Conservation and Development Commission as part of the solar energy system eligibility criteria.

(k) Taxpayers who lease a solar energy system installed on premises in California shall receive a tax credit as provided in subdivision (a), if the lessee can confirm, if necessary, by a written document signed by the lessor that (1) the lessor irrevocably elects not to claim a state tax credit for the solar energy system, and (2) if the system is installed in a locality served by a municipal solar utility, that the lessor holds a valid permit from the municipal solar utility. Leasing requirements may be established by the State Energy

Resources Conservation and Development Commission as part of the solar energy system eligibility criteria.

(*l*) The State Energy Resources Conservation and Development Commission shall, after one or more public hearings, establish guidelines and criteria for solar energy systems which shall be eligible for the credit provided by this section. These guidelines and criteria may include, but are not limited to, minimum requirements for safety, reliability, and durability of solar energy systems. The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(m) For purposes of this section, the following definitions shall apply:

(1) "Installed" means placed in a functionally operative state.

(2) "Cost" includes equipment, installation charges, and compensation paid to the owner of burdened property in connection with the acquisition of a solar easement, as defined in Section 801.5 of the Civil Code, and the fees for the recording of the easement. In the case of a system which is leased, "cost" means the principal recovery portion of lease payments, which is the cost incurred by the taxpayer in acquiring the solar energy system, excluding interest charges and maintenance expenses.

"Cost" does not include interest charges and costs associated with the acquisition of an easement other than a solar easement.

(3) "Owner" includes duly recorded holders of legal title, lessees with at least three years remaining on their lease or easement granting use of the premises, a person purchasing premises under a contract of sale, or who holds shares or membership in a cooperative housing corporation, which holding is a requisite to the exclusive right of occupancy to the premises, a person who is a member of a nonprofit corporation or association which is a lessee with at least three years remaining on its lease.

(4) "Premises" means the principal stationary location in California where the system is installed for direct use or for purposes of sale of energy, and includes land, easements, and buildings or portions thereof.

(5) "Commercial purposes" means the installation of solar energy systems on premises other than single-family dwellings.

(6) "Single-family dwelling" means single-family residences, mobilehomes, and the individual units of condominiums.

"Single-family dwelling" does not include cooperatives, apartment buildings, or other similar multiple dwellings, including buildings and any other common areas of a condominium maintained by a homeowners association.

(7) (A) "Solar energy system" means the use of solar devices for the individual function of:

(i) Domestic or service water heating.

(ii) Space conditioning.

(iii) Production of electricity.

(iv) Process heat.

(v) Solar mechanical energy.

"Solar energy system" includes, but is not limited to, passive thermal systems, semipassive thermal systems, active thermal systems, and photovoltaic systems.

For purposes of this section, "solar energy system" does not include solar devices for the individual function of wind energy for the production of electricity or mechanical work.

(B) Eligible solar energy systems shall have a useful life of not less than three years.

(8) "Solar device" means the equipment associated with the collection, conversion, transfer, distribution, storage, or control of solar energy. In the case of a solar device associated with two or more solar energy systems, the credit allowed for the solar device may be taken for any one of the systems, or divided equally between them.

(9) "Passive thermal system" means a system which utilizes the structural elements of the building, and is not augmented by mechanical components, to provide for collection, storage, or distribution of solar energy for heating or cooling.

(10) "Active thermal system" means a system which utilizes solar devices thermally isolated from the commercial space to provide for collection, storage, or distribution of solar energy for heating or cooling.

(11) "Semipassive thermal system" means a system which utilizes the structural elements of a building and is augmented by mechanical components to provide for collection, storage, or distribution of solar energy for heating or cooling.

(12) "Municipal solar utility" means a city, county, or municipal utility district, or agency thereof, which sells or leases solar or other energy generating equipment or energy saving devices for residential, commercial, agricultural, or industrial uses or which issues permits to companies engaged in the leasing of this equipment.

(n) Except for purposes of subdivision (h) of Section 17052.4, the provisions of this section shall not apply to any solar energy system which continues to qualify for the tax credit authorized by former Section 17052.5 (as amended by Chapter 1200 of the Statutes of 1986) by meeting the eligibility requirements of subdivision (*l*) of that section.

(o) 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 the date. However, any unused credit may be used beyond that date in accordance with this section.

SEC. 5. Section 17052.12 of the Revenue and Taxation Code is amended to read:

17052.12. There shall be allowed as a credit against the "net tax" (as defined by Section 17039) for the taxable year an amount determined in accordance with Section 41 of the Internal Revenue Code, except as follows:

(a) The applicable percentage shall be 8 percent of the excess of the qualified research expenses for the taxable year over the base period research expenses.

(b) "Qualified research" shall include only research conducted in California.

(c) With the exception of a husband and wife, if two or more taxpayers share in the expenses eligible for the credit provided by this section, each taxpayer shall be eligible to receive the tax credit in proportion to his or her respective share of the expenses paid or incurred. In the case of a partnership, the tax credit may be divided between the partners pursuant to a written partnership agreement in accordance with Chapter 10 (commencing with Section 17851), which includes Section 704 of the Internal Revenue Code concerning substantial economic effect, relating to partner's distributive share. In the case of a husband or wife who files a separate return, the credit may be taken by either or equally divided between them.

(d) In the case where the credit allowed under this section exceeds the net tax for the taxable year, that portion of the credit which exceeds the net tax may be carried over to the net tax in succeeding taxable years. The credit shall be applied first to the earliest taxable years possible.

(e) (1) This section shall apply only to amounts incurred on or after January 1, 1988, and paid or incurred before January 1, 1993.

(2) In the case of any taxable year which begins before January 1, 1988, and ends after December 31, 1987, any amount for any base period with respect to that taxable year shall be the amount which bears the same ratio to that amount for that base period as the number of days in that taxable year after December 31, 1987, bears to the total number of days in that taxable year.

(3) In the case of any taxable year which begins before January 1, 1993, and ends after December 31, 1992, any amount for any base period with respect to that taxable year shall be the amount which bears the same ratio to that amount for that base period as the number of days in that taxable year before January 1, 1993, bears to the total number of days in that taxable year.

(f) This section shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1994, deletes or extends that date.

SEC. 6. Section 17054 of the Revenue and Taxation Code is amended to read:

17054. In the case of individuals computing their tax under Section 17041 or Section 17048, the following credits for personal exemption may be deducted from the "net tax" (as defined by Section 17039).

(a) In the case of a single individual, or a married individual making a separate return a credit of fifty-one dollars ($51) for taxable years beginning on or after January 1, 1987, and before January 1, 1988, and fifty-two dollars ($52) for taxable years beginning on or after January 1, 1988.

(b) In the case of a head of household, a surviving spouse (as defined in Section 17046), or a husband and wife making a joint return, a credit of one hundred two dollars ($102) for taxable years beginning on or after January 1, 1987, and before January 1, 1988, and one hundred four dollars ($104) for taxable years beginning on or after January 1, 1988. If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for all or any portion of the taxable year, the personal exemption shall be divided equally.

(c) In addition to any other credit provided in this section, in the case of an individual who is 65 years of age or over by the end of the taxable year a credit of fifty-one dollars ($51) for taxable years beginning on or after January 1, 1987, and before January 1, 1988, and fifty-two dollars ($52) for taxable years beginning on or after January 1, 1988.

(d) Except as provided in paragraph (2) or (3), a credit of fifty-one dollars ($51) for taxable years beginning on or after January 1, 1987, and before January 1, 1988, and fifty-two dollars ($52) for taxable years beginning on or after January 1, 1988, for each dependent (as defined in Section 17056)—

(1) For whom an exemption is allowable under Section 151 (c) of the Internal Revenue Code (relating to additional exemption for dependents).

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

(3) No credit for a dependent shall be allowed to a noncustodial parent if both of the following apply:

(A) A credit for the dependent would not be allowed except for the provisions of Section 152(e)(2) or 152(e)(4) of the Internal Revenue Code, relating to exemptions claimed by noncustodial parents.

(B) The custodial parent files a return as head of household for the same taxable year and would not be qualified as head of household except for Section 152(e)(2) or 152(e)(4) of the Internal Revenue Code.

(e) A credit for personal exemption of fifty-one dollars ($51) for taxable years beginning on or after January 1, 1987, and before January 1, 1988, and fifty-two dollars ($52) for taxable years beginning on or after January 1, 1988, for the taxpayer if he or she is blind at the end of his or her taxable year.

(f) A credit for personal exemption of fifty-one dollars ($51) for taxable years beginning on or after January 1, 1987, and before January 1, 1988, and fifty-two dollars ($52) for taxable years beginning on or after January 1, 1988, for the spouse of the taxpayer if a separate return is made by the taxpayer, and if the spouse is blind and, for the calendar year in which the taxable year of the taxpayer

begins, as no gross income and is not the dependent of another taxpayer.

(g) For the purposes of this section, an individual is blind only if either: his or her central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or his or her visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(h) In the case of an individual with respect to whom a credit under this section is allowable to another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins, the credit amount applicable to that individual for that individual's taxable year shall be zero.

(i) For each taxable year beginning on or after January 1, 1989, the Franchise Tax Board shall compute the credits prescribed in this section. That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index as modified for rental equivalent homeownership for all items from June of 1988 to June of the current calendar year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall add 100 percent to the percentage change figure which is furnished to them pursuant to paragraph (1), and divide the result by 100.

(3) The Franchise Tax Board shall multiply the 1988 taxable year credits by the inflation adjustment factor provided in paragraph (2), rounded off to the nearest one dollar ($1).

(4) In computing the credits pursuant to this subdivision, the credit provided in subdivision (b) shall be twice the credit provided in subdivision (a).

SEC. 7. Section 17055 of the Revenue and Taxation Code is amended to read:

17055. (a) Any individual who is a nonresident or a part-year resident shall be allowed all credits provided under this part against the "net tax" (as defined by Section 17039), except those described in subdivision (b) and in Section 17053.14 (relating to political contributions), Section 17053.5 (relating to the renter's credit), Section 17054.5 (relating to joint custody head of household), and Section 18002 (relating to taxes paid to another state), in the same proportion as the ratio determined under subdivision (b) or (d) of Section 17041.

(b) Credits allowed under this part which are conditional upon a transaction occurring wholly within California shall be allowed in their entirety.

SEC. 8. Section 17061.5 of the Revenue and Taxation Code is amended to read:

17061.5. (a) There shall be allowed as a credit against the "net tax" (as defined in Section 17039) an amount equal to the amount

determined under subdivision (b).

(b) (1) In the case of qualified assets held for more than one year, but not more than five years, the amount of the credit shall be equal to 3 percent of the net capital gain, if any, from the sale or exchange of those assets.

(2) In the case of qualified assets held for more than five years, the amount of the credit shall be equal to 4½ percent of the net capital gain, if any, from the sale or exchange of those assets.

(3) If more than one capital asset is sold or exchanged during the taxable year, each of the following shall apply:

(A) The amount of the credit allowable under paragraph (1) shall not exceed 3 percent of the net capital gain, if any, from the sale of all capital assets during the taxable year.

(B) The amount of the credit allowable under paragraph (2) shall not exceed 4½ percent of the excess of the net capital gain, if any, from the sale of all capital assets during the taxable year over the amount of any gain for which a credit was allowed under paragraph (1).

(c) For purposes of this section, "qualified asset" means either or both of the following:

(1) Residential rental property which meets each of the following requirements:

(A) Is real property located in this state.

(B) Complies with the requirements for residential rental property specified in Section 167(j)(2)(B) of the Internal Revenue Code.

(2) Farm property which meets each of the following requirements:

(A) Is land or Section 1250 property (as defined by Section 1250(c) of the Internal Revenue Code) located in this state.

(B) Is property used for farming, as defined in clauses (i) and (ii).

(i) The term "farming" includes activities relating to stock, dairy, poultry, fruit, furbearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(ii) The term "farming" also includes activities relating to each of the following:

(I) Cultivating the soil or raising or harvesting any agricultural or horitcultural commodity (including the raising, shearing, feeding, caring for, training, and management of animals) on a farm.

(II) Handling, drying, packing, grading, or storing on a farm any agricultural or horticultural commodity in its unmanufactured state, but only if the owner, tenant, or operator of the farm regularly produces more than one-half of the commodity so treated.

(d) In the case where the credit allowed under this section exceeds the net tax for the taxable year, that portion of the credit which exceeds the net tax may be carried over to the net tax in succeeding taxable years. The credit shall be applied first to the

earliest taxable years possible.

(e) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 9. Section 17062 of the Revenue and Taxation Code is amended to read:

17062. (a) In addition to the other taxes imposed by this part, there is hereby imposed for each taxable year, a tax equal to the excess, if any, of—

(1) The tentative minimum tax for the taxable year, over

(2) The regular tax for the taxable year.

(b) For purposes of this chapter, each of the following shall apply:

(1) The tentative minimum tax shall be computed in accordance with Sections 55 to 59, inclusive, of the Internal Revenue Code, except as otherwise provided in this part.

(2) The regular tax shall be the amount of tax imposed by Section 17041 or 17048, reduced by credits for taxes paid to other states allowed by Chapter 12 (commencing with Section 18001).

(3) (A) The provisions of Section 55(b)(1) of the Internal Revenue Code shall be modified to provide that the tentative minimum tax for the taxable year shall be equal to 7 percent of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, reduced by credits for taxes paid to other states as allowed by Chapter 12 (commencing with Section 18001).

(B) In the case of a nonresident or part-year resident, the tentative minimum tax shall be computed as if the nonresident or part-year resident were a resident for the entire year multiplied by the ratio of adjusted gross income from California sources (as modified for purposes of this chapter) to total adjusted gross income (as modified for purposes of this chapter).

(4) (A) If there was a deferral of preference tax under former Section 17064.8 for any taxable year beginning before January 1, 1987, and the amount of the deferred tax has not been paid for any taxable year beginning before January 1, 1987, the amount of the net operating loss carryovers which may be carried to taxable years beginning after December 31, 1986, for purposes of this chapter, shall be reduced by the amount of the tax preferences attributable to the deferred tax which has not been paid.

(B) In the case of a net operating loss allowed to be carried forward under subdivision (d) of Section 17276, subparagraph (A) shall apply to the extent that such a loss would have resulted in a deferred tax under prior law.

(5) The provisions of Section 57(a)(5) of the Internal Revenue Code, relating to tax-exempt interest shall not be applicable.

(6) The provisions of Section 59(a) of the Internal Revenue Code, relating to the alternative minimum tax foreign tax credit, shall not be applicable.

SEC. 10. Section 17063 of the Revenue and Taxation Code is

amended to read:

17063. (a) There shall be allowed as a credit against the net tax (as defined by Section 17039) for any taxable year an amount equal to the minimum tax credit for that taxable year.

(b) For purposes of subdivision (a), the minimum tax credit shall be determined in accordance with Section 53 of the Internal Revenue Code, except as otherwise provided in this part.

(c) For purposes of this chapter, the amount determined under Section 53(c)(1) of the Internal Revenue Code shall be the regular tax as defined by paragraph (2) of subdivision (b) of Section 17062.

SEC. 11. Section 17073.5 of the Revenue and Taxation Code is amended to read:

17073.5. (a) A taxpayer may elect to take a standard deduction as follows:

(1) In the case of a taxpayer, other than a head of a household or a surviving spouse (as defined in Section 17046) or a married couple filing a joint return, the standard deduction shall be one thousand eight hundred eighty dollars ($1,880).

(2) In the case of a head of household or a surviving spouse (as defined in Section 17046) or a married couple filing a joint return, the standard deduction shall be three thousand seven hundred sixty dollars ($3,760).

(b) The standard deduction provided for in subdivision (a) shall be in lieu of all deductions other than those which are to be subtracted from gross income in computing adjusted gross income under Section 17072.

(c) (1) The provisions of this section shall be applied in lieu of the provisions of Sections 63(c), 63(f), and 63(h) of the Internal Revenue Code, relating to standard deductions.

(2) Notwithstanding paragraph (1), Section 63(c)(5), relating to limitations on the standard deduction of certain dependents, shall apply.

(d) For each taxable year beginning on or after January 1, 1988, the Franchise Tax Board shall recompute the standard deduction amounts prescribed in subdivision (a). That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current calendar year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall compute an inflation adjustment factor by adding 100 percent to that portion of the percentage change figure which is furnished pursuant to paragraph (1) and dividing the result by 100.

(3) The Franchise Tax Board shall multiply the standard deduction amounts in the preceding taxable year by the inflation adjustment factor provided in paragraph (2), rounded off to the nearest one dollar ($1).

SEC. 11.5. Section 17076 of the Revenue and Taxation Code is amended to read:

17076. (a) The deductions allowed by Section 17201 shall be limited in accordance with the provisions of Section 67 of the Internal Revenue Code, relating to the 2-percent floor on miscellaneous itemized deductions.

(b) For taxable years beginning on or after January 1, 1987, the provisions of Section 10104 of Public Law 100-203, relating to treatment of regulated investment companies under 2-percent floor, shall be applicable.

SEC. 12. Section 17085 of the Revenue and Taxation Code is amended to read:

17085. The provisions of Section 72 of the Internal Revenue Code, relating to annuities and certain proceeds of life insurance contracts, shall be modified as follows:

(a) The amendments and transitional rules made by Public Law 99-514 shall be applicable to this part for the same transactions and the same years as they are applicable for federal purposes, except that the repeal of Section 72(d) of the Internal Revenue Code, relating to repeal of special rule for employees' annuities, shall apply only to the following:

(1) Any individual whose annuity starting date is after December 31, 1986.

(2) At the election of the taxpayer, any individual whose annuity starting date is after July 1, 1986, and before January 1, 1987.

(b) The amount of a distribution from an individual retirement account or annuity or employees' trust or employee annuity that is includable in gross income for federal purposes shall be reduced for purposes of this part by the lesser of either of the following:

(1) An amount equal to the amount includable in federal gross income for the taxable year.

(2) An amount equal to the basis in the account or annuity allowed by Section 17507 (relating to Individual Retirement Accounts and Simplified Employee Pensions) or the increased basis allowed by Sections 17504 and 17506 (relating to plans of self-employed individuals) remaining after adjustment for reductions in gross income under this provision in prior taxable years.

(c) The amount of the penalty imposed under this part shall be computed in accordance with Sections 72(m), (o), (q), and (t) of the Internal Revenue Code using a rate of 2½ percent, in lieu of the rate provided in those sections.

(d) The provisions of Section 72(f)(2) of the Internal Revenue Code, relating to special rules for computing employees' contributions, shall be applicable without applying the exceptions which immediately follow that paragraph.

SEC. 13. Section 17088 is added to the Revenue and Taxation Code, to read:

17088. (a) The taxation of shareholders of a regulated

investment company shall be determined in accordance with Section 852(b) of the Internal Revenue Code, except that Section 17145 (relating to exempt interest dividends) shall apply in lieu of Section 852(b)(5) of the Internal Revenue Code.

(b) Section 852(b)(3)(D) of the Internal Revenue Code, relating to treatment by shareholders of undistributed capital gains, shall not be applicable.

SEC. 14. Section 17145 of the Revenue and Taxation Code is amended to read:

17145. (a) If, at the close of each quarter of its taxable year, at least 50 percent of the value of the total assets of a management company, or series thereof, consists of obligations, interest on which is exempt from taxation by this state under the Constitution or laws of this state, that company or series of that company shall be qualified to pay exempt-interest dividends to its shareholders.

(b) For purposes of this section—

(1) "Exempt-interest dividend" means any dividend or part thereof paid by a management company or series thereof in an amount not exceeding the interest received by it during its taxable year on obligations, interest on which is exempt from taxation by this state under the Constitution or laws of this state, and designated by it as an exempt-interest dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year.

(2) "Management company" means a corporation or business trust or other organization which meets the requirements of Section 24412.

(3) "Series" means a segregated portfolio of assets, the beneficial interest in which is owned by the holders of a class or series of stock of the management company that is exclusive of all other classes or series with respect to that portfolio of assets.

(4) "Value" means, with respect to securities (other than those of majority-owned subsidiaries) for which market quotations are readily available, the market value of those securities; and with respect to other securities and assets, fair market value as determined in good faith by the board of directors or trustees, except that in the case of securities of majority-owned subsidiaries which are investment companies, as defined in the Investment Company Act of 1940, that fair value shall not exceed market value or asset value, whichever is higher.

(c) An exempt-interest dividend shall be treated by recipients thereof as an item of interest excludable from income under Section 17133.

SEC. 14.5. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) For disaster losses resulting from (1) forest fire or any other related casualty occurring in 1985 in California, (2) from storm, flooding, or any other related casualty occurring in 1986 in California, (3) any loss sustained during 1987 as a result of a forest fire or any other related casualty, or (4) from earthquake, aftershock, or any

other related casualty occurring in 1987 in California, which qualify for treatment under Section 165(i) of the Internal Revenue Code, to the extent that those losses, as computed pursuant to Section 165(a) of the Internal Revenue Code, as modified by Section 17206, exceed the taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the taxable income of the year preceding the loss, then that "excess loss", at the election of the taxpayer, may be carried to other taxable years as provided in subdivision (b).

(b) For losses covered by Sections 165(c)(1) and 165(c)(2) of the Internal Revenue Code, relating to trade or business losses, losses resulting from transactions entered into for profit, and for losses covered by Section 165(c)(3) of the Internal Revenue Code, relating to personal casualty losses, the "excess loss" may be carried forward to each of the five taxable years following the year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 taxable years.

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

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(e) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 17276.

SEC. 15. Section 17220 of the Revenue and Taxation Code is amended to read:

17220. No deduction shall be allowed for any of the following:

(a) State, local, and foreign income, war profits, and excess profits taxes.

(b) Taxes paid under Chapter 1.5 (commencing with Section 23081) of Part 11 (relating to Tax on Limited Partnerships).

(c) Taxes paid under Chapter 4.5 (commencing with Section 23800) of Part 11 (relating to Tax Treatment of S Corporations and Their Shareholders).

SEC. 16. Section 17265 of the Revenue and Taxation Code is amended to read:

17265. (a) A taxpayer may elect to treat 40 percent of the cost of any Section 17265 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the Section 17265 property is placed in service.

(b) In the case of a husband and wife filing separate returns for a taxable year, the applicable amount under subdivision (a) shall be equal to 50 percent of the percentage specified in subdivision (a).

(c) (1) An election under this section for any taxable year shall—

(A) Specify the items of Section 17265 property to which the election applies and the percentage of the cost of each of those items which is to be taken into account under subdivision (a).

(B) Be made on the taxpayer's return of the tax imposed by this part for the taxable year.

This election shall be made in the time, form, and manner which the Franchise Tax Board may prescribe.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(d) (1) For purposes of this section, "Section 17265 property" means property acquired by the taxpayer which is used exclusively within a program area (as defined in Section 7082 of the Government Code) and consists of machinery and machinery parts used for fabricating, processing, assembling, and manufacturing and machinery and machinery parts used for the production of renewable energy resources or air or water pollution control mechanisms.

"Section 17265 property" also means property used as an integral part of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(2) For purposes of paragraph (1), "purchase" means any acquisition of property, but only if—

(A) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under Section 267 or Section 707(b) of the Internal Revenue Code (but, in applying Sections 267(b) and 267(c) for purposes of this section, Section 267(c)(4) shall be treated as providing that the family of an individual shall include only the individual's spouse, ancestors, and lineal descendants),

(B) The basis of the property in the hands of the person acquiring it is not determined in whole or in part by reference to the adjusted basis of that property in the hands of the person from whom it is acquired.

(3) For purposes of this section, the cost of property does not include so much of the basis of the property as is determined by reference to the basis of other property held at any time by the person acquiring the property.

(4) This section shall not apply to estates and trusts.

(5) This section shall not apply to any Section 17265 property

purchased by any person described in Section 46(e)(3) of the Internal Revenue Code unless the credit under Section 38 of the Internal Revenue Code is allowable with respect to that person for that property (determined without regard to this section).

(6) In the case of a partnership, the percentage limitation specified in subdivision (a) shall apply with respect to the partnership and with respect to each partner.

(e) For purposes of this section, "taxpayer" means a taxpayer who conducts a qualified business within a program area (as defined in Section 7082 of the Government Code).

(f) Any taxpayer who elects to be subject to this section shall not be entitled to claim for the same property the deduction under Section 179 of the Internal Revenue Code, relating to an election to expense certain depreciable business assets, and shall reduce the basis of the property by the amount of the deduction claimed under this section.

(g) The aggregate cost which may be taken into account under subdivision (a) for any taxable year shall not exceed the following applicable amount for the taxable year of the designation of a program area and taxable years thereafter:

	The applicable amount is:
Taxable year of designation	$100,000
1st taxable year thereafter	100,000
2nd taxable year thereafter	75,000
3rd taxable year thereafter	75,000
Each taxable year thereafter	50,000

(h) Any amounts deducted under subdivision (a) with respect to property which ceases to be qualified property at any time before the close of the second taxable year after the property is placed in service shall be included in income for that year.

(i) 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. 17. Section 17270 of the Revenue and Taxation Code is amended to read:

17270. (a) For purposes of Section 162(a)(2) of the Internal Revenue Code, relating to travel expenses, all of the following shall apply:

(1) The place of residence of a member of the Legislature within the district represented shall be considered the tax home.

(2) The provisions of Section 162(h) of the Internal Revenue Code, relating to state legislators' travel expenses away from home, shall not be applied.

(b) The denial of deductions for expenses and interest relating to tax-exempt income shall be determined in accordance with Section 17280, in lieu of Section 265 of the Internal Revenue Code.

(c) The provisions of Section 280C of the Internal Revenue Code (relating to certain expenses for which credits are allowable) shall be applicable but only with respect to amounts claimed as a tax credit under Section 17057 (relating to clinical testing of drugs).

(d) The provisions of Section 280D of the Internal Revenue Code (relating to credits for windfall profits tax) shall not be applicable.

SEC. 18. Section 17276 of the Revenue and Taxation Code is amended to read:

17276. The deduction provided by Section 172 of the Internal Revenue Code, relating to a net operating loss deduction, shall be modified as follows:

(a) (1) Except as provided in subdivision (d), net operating losses attributable to taxable years beginning before January 1, 1985, and beginning on or after January 1, 1992, shall not be allowed, except for losses allowed by this section (as amended by Chapter 938 of the Statutes of 1984) and former Section 17276.5 (as amended by Chapter 158 of the Statutes of 1986).

(2) A net operating loss shall not be carried forward to any taxable year beginning before January 1, 1987.

(b) The provisions of Section 172(b)(2) of the Internal Revenue Code, relating to the amount of carryovers, shall be modified so that 50 percent of the entire amount of the net operating loss for any taxable year shall not be eligible for carryover to any subsequent taxable year.

(c) Net operating loss carrybacks shall not be allowed.

(d) Notwithstanding the provisions of Section 172(b)(1) of the Internal Revenue Code—

(1) A net operating loss attributable to a taxable year beginning in 1985 or 1986, shall be a net operating loss carryover to the first taxable year beginning in 1987, and for each of the two succeeding taxable years.

(2) A net operating loss attributable to a taxable year ending on or after January 1, 1985 and before December 31, 1985, shall be a net operating loss carryover to the first taxable year beginning in 1987, and for each of the two succeeding taxable years.

(3) For purposes of paragraph (2), the amount of the carryover shall be reduced so that the amount of carryover, after application of this paragraph and subdivision (b), shall be equal to the following percentage of the entire amount of the net operating loss for the taxable year:

(A) For taxable years ending in January 1985, 4 percent.
(B) For taxable years ending in February 1985, 8 percent.
(C) For taxable years ending in March 1985, 12 percent.
(D) For taxable years ending in April 1985, 17 percent.
(E) For taxable years ending in May 1985, 21 percent.
(F) For taxable years ending in June 1985, 25 percent.
(G) For taxable years ending in July 1985, 29 percent.
(H) For taxable years ending in August 1985, 33 percent.
(I) For taxable years ending in September 1985, 37 percent.

(J) For taxable years ending in October 1985, 42 percent.

(K) For taxable years ending in November 1985, 46 percent.

(*l*) For taxable years ending in December 1985, 50 percent.

(e) For purposes of computing the net operating loss deduction under Section 172(a) of the Internal Revenue Code, as modified by this section, the amount of a net operating loss sustained in any taxable year during any part of which the taxpayer was not a resident of this state shall be limited to the sum of the following:

(1) The portion of the net operating loss attributable to the part of the year in which the taxpayer is a resident.

(2) The portion of the net operating loss which, during the part of the year the taxpayer is not a resident, is attributable to California source income and deductions.

(f) For taxable years beginning on or after January 1, 1987, net operating loss carryovers shall be applied in accordance with Section 172 of the Internal Revenue Code (earliest year first)—

(1) First, from losses which were allowable under prior law, incurred in taxable years beginning prior to January 1, 1985.

(2) Second, from losses, other than losses allowed under prior law, incurred in taxable years ending in 1985.

(3) Third, from losses, other than losses allowed under prior law, incurred in taxable years beginning in 1985.

(4) Fourth, from losses which were allowable under prior law, incurred in taxable years beginning in 1985.

(5) Fifth, from losses, other than losses allowed under prior law, incurred in taxable years beginning in 1986.

(6) Sixth, from losses which were allowable under prior law, incurred in taxable years beginning in 1986.

(7) Seventh, from losses incurred in taxable years beginning on or after January 1, 1987.

SEC. 19. Section 17277 of the Revenue and Taxation Code is repealed.

SEC. 20. Section 17504 of the Revenue and Taxation Code is amended to read:

17504. (a) The provisions of Section 402 of the Internal Revenue Code, relating to taxability of beneficiaries of employees' trusts, shall be modified as follows:

(1) The amendments made to Section 402(a) of the Internal Revenue Code by Public Law 98-369 shall apply to distributions made after July 18, 1984, in taxable years ending after that date.

(2) The amendments (but not the transitional rules) made by Public Law 99-514 shall be applicable to this part for the same transactions and the same years as they are applicable for federal purposes, except as otherwise provided.

(3) The basis of any person in an employees' trust shall include the amount of any contributions made prior to January 1, 1987, which were not allowed as a deduction under former Sections 17503 and 17513 (including predecessor Section 17524 repealed by Chapter 488 of the Statutes of 1983) relating to special limitations for

self-employed individuals.

(b) (1) There is hereby imposed a tax on lump-sum distributions computed in accordance with the provisions of Section 402(e) of the Internal Revenue Code using the rates and brackets prescribed in subdivision (a) of Section 17041 (without regard to Section 17045) in lieu of the rates and brackets in Section 1(c) of the Internal Revenue Code. The recipient of the lump-sum distribution shall be liable for the tax imposed by this paragraph.

(2) For purposes of this part, the provisions of Section 1122(h) of Public Law 99-514 shall apply, except as modified by each of the following:

(A) The provisions of Section 1122(h)(3)(B)(i) of Public Law 99-514 shall be modified to refer to Section 17041 rather than Section 1 of the Internal Revenue Code.

(B) The provisions of paragraphs (3), (4), and (6) of Section 1122(h) of Public Law 99-514, relating to capital gains, shall be modified to provide that 50 percent of eligible capital gains are excluded from income in lieu of the capital gains deduction allowed under prior federal law.

(C) The provisions of Section 1122(h)(5) of Public Law 99-514 shall be modified to refer to Section 17041 rather than Section 1 of the Internal Revenue Code.

(3) The provisions of Section 1124(a) of Public Law 99-514 shall apply.

SEC. 21. Section 17506 of the Revenue and Taxation Code is amended to read:

17506. The provisions of Section 403 of the Internal Revenue Code, relating to taxation of employee annuities, shall be modified as follows:

(a) The amendments made to Section 403(a)(4) of the Internal Revenue Code by Public Law 98-369, relating to rollovers, shall apply to distributions made after July 18, 1984, in taxable years ending after that date.

(b) The amendments made to Section 403(b)(8) of the Internal Revenue Code by Public Law 98-369, relating to rollovers, shall apply to distributions made after July 18, 1984, in taxable years ending after that date.

(c) The amendments and transitional rules made by Public Law 99-514 (except the transition rules relating to Section 403(a) of the Internal Revenue Code) shall be applicable to this part for the same transactions and the same years as they are applicable for federal purposes, except as otherwise provided.

(d) The basis of any person in an employee annuity shall include the amount of any contributions made prior to January 1, 1987, which were not allowed as a deduction under former Sections 17503 and 17513 (including predecessor Section 17524 repealed by Chapter 488 of the Statutes of 1983) relating to special limitations for self-employed individuals.

SEC. 22. Section 17510 is added to the Revenue and Taxation

Code, to read:

17510. For purposes of this part, the provisions of Section 7701 (j) of the Internal Revenue Code, relating to federal thrift savings funds, shall be applicable.

SEC. 22.5. Section 17551 of the Revenue and Taxation Code is amended to read:

17551. (a) Accounting periods and methods of accounting shall be determined in accordance with Subchapter E of Chapter 1 of Subtitle A of the Internal Revenue Code, except as otherwise provided in this chapter.

(b) For taxable years beginning on or after January 1, 1987, Section 444 of the Internal Revenue Code, as added by Public Law 100-203, relating to election of taxable years other than required taxable years, shall be applicable.

SEC. 23. Section 17551.5 of the Revenue and Taxation Code is amended to read:

17551.5. (a) In the case of any taxpayer, S corporation, or partnership required to change its accounting period by the federal Tax Reform Act of 1986 (Public Law 99-514) as modified by Section 10206 of Public Law 100-203, that change shall be treated as initiated by the taxpayer, S corporation, or partnership with the consent of the Franchise Tax Board.

(b) With respect to any partner or shareholder of an S corporation which is required to include the items from more than one taxable year of the partnership or S corporation in any one taxable year, any income in excess of expenses for the short taxable year resulting from the change described in subdivision (a) shall be taken into account ratably in each of the first four taxable years (including the short year) beginning after December 31, 1986, unless the partner or shareholder elects to include all that income in the short taxable year.

(c) The spreading of income over four years, as allowed by subdivision (b), shall not apply unless the taxpayer receives similar treatment for federal income tax purposes.

SEC. 24. Section 17552 of the Revenue and Taxation Code is amended to read:

17552. (a) A return for a period of less than 12 months, required by Section 443 of the Internal Revenue Code, shall also be made when the Franchise Tax Board terminates the taxpayer's taxable year under Section 18642 (relating to tax in jeopardy).

(b) The provisions of Section 443(c) of the Internal Revenue Code, relating to adjustment in deduction for personal exemption, shall be applied to the credit allowed under Section 17054 in lieu of the deduction allowed by Section 151 of the Internal Revenue Code.

SEC. 25. Section 17560 of the Revenue and Taxation Code is amended to read:

17560. (a) At the election of the taxpayer, the provisions of Section 453C of the Internal Revenue Code, relating to certain indebtedness treated as payment on installment obligations, shall not be applicable.

(b) If an election is not made under subdivision (a), then for purposes of applying the provisions of Section 453C of the Internal Revenue Code, relating to certain indebtedness treated as a payment on installment obligations, the provisions of Sections 811(c)(2), 811(c)(4), 811(c)(6), and 811(c)(7) of Public Law 99-514 shall apply.

SEC. 26. Section 17561 is added to the Revenue and Taxation Code, to read:

17561. (a) For purposes of this part, the provisions of Section 469(d)(2) of the Internal Revenue Code, relating to passive activity credits, are modified to refer to the following credits:

(1) The credit for research expenses allowed by Section 17052.12.

(2) The credit for certain wages paid (targeted jobs) allowed by Section 17053.7.

(3) The credit for clinical testing expenses allowed by Section 17057.

(4) The credit for low-income housing allowed by Section 17058.

(b) For purposes of applying the provisions of Section 469(i) of the Internal Revenue Code, relating to the twenty-five thousand dollar ($25,000) offset for rental real estate activities, the dollar limitation for the credit allowed under Section 17058 (relating to low-income housing) shall be equal to seventy-five thousand dollars ($75,000) in lieu of the amount specified in Section 469(i)(2) of the Internal Revenue Code.

(c) Section 502 of the Tax Reform Act of 1986 (Public Law 99-514) shall apply.

(d) For taxable years beginning on or after January 1, 1987, the provisions of Section 10212 of Public Law 100-203, relating to treatment of publicly traded partnerships under Section 469, shall be applicable.

SEC. 27. Section 17562 is added to the Revenue and Taxation Code, to read:

17562. For purposes of applying the provisions of Section 448 of the Internal Revenue Code, relating to limitations on use of the cash method of accounting, Sections 801(d)(2) and 801(d)(3) of the Tax Reform Act of 1986 (Public Law 99-514) shall apply.

SEC. 28. Section 18001 of the Revenue and Taxation Code is amended to read:

18001. (a) Subject to the following conditions, residents shall be allowed a credit against the "net tax" (as defined by Section 17039) for net income taxes imposed by and paid to another state (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) on income taxable under this part:

(1) The credit shall be allowed only for taxes paid to the other state (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) on income derived from sources within that state which is taxable under its laws irrespective of the residence or domicile of the recipient.

This paragraph shall not apply to residents to whom subdivision

(b) of Section 17014 applies.

(2) The credit shall not be allowed if the other state allows residents of this state a credit against the taxes imposed by that state (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) for "net tax" (as defined by Section 17039) paid or payable under this part.

(3) The credit shall not exceed such proportion of the tax payable under this part as the income subject to tax in the other state (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) and also taxable under this part bears to the taxpayer's entire income upon which the "net tax" (as defined by Section 17039) is imposed by this part.

(4) No credit shall be allowed under this section for any tax imposed by Section 17062.

(b) For purposes of determining the tentative minimum tax under subparagraph (A) of paragraph (3) of subdivision (b) of Section 17062, the credit shall be computed under subdivision (a) except that the provisions of paragraph (3) of subdivision (a) shall be modified to provide that the credit shall not exceed such proportion of the tentative minimum tax as the income subject to tax in the other state (recomputed in accordance with Section 17062) and also included in alternative minimum taxable income under this part bears to the total alternative minimum taxable income under this part. In any case, the amount determined under this subdivision shall not be less than the amount determined under subdivision (a).

SEC. 29. Section 18001.5 of the Revenue and Taxation Code is repealed.

SEC. 30. Section 18006 of the Revenue and Taxation Code is repealed.

SEC. 31. Section 18006 is added to the Revenue and Taxation Code, to read:

18006. For purposes of determining a credit under Section 18001 (relating to residents) or Section 18002 (relating to nonresidents), a member of a partnership or a shareholder of a corporation electing to be treated as an S corporation under Chapter 4.5 (commencing with Section 23800) of Part 11 shall be allowed to treat their pro rata share of the taxes paid to another state by the partnership or S corporation as if they had been paid by the partner or shareholder.

SEC. 32. Section 18036 of the Revenue and Taxation Code is amended to read:

18036. (a) In addition to the adjustments to basis provided by Section 1016(a) of the Internal Revenue Code, a proper adjustment shall also be made for amounts allowed as deductions as deferred expenses under subdivision (b) of former Section 17689 or former Section 17689.5 (relating to certain exploration expenditures) and resulting in a reduction of the taxpayer's taxes under this part, but not less than the amounts allowable under those sections for the taxable year and prior years. A proper adjustment shall also be made for amounts deducted under Section 17265 or former Section 17252.5.

(b) Notwithstanding the provisions of Sections 164(a) and 1016(a) of the Internal Revenue Code, no adjustment to basis shall be made for any of the following:

(1) Abandonment fees paid in respect of property on which the open-space easement is terminated under Section 51061 or 51093 of the Government Code.

(2) Tax recoupment fees paid under Section 51142 of the Government Code.

(3) Sales or use tax which is paid or incurred by the taxpayer in connection with the acquisition of property for which a tax credit is claimed pursuant to Section 17052.13.

(c) The provisions of Section 1016(c) of the Internal Revenue Code, relating to increase in basis of property on which additional estate tax is imposed, shall be applicable.

SEC. 33. Section 18155 is added to the Revenue and Taxation Code, to read:

18155. No deduction shall be allowed for capital loss carrybacks provided by Section 1212 of the Internal Revenue Code.

SEC. 34. Section 18162 is added to the Revenue and Taxation Code, to read:

18162. If a taxpayer has a gain from the sale of dairy cattle under a valid contract with the United States Department of Agriculture under the milk production termination program, then to the extent that such gain is properly taken into account under the taxpayer's method of accounting after January 1, 1987, and before September 1, 1987, a deduction shall be allowed as follows:

(a) In the case of dairy cattle held for more than one year, but not more than five years, 35 percent of the gain.

(b) In the case of dairy cattle held for more than five years, 50 percent of the gain.

SEC. 35. Section 18402 of the Revenue and Taxation Code is amended to read:

18402. If a husband and wife have for the taxable year an aggregate adjusted gross income of over twelve thousand dollars ($12,000), or an aggregate gross income of over sixteen thousand dollars ($16,000)—

(a) Each shall make such a return, or

(b) If a joint federal income tax return for the same taxable year is filed, the income of each shall be included in a single joint return, in which case the tax shall be computed on the aggregate income, as provided in Section 17045.

(1) A nonresident joint return shall be made if one spouse was a resident for the entire year and the other spouse was a nonresident for all or any portion of the taxable year except that this paragraph shall not apply if either of the following apply:

(A) The nonresident or his or her spouse was an active member of the armed forces of the United States or any auxiliary branch thereof during the taxable year.

(B) The nonresident spouse has no income from California

sources for the taxable year.

(2) A joint return may not be filed if the husband and wife have different taxable years; except that if their taxable years begin on the same day and end on different days because of the death of either or of both, then a joint return may be made with respect to the taxable year of each. The above exception shall not apply if the surviving spouse remarries before the close of his or her taxable year, nor if the taxable year of either spouse is a fractional part of a year under Section 443(a) of the Internal Revenue Code.

(c) In the case of the death of one spouse or both spouses the joint return with respect to the decedent may be made only by the decedent's executor or administrator; except that in the case of the death of one spouse the joint return may be made by the surviving spouse if (1) no return for the taxable year has been made by the decedent, (2) no executor or administrator has been appointed, and (3) no executor or administrator is appointed before the last day prescribed by law for filing the return of the surviving spouse. If an executor or administrator of the decedent is appointed after the making of the joint return by the surviving spouse, the executor or administrator may disaffirm such joint return by making, within one year after the last day prescribed by law for filing the return of the surviving spouse, a separate return for the taxable year of the decedent with respect to which the joint return was made, in which case the return made by the survivor shall constitute his or her separate return.

(d) In the case of a married couple described in subparagraph (A) or (B) of paragraph (1) of subdivision (b), that couple may either file separate returns or a single joint return on such forms and in such manner as the Franchise Tax Board may prescribe.

SEC. 36. Section 18683.5 of the Revenue and Taxation Code is repealed.

SEC. 37. Section 18684.2 of the Revenue and Taxation Code is amended to read:

18684.2. (a) In case of failure to pay either of the following:

(1) The amount shown as tax on any return specified in this part on or before the date prescribed for payment of that tax (determined with regard to any extension of time for payment), or

(2) Any amount in respect of any tax required to be shown on a return which is not so shown (including an assessment made pursuant to Section 18601) within 10 days of the date of the notice and demand therefor,

unless it is shown that such failure is due to reasonable cause and not due to willful neglect, a penalty is hereby imposed consisting of both of the following:

(A) Five percent of the total tax unpaid (as defined in subdivision (c)).

(B) An amount computed at the rate of 0.5 percent per month of the "remaining tax" (as defined in subdivision (d)) for each additional month or fraction thereof (not to exceed 40 months)

during which the "remaining tax" is greater than zero.

(C) The aggregate amount of penalty imposed by this subdivision shall not exceed 25 percent of the total unpaid tax and shall be due and payable upon notice and demand by the Franchise Tax Board. The tender of a check or money order does not constitute payment of the tax for purposes of this section unless the check or money order is paid on presentment.

(b) The penalty prescribed by subdivision (a) shall not be assessed if, for the same taxable year, the sum of any penalties imposed under Section 18681 (relating to failure to file return) and Section 18683 (relating to failure to file return after demand) is equal to or greater than the subdivision (a) penalty. In the event the penalty imposed under subdivision (a) is greater than the sum of any penalties imposed under Sections 18681 and 18683, the penalty imposed under subdivision (a) shall be the amount which exceeds the sum of any penalties imposed under Sections 18681 and 18683.

(c) For purposes of this section, total tax unpaid means the amount of tax shown on the return reduced by both of the following:

(1) The amount of any part of the tax which is paid on or before the date prescribed for payment of the tax.

(2) The amount of any credit against the tax which may be claimed upon the return.

(d) For purposes of this section, "remaining tax" means total tax unpaid reduced by the amount (if any) of any payment of the tax.

(e) If the amount required to be shown as a tax on a return is less than the amount shown as tax on that return, subdivision (a), subdivision (c), and subdivision (d) shall be applied by substituting that lower amount.

(f) No interest shall accrue on the portion of the penalty described in subparagraph (B) of paragraph (2) of subdivision (a).

SEC. 38. Section 18689 of the Revenue and Taxation Code is amended to read:

18689. (a) Except as provided in Section 18692, interest shall be imposed under this article with respect to any assessable penalty as provided in this section.

(b) In the case of a penalty which, when assessed, is due and payable on notice and demand, other than a penalty imposed under Section 18681 (relating to failure to file a return on or before the due date) and Section 18684.2 (relating to underpayment of tax), interest shall be imposed from the date of the notice and demand to the date of payment.

(c) In the case of a penalty which is initially assessed as a deficiency, other than a penalty imposed under Section 18681 (relating to failure to file a return on or before the due date), Section 18684.2 (relating to underpayment of tax), Section 18684.4 (relating to substantial understatement of tax liability), or Section 18699 (relating to valuation overstatements), interest shall be imposed from the date of the notice of proposed assessment to the date of payment.

(d) Interest shall be imposed under this article with respect to any penalty imposed by Section 18681 (relating to failure to file a return on or before the due date), Section 18684.2 (relating to underpayment of tax), Section 18684.4 (relating to substantial understatement of tax liability), or Section 18699 (relating to valuation overstatements), for the period which—

(1) Begins on the date on which the return of the tax with respect to which that penalty is imposed is required to be filed (including any extensions), and

(2) Ends on the date of payment of that addition to tax.

SEC. 39. Section 18802 of the Revenue and Taxation Code is amended to read:

18802. (a) Every individual, partnership, corporation, joint stock company or association, insurance company, business trust, or so-called Massachusetts trust, engaged in a trade or business in this state and making payment in the course of such trade or business to another person, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of this state or any political subdivision of this state, or any city organized under a freeholder's charter, or any political body not a subdivision or agency of the state, having the control, receipt, custody, disposal, or payment of interest (other than interest coupons payable to bearer), dividends, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income amounting to six hundred dollars ($600) or over, paid or payable during any year to any taxpayer, shall make a complete return to the Franchise Tax Board, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, under such regulations and in such form and manner and to such extent as may be prescribed by it.

(b) For purposes of subdivision (a), the term "trade or business" includes the activities of nonprofit organizations.

(c) In lieu of an information return required by subdivision (a), the Franchise Tax Board may require that a copy of the federal information return be filed with the Franchise Tax Board.

(d) Every entity required to make a return under subdivision (a) shall furnish to each person whose name is required to be set forth in the return a written statement showing—

(1) The name, address, and identification number of the entity required to make the return, and

(2) The aggregate amount of payments to the person required to be shown on the return.

The written statement required under this subdivision shall be furnished to the person on or before January 31 of the year following the calendar year for which the return under subdivision (a) was required to be made.

(e) This section shall not apply to tips with respect to which Section 13055 of the Unemployment Insurance Code applies. The

only records which an employer shall be required to keep under this section in connection with charged tips shall be charge receipts and copies of statements furnished by employees under Section 13055 of the Unemployment Insurance Code. This subdivision shall apply to payments made after December 31, 1978.

(f) The amendments to this section made by the 1981–82 Regular Session of the Legislature shall apply to returns and statements required to be furnished after December 31, 1981.

SEC. 40. Section 18817.3 of the Revenue and Taxation Code is amended to read:

18817.3. (a) There shall be exempt from levy, under this chapter, all of the following:

(1) Those items of wearing apparel and those schoolbooks as are necessary for the taxpayer or for members of his or her family.

(2) If the taxpayer is the head of a family, so much of the fuel, provisions, furniture, and personal effects in his or her household, and of the arms for personal use, livestock, and poultry of the taxpayer, as does not exceed one thousand five hundred dollars ($1,500) in value.

(3) So many of the books and tools necessary for the trade, business, or profession of the taxpayer as do not exceed in the aggregate one thousand dollars ($1,000) in value.

(4) Any amount payable to an individual with respect to his or her unemployment (including any portion thereof payable with respect to dependents) under an unemployment compensation law of the United States, of any state, or of the District of Columbia or of the Commonwealth of Puerto Rico.

(5) Mail, addressed to any person, which has not been delivered to the addressee.

(6) Annuity or pension payments under the Railroad Retirement Act, benefits under the Railroad Unemployment Insurance Act, special pension payments received by a person whose name has been entered on the Army, Navy, Air Force, and Coast Guard Medal of Honor roll (38 U.S.C. Sec. 562), and annuities based on retired or retainer pay under Chapter 73 of Title 10 of the United States Code.

(7) Any amount payable to an individual as worker's compensation (including any portion thereof payable with respect to dependents) under a worker's compensation law of the United States, any state, the District of Columbia, or the Commonwealth of Puerto Rico.

(8) If the taxpayer is required by judgment of a court of competent jurisdiction, entered prior to the date of levy, to contribute to the support of his or her minor children, so much of his or her salary, wages, or other income as is necessary to comply with that judgment.

(9) Any amount payable to or received by an individual as wages or salary for personal services, or as income derived from other sources, during any period, to the extent that the total of those amounts payable to or received by him or her during that period

does not exceed the applicable exempt amount determined under subdivision (d).

(10) Any amount payable to an individual as a service-connected (within the meaning of Section 101(16) of Title 38, United States Code) disability benefit under any of the following:

(A) Subchapter II, IV, or VI of Chapter 11 of that Title 38.

(B) Subchapter I, II, or III of Chapter 19 of that Title 38.

(C) Chapter 21, 31, 32, 34, 35, 37, or 39 of that Title 38.

(b) The officer seizing property of the type described in subdivision (a) shall appraise and set aside to the owner the amount of that property declared to be exempt. If the taxpayer objects at the time of the seizure to the valuation fixed by the officer making the seizure, the Franchise Tax Board shall summon three disinterested individuals who shall make the valuation.

(c) Notwithstanding any other law, (including Section 207 of the federal Social Security Act), no property or rights to property shall be exempt from levy other than the property specifically made exempt by subdivision (a).

(d) (1) In the case of an individual who is paid or receives all of his or her wages, salary, and other income on a weekly basis, the amount of the wages, salary, and other income payable to or received by him or her during any week which is exempt from levy under paragraph (9) of subdivision (a) shall be:

(A) Seventy-five dollars ($75), plus

(B) Twenty-five dollars ($25) for each individual who is specified in a written statement which is submitted to the person on whom notice of levy is served and which is verified in such manner as the Franchise Tax Board shall prescribe by regulations and—

(i) Over half of whose support for the payroll period was received from the taxpayer,

(ii) Who is the spouse of the taxpayer, or who bears a relationship to the taxpayer specified in paragraphs (1) to (9), inclusive, of Section 152(a) of the Internal Revenue Code (relating to definition of dependents), and

(iii) Who is not a minor child of the taxpayer with respect to whom amounts are exempt from levy under paragraph (8) of subdivision (a) for the payroll period.

For purposes of clause (ii) of subparagraph (B) of the preceding sentence, "payroll period" shall be substituted for "taxable year" each place it appears in paragraph (9) of Section 152(a) of the Internal Revenue Code.

(2) In the case of any individual not described in paragraph (1), the amount of the wages, salary, and other income payable to or received by him or her during any applicable pay period or other fiscal period (as determined under regulations prescribed by the Franchise Tax Board) which is exempt from levy under paragraph (9) of subdivision (a) shall be an amount (determined under those regulations) which as nearly as possible will result in the same total exemption from levy for that individual over a period of time as he

or she would have under paragraph (1) if (during that period of time) he or she were paid or received those wages, salary, and other income on a regular weekly basis.

SEC. 41. Section 23051.5 of the Revenue and Taxation Code is amended to read:

23051.5. (a) Unless otherwise specifically provided, the term "Internal Revenue Code," "Internal Revenue Code of 1954," or "Internal Revenue Code of 1986," for purposes of this part, means Title 26 of the United States Code, including all amendments thereto, in effect on the specified date for the applicable taxable year as defined in subdivision (a) of Section 17024.5, except that for purposes of this part, "income year" shall be substituted for "taxable year" throughout that section.

(b) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any provision therein relating to any of the following shall not be applicable for purposes of this part:

(1) Domestic International Sales Corporations (DISC), as defined in Section 992(a) of the Internal Revenue Code.

(2) Foreign Sales Corporations (FSC), as defined in Section 922(a) of the Internal Revenue Code.

(3) A personal holding company, as defined in Section 542 of the Internal Revenue Code.

(4) A foreign personal holding company, as defined in Section 552 of the Internal Revenue Code.

(5) A foreign investment company, as defined in Section 1246(b) of the Internal Revenue Code.

(6) A foreign trust required to file a return under Section 6048 of the Internal Revenue Code.

(7) Foreign income taxes and foreign income tax credits.

(8) Federal tax credits and carryovers of federal tax credits.

(c) When applying any provision of the Internal Revenue Code—

(1) For purposes of Chapter 2 (commencing with Section 23101), Chapter 2.5 (commencing with Section 23400), and Chapter 3 (commencing with Section 23501), the term "taxable income" shall mean "net income" (as defined by Section 24341).

(2) For purposes of Article 2 (commencing with Section 23731) of Chapter 4, the term "taxable income" shall mean "unrelated business taxable income" (as defined by Section 23732).

(d) (1) The provisions contained in Sections 41 to 44, inclusive, and 172 of the Tax Reform Act of 1984 (Public Law 98-369), relating to treatment of debt instruments, shall not be applicable for income years beginning before January 1, 1987.

(2) The provisions contained in Public Law 99-121, relating to the treatment of debt instruments, shall not be applicable for income years beginning before January 1, 1987.

(3) For income years beginning on and after January 1, 1987, the provisions referred to by paragraphs (1) and (2) shall be applicable for purposes of this part in the same manner and with respect to the

same obligations as the federal provisions, except as otherwise provided in this part.

(e) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, the following shall apply:

(1) Due account shall be made for differences in federal and state terminology, effective dates, substitution of "income year" for "taxable year" where appropriate, substitution of "Franchise Tax Board" for "secretary" when appropriate, and other obvious differences.

(2) Any provision of the Internal Revenue Code which becomes operative on or after the specified date shall also become operative on the same date for purposes of this part.

(3) Any provision of the Internal Revenue Code which becomes inoperative on or after the specified date shall also become inoperative on the same date for purposes of this part.

(4) Any reference to a specific provision of the Internal Revenue Code shall include modifications of that provision, if any, in this part.

(5) Any provision of the Internal Revenue Code which refers to a "corporation" shall, when applicable for purposes of this part, include a "bank" (as defined by Section 23039).

(f) In the absence of regulations of the Franchise Tax Board, where provisions of this part conform to the Internal Revenue Code, regulations adopted under the Internal Revenue Code shall govern the interpretation of comparable provisions in this part, with due account for differences in federal and state terminology, effective dates, substitution of "income year" for "taxable year" where appropriate, substitution of "Franchise Tax Board" for "secretary" when appropriate, and other obvious differences.

(g) Whenever this part allows a taxpayer to make an election, the following rules shall apply:

(1) A proper election filed in accordance with the Internal Revenue Code or regulations issued by "the secretary" shall be deemed to be a proper election for purposes of this part, unless otherwise expressly provided in this part or in regulations issued by the Franchise Tax Board.

(2) A copy of that election shall be furnished to the Franchise Tax Board upon request.

(3) To obtain treatment other than that elected for federal purposes, a separate election shall be filed with the Franchise Tax Board at the time and in the manner which may be required by the Franchise Tax Board.

(4) The income year of a taxpayer may not be different than the taxable year used for purposes of the Internal Revenue Code, unless initiated or approved by the Franchise Tax Board.

(h) Whenever this part allows or requires a taxpayer to file an application or seek consent, the rules set forth in subdivision (g) shall be applicable with respect to any such application or consent.

SEC. 41.5. Section 23051.7 of the Revenue and Taxation Code is

amended to read:

23051.7. (a) The enactment of the act adding this section to the code shall not deprive any taxpayer of any carryover of a credit, excess contribution, or loss to which that taxpayer was entitled under this part, including all amendments enacted prior to January 1, 1987.

(b) The carryover of the credit, excess contribution, or loss shall be allowed to be carried forward under the act adding this section to the code for the same period of time as the taxpayer would have been entitled to carry that item forward under prior law.

(c) For purposes of applying the provisions of the act adding this section to the code, the basis or recomputed basis of any asset acquired prior to January 1, 1987, shall be determined under the law at the time the asset was acquired and any adjustments to basis shall be computed as follows:

(1) Any adjustments to basis for income years beginning prior to January 1, 1987, shall be computed under applicable provisions of this part, including all amendments enacted prior to January 1, 1987; and

(2) Any adjustments to basis for income years beginning on or after January 1, 1987, shall be computed under the applicable provisions of the act adding this section to the code.

(d) For income years beginning on or after January 1, 1987, and before January 1, 1988, references in this part to "alternative minimum tax" shall be deemed to be references to the "tax on preference income."

SEC. 42. Section 23053.5 of the Revenue and Taxation Code is repealed.

SEC. 43. Section 23181 of the Revenue and Taxation Code, as amended by Chapter 1442 of the Statutes of 1987, is amended to read:

23181. (a) Except as otherwise provided herein, an annual tax is hereby imposed upon every bank doing business within the limits of this state according to or measured by its net income, upon the basis of its net income for the next preceding income year at the rate provided under Section 23186.

(b) If a bank commences to do business and ceases doing business in the same taxable year, the tax for such taxable year shall be according to or measured by its net income for such year, at the rate provided under Section 23186.

(c) With respect to a bank, other than a bank described in subdivision (b), which ceases doing business after December 31, 1972, the tax for the taxable year of cessation shall be:

(1) According to or measured by its net income for the next preceding income year, to be computed at the rate prescribed in Section 23186, plus

(2) According to or measured by its net income for the income year during which the bank ceased doing business, to be computed at the rate prescribed in Section 23186.

(d) In the case of a bank which ceased doing business before January 1, 1973, but dissolves or withdraws on such date or thereafter, the tax for the taxable year of dissolution or withdrawal shall be

according to or measured by its net income for the income year during which the bank ceased doing business, unless such income has previously been included in the measure of tax for any taxable year, to be computed at the rate prescribed under Section 23186 for the taxable year of dissolution or withdrawal.

(e) Commencing with income years ending in 1980, every bank shall pay to the state a minimum tax of two hundred dollars ($200) or the measured tax imposed on its income, whichever is greater.

(f) For income years beginning after December 31, 1986, every bank shall pay to the state a minimum tax of three hundred dollars ($300) or the measured tax imposed on its income, whichever is greater.

(g) For income years beginning after December 31, 1988, every bank shall pay to the state a minimum tax of six hundred dollars ($600) or the measured tax imposed on its income, whichever is greater.

(h) For income years beginning after December 31, 1989, every bank shall pay to the state a minimum tax of eight hundred dollars ($800) or the measured tax imposed on its income, whichever is greater.

SEC. 43.5. Section 23186 of the Revenue and Taxation Code is amended to read:

23186. (a) Except as otherwise provided in this section, the rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this state, of every corporation taxable under Section 23151 or subdivision (c) of Section 23151.1 or paragraph (1) of subdivision (d) of Section 23151.1, as the case may be, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this state as franchise taxes according to or measured by such net income, and required to be paid to this state or its political subdivisions by such corporations as personal property taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 13 percent. The percentage of the net income of every corporation taxable under Section 23151, or subdivision (c) of Section 23151.1, or paragraph (1) of subdivision (d) of Section 23151.1, as the case may be, other than public utilities as defined in the Public Utilities Act, required to be paid to this state or its political subdivisions in personal property taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes, less 9 percent thereof, bears to the total amount of net income of such corporations allocable to California, increased by the amount of such personal property taxes; provided, however, that if any such corporation sustains a net loss allocable to California the personal property taxes required to be paid by such corporation to this state or its political subdivisions during the preceding calendar year or fiscal year ended during such calendar year shall be considered for the purpose of determining

such ratio only to the extent which such personal property taxes exceed such net loss allocable to California.

(b) The rate of tax on banks and financial corporations for income years ending in 1980, 1981, 1982, 1983, and 1984 shall be as follows:

(1)	1980	11.6 percent
(2)	1981	11.6 percent
(3)	1982	10.907 percent
(4)	1983	10.907 percent
(5)	1984	10.930 percent

(c) For income years ending in 1987 and thereafter, the rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this state, of every corporation taxable under Article 2 (commencing with Section 23151) of this chapter, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this state as franchise taxes according to or measured by such net income, and required to be paid to this state or its political subdivisions by such corporations as personal property taxes and business license taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 11.7 percent. The percentage of the net income of every corporation taxable under Article 2 (commencing with Section 23151) of this chapter, other than public utilities as defined in the Public Utilities Act, required to be paid to this state or its political subdivisions in personal property taxes and business license taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes and business license taxes, less the rate prescribed in Section 23151, bears to the total amount of net income of such corporations allocable to California, increased by the amount of such personal property taxes and business license taxes; provided, however, that if any such corporation sustains a net loss allocable to California the personal property taxes and business license taxes required to be paid by such corporation to this state or its political subdivisions during the preceding calendar year or fiscal years ended during such calendar year shall be considered for the purpose of determining such ratio only to the extent which such personal property taxes and business license taxes exceed such net loss allocable to California. Total amounts of net income shall be determined without regard to deductions attributable to carryover or carryback of net operating losses (if any).

(d) For income years ending in 1982 and thereafter, for the purposes of subdivision (c), the total amount of personal property taxes and business license taxes required to be paid during the income year shall be based on a statistical sample by the Franchise Tax Board, consisting of all of the following:

(1) Every corporation with a net income determined without regard to deductions attributable to carryover or carryback of net operating losses (if any) of more than five million dollars ($5,000,000) for the income year.

(2) Every corporation required to pay one hundred thousand dollars ($100,000) or more of personal property tax or business license tax, or a combination thereof, during the income year.

(3) Two percent or more of all other corporations on a random basis.

For the purposes of this subdivision, "corporation" means a corporation taxable under Article 2 (commencing with Section 23151), other than public utilities as defined in the Public Utilities Act.

(e) For the purpose of verifying local business license taxes reported by corporations taxable under Article 2 (commencing with Section 23151), other than public utilities as defined in the Public Utilities Act, the Franchise Tax Board is authorized to receive source information listings directly from the cities as to the amount of business license taxes paid and the date of payment for each taxpayer subject to the business license tax, notwithstanding any city ordinance prohibiting that disclosure.

(f) If, after notice and demand by the Franchise Tax Board, a taxpayer declines or refuses to furnish the Franchise Tax Board with information regarding personal property taxes, business license taxes, or net income required to determine the rate of tax on banks and financial corporations as provided by this section, then in that event, unless the failure is due to reasonable cause, the Franchise Tax Board shall disallow any deductions claimed by a taxpayer for the applicable period for personal property taxes and business license taxes and a penalty of five thousand dollars ($5,000) shall be assessed.

(g) The Franchise Tax Board shall redetermine the rate of tax for banks and corporations determined in 1979 (and 1980 if applicable), taking into account additional local tax billings prior to January 1, 1982, resulting from the final court decision not to uphold the application of the tax rate provided by Article XIII A of the Constitution to the 1978–79 unsecured roll. Any additional taxes resulting from the redetermined rate will be due and payable within 30 days of mailing of a notice and demand by the Franchise Tax Board. In making the redetermination, the Franchise Tax Board shall utilize the statistical sampling method provided in subdivision (e), except that business license taxes shall not be taken into account.

SEC. 44. Section 23400 of the Revenue and Taxation Code is repealed.

SEC. 45. Section 23400 is added to the Revenue and Taxation Code, to read:

23400. (a) An alternative minimum tax shall be imposed in accordance with the provisions of Part VI of Subchapter A of Chapter 1 of Subtitle A of the Internal Revenue Code, except as otherwise provided in this chapter.

(b) A corporation electing under Chapter 4.5 (commencing with Section 23800) to be treated as an "S corporation" shall not be subject to the tax imposed by this chapter.

SEC. 46. Section 23401 of the Revenue and Taxation Code is repealed.

SEC. 47. Section 23453 is added to the Revenue and Taxation Code, to read:

23453. (a) There shall be allowed as a credit against the regular tax (as defined by subdivision (c) of Section 23455), for any taxable year, an amount equal to the minimum tax credit for that taxable year.

(b) For purposes of subdivision (a), the minimum tax credit shall be determined in accordance with Section 53 of the Internal Revenue Code, except as otherwise provided in this part.

(c) For purposes of this chapter, the amount determined under Section 53(c)(1) of the Internal Revenue Code shall be the regular tax as defined by subdivision (c) of Section 23455.

SEC. 48. Section 23455 is added to the Revenue and Taxation Code, to read:

23455. For purposes of this part, the provisions of Section 55 of the Internal Revenue Code are modified as follows:

(a) Section 55(b)(1) of the Internal Revenue Code, relating to tentative minimum tax, is modified to read:

(1) The tentative minimum tax for the taxable year shall be imposed as follows:

(A) With respect to corporations subject to tax under Chapter 2 (commencing with Section 23101), other than financial corporations, according to or measured by net income, for the privilege of doing business within this state, at a rate of 7 percent upon the basis of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

(B) With respect to corporations subject to tax under Chapter 3 (commencing with Section 23501), on net income from sources within this state, at a rate of 7 percent upon the basis of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

(C) With respect to corporations subject to tax under Article 2 of Chapter 4 (commencing with Section 23731), on the unrelated business income from sources within this state, at a rate of 7 percent upon the basis of so much of the alternative taxable income for the taxable year as exceeds the exemption amount.

(D) With respect to banks subject to tax under Section 23181, according to or measured by net income, for the privilege of doing business within this state, in an amount equal to the sum of the following:

(i) At a rate of 7 percent upon the basis of so much of the alternative minimum taxable income as exceeds the exemption amount, and

(ii) At the rate determined under Section 23186, less the rate

prescribed by Section 23151, upon the basis of net income for the taxable year.

(E) With respect to financial corporations subject to tax under Section 23183, according to or measured by net income, for the privilege of doing business within this state, in an amount equal to the sum of the following:

(i) At a rate of 7 percent upon the basis of so much of the alternative minimum taxable income as exceeds the exemption amount, and

(ii) At the rate determined under Section 23186, less the rate prescribed by Section 23151, upon the basis of net income for the taxable year. The offset prescribed by Section 23184 shall be applied to the tentative minimum tax in the same manner and to the same extent as that offset is applied to the tax imposed under Chapter 2 (commencing with Section 23101).

(b) Section 55(b)(2) of the Internal Revenue Code, relating to the definition of alternative taxable income, is modified as follows:

(1) For corporations whose net income is determined under Chapter 17 (commencing with Section 25101), alternative minimum taxable income shall be allocated and apportioned in the same manner as net income is allocated and apportioned for purposes of the regular tax.

(2) With respect to taxpayers subject to Article 4 (commencing with Section 23221) of Chapter 2, the provisions of Articles 4 (commencing with Section 23221) to 9 (commencing with Section 23361), inclusive, shall apply to the tax imposed by this section except that Section 23221 shall not apply.

(3) For purposes of computing the alternative minimum tax for taxable years in which a taxpayer commenced doing business, dissolves, withdraws, or ceases doing business, the provisions of Sections 23151, 23151.1, 23151.2, 23181, 23183, 23183.1, 23183.2, 23201 to 23204, inclusive, 23222 to 23224.5, inclusive, 23282, 23332.5, 23504, and 25401 shall be applied with due regard for the rate and alternative minimum taxable income prescribed by this chapter.

(c) Section 55(c) of the Internal Revenue Code, relating to the definition of regular tax, is modified to read:

(1) For purposes of this section, the term "regular tax" means the amount of tax imposed under Chapter 2 (commencing with Section 23101) or Chapter 3 (commencing with Section 23501) or Article 2 (commencing with Section 23731) of Chapter 4.

(2) The tax specified in paragraph (1) shall be the amount determined prior to reduction by any credits against the tax.

SEC. 49. Section 23456 is added to the Revenue and Taxation Code, to read:

23456. For purposes of this part, the provisions of Section 56 of the Internal Revenue Code are modified as follows:

(a) (1) Section 56(a)(2) of the Internal Revenue Code, relating to mining exploration and development costs, shall apply only to expenses incurred during income years beginning on or after

January 1, 1988.

(2) Section 56(a)(5) of the Internal Revenue Code, relating to pollution control facilities, shall apply only to amounts allowable as a deduction under Section 24372.3.

(b) Section 56(c)(2) of the Internal Revenue Code, relating to Merchant Marine Capital Construction Funds, shall not be applicable.

(c) (1) For purposes of applying the provisions of Section 56(d) of the Internal Revenue Code, all references to "December 31, 1986," are modified to read "December 31, 1987," and all references to "January 1, 1987," are modified to read "January 1, 1988."

(2) (A) If there was a deferral of preference tax under former Section 23405 for any income year beginning before January 1, 1988, and the amount of the deferred tax has not been paid for any income year beginning before January 1, 1988, the amount of the net operating loss carryovers which may be carried to income years beginning after December 31, 1987, for purposes of this chapter, shall be reduced by the amount of the tax preferences attributable to the deferred tax which has not been paid.

(B) In the case of a net operating loss allowed to be carried forward under subdivision (e) of Section 24416, subparagraph (A) shall apply to the extent that such a loss would have resulted in a deferred tax under prior law.

(d) (1) Section 56(f)(2)(B), relating to adjustments for certain taxes, is modified to read: The amount determined under subparagraph (A) shall be appropriately adjusted to disregard any tax on or measured by income.

(2) The last sentence of Section 56(f)(2)(B), relating to taxes imposed by a foreign country or possession, shall not be applicable.

(3) Section 56(f)(2)(C)(i) of the Internal Revenue Code, relating to consolidated returns, is modified to substitute "combined report" for "consolidated return."

(4) Section 56(f)(2)(C)(ii) of the Internal Revenue Code, relating to treatment of dividends of related corporations, is modified to read: Adjusted net book income shall take into account only those dividends (or portions thereof) which have been included in net income for purposes of determining the regular tax.

(5) Section 56(f)(2)(F) of the Internal Revenue Code, relating to treatment of dividends from 936 corporations, shall not be applicable.

(6) Section 56(f)(2)(G) of the Internal Revenue Code, relating to rules for Alaska native corporations, shall not be applicable.

(7) With respect to corporations which are not subject to the tax imposed under Chapter 2 (commencing with Section 23101), the amount of interest income included in book income shall not exceed the amount of interest income included for purposes of the regular tax.

(8) Appropriate adjustments shall be made to limit deductions from book income for interest expense in accordance with the provisions of Sections 24344 and 24425.

(e) The provisions of Section 56(g)(4)(A) of the Internal Revenue Code shall be modified to provide that in the case of any property placed in service on or after January 1, 1981, and prior to January 1, 1987, and not described in clause (i), (ii), or (iii) of Section 56(g)(4)(A) of the Internal Revenue Code, the amount allowable as depreciation or amortization with respect to that property shall be the same amount that would have been allowable for the income year had the taxpayer depreciated the property under the straight-line method for each income year of the useful life (determined without regard to Section 24354.2 or 24381) for which the taxpayer has held the property.

(f) (1) Section 56(g)(4)(C) of the Internal Revenue Code, relating to disallowance of items not deductible in computing earnings and profits, shall be modified as follows:

(A) A deduction shall be allowed for amounts allowable as a deduction for purposes of the regular tax under Sections 24402, 24410, 24411, and 25106.

(B) Section 56(g)(4)(C)(ii) of the Internal Revenue Code, relating to special rule for 100 percent dividends, shall not be applicable.

(C) Section 56(g)(4)(C)(iii) of the Internal Revenue Code, relating to special rule for dividends from Section 936 companies, shall not be applicable.

(2) With respect to corporations which are not subject to the tax imposed under Chapter 2 (commencing with Section 23101), the amount of interest income included in the adjusted current earnings shall not exceed the amount of interest income included for purposes of the regular tax.

(3) Appropriate adjustments shall be made to limit deductions from adjusted current earnings for interest expense in accordance with the provisions of Sections 24344 and 24425.

SEC. 50. Section 23457 is added to the Revenue and Taxation Code, to read:

23457. For purposes of this part, the provisions of Section 57 of the Internal Revenue Code are modified as follows:

(a) Section 57(a)(5) of the Internal Revenue Code, relating to tax-exempt interest, shall not be applicable.

(b) Section 57(a)(6)(A) is modified to refer to amounts allowed as a deduction by Section 24357, rather than by Section 170 of the Internal Revenue Code.

(c) Section 57(a)(7) of the Internal Revenue Code, relating to accelerated depreciation or amortization on certain property placed in service before January 1, 1987, is modified to read: With respect to each property as described in Section 1250(c) of the Internal Revenue Code as that provision read on April 1, 1970, the amount by which the deduction allowable for the income year for exhaustion, wear, tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the income year, had the taxpayer depreciated the property under the straight-line

method for each income year of its useful life (determined without regard to Section 24354.2 or 24381) for which the taxpayer has held the property.

SEC. 51. Section 23459 is added to the Revenue and Taxation Code, to read:

23459. For purposes of this part, the provisions of Section 59 of the Internal Revenue Code are modified as follows:

(a) Section 59(a) of the Internal Revenue Code, relating to the alternative minimum tax foreign tax credit, shall not be applicable.

(b) Section 59(b)(2) of the Internal Revenue Code, relating to income eligible for the credit under Section 936 of the Internal Revenue Code, shall not be applicable.

(c) Subparagraphs (A), (B), and (C) of Section 59(e) of the Internal Revenue Code, relating to qualified expenditures, are modified to refer to:

(1) Section 24364, in lieu of the deduction under Section 173 of the Internal Revenue Code.

(2) Section 24365, in lieu of the deduction under Section 174(a) of the Internal Revenue Code.

(3) Section 24423, in lieu of the deduction under Section 263(c) of the Internal Revenue Code.

SEC. 52. Section 23601.4 of the Revenue and Taxation Code is amended to read:

23601.4. (a) Notwithstanding any other provision of this part, for income years beginning on or after January 1, 1987, there shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax) an amount equal to 12 percent of the cost of a solar energy system installed on premises, used for commercial purposes, which are located in California and which are owned by the taxpayer during the income year. For purposes of taxpayers who lease a solar energy system pursuant to subdivision (*l*), the tax credit shall apply only to the principal recovery portion of lease payments for the term of the lease not to exceed 10 years, as defined in subdivision (n), which are made during the income year, and to the amounts expended on the purchased portion of the solar energy system, including installation charges, during the income year. For income years beginning on or after January 1, 1988, and before January 1, 1989, the credit percentage allowed by this section shall be reduced to 10 percent.

(b) The solar energy tax credit shall be claimed on the state income tax return for the income year in which the solar energy system was installed.

(c) A taxpayer who claimed the solar energy tax credit in the state income tax return for the income year in which the solar energy system was installed may claim the credit in subsequent years for additions to the system or additional systems by the amount prescribed in subdivision (a).

(d) For purposes of computing the credit provided by this section, the cost of any solar energy system eligible for the credit provided

by this section shall be reduced by any grant provided by a public entity for that system.

(e) The basis of any system for which a credit is allowed shall be reduced by the amount of the credit and the amount of any grant provided by a utility or public agency for the solar energy system. The basis adjustment shall be made for the income year for which the credit is allowed.

(f) In the case of a partnership, the solar energy tax credit may be divided between the partners pursuant to a written partnership agreement.

(g) (1) In the case where the credit allowed under this section exceeds the taxes imposed by this part (except the minimum franchise tax) for the income year, that portion of the credit which exceeds those taxes may be carried over to the taxes imposed by this part (except the minimum franchise tax) in succeeding income years until the credit is used. The credit shall be applied first to the earliest years possible.

(2) Paragraph (1) shall also apply to carryforwards of the credit allowed under former Section 23601 within the limitations of subdivision (c) of that section (except that the "taxes imposed by this part" shall include the tax imposed under Section 23400).

(h) No tax credit may be claimed under this section for any expenditures which have been otherwise claimed as a tax credit for the current or any prior income year as energy conservation measures under this part.

(i) Energy conservation measures applied in conjunction with solar energy systems to reduce the total cost or backup energy requirement of those systems shall be considered part of the systems, and shall be eligible for the tax credit. Qualified energy conservation measures installed within six months of the date of installation of the solar energy system are considered to be installed "in conjunction with" the solar energy system, even if the period spans two income years. In cases involving more than six months between the dates of installation of the energy conservation measures and the solar energy system, the taxpayer must be able to provide persuasive evidence that the energy conservation measures were in fact installed in conjunction with a solar energy system. Eligible conservation measures applied in conjunction with solar space heating include, but are not limited to, ceiling, wall, and floor insulating above that required by law at the time of original construction. Eligible conservation measures applied in conjunction with solar water heating include, but are not limited to, water heater insulation jackets, and shower and faucet flow reducing devices. Energy conservation measures which shall be eligible for the tax credit when applied in conjunction with solar energy systems shall be defined by the Energy Resources Conservation and Development Commission as part of the solar energy system eligibility criteria.

(j) Taxpayers who lease a solar energy system installed on premises in California shall receive a tax credit as provided in

subdivision (a), if the lessee can confirm, if necessary, by a written document signed by the lessor that (1) the lessor irrevocably elects not to claim a state tax credit for the solar energy system, and (2) if the system is installed in a locality served by a municipal solar utility, that the lessor holds a valid permit from the municipal solar utility. Leasing requirements may be established by the State Energy Resources Conservation and Development Commission as part of the solar energy system eligibility criteria.

(k) The State Energy Resources Conservation and Development Commission shall, after one or more public hearings, establish guidelines and criteria for solar energy systems which shall be eligible for the credit provided by this section. These guidelines and criteria may include, but are not limited to, minimum requirements for safety, reliability, and durability of solar energy systems. The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(*l*) For purposes of this section, the following definitions shall apply:

(1) "Installed" means placed in a functionally operative state.

(2) "Cost" includes equipment, installation charges, and compensation paid to the owner of burdened property in connection with the acquisition of a solar easement, as defined in Section 801.5 of the Civil Code, and the fees for the recording of the easement. In the case of a system which is leased, "cost" means the principal recovery portion of lease payments, which is the cost incurred by the taxpayer in acquiring the solar energy system, excluding interest charges and maintenance expenses.

"Cost" does not include interest charges and costs associated with the acquisition of an easement other than a solar easement.

(3) "Owner" includes duly recorded holders of legal title, lessees with at least three years remaining on their lease or easement granting use of the premises, a person purchasing premises under a contract of sale, or who holds shares or membership in a cooperative housing corporation, which holding is a requisite to the exclusive right of occupancy to the premises, a person who is a member of a nonprofit corporation or association which is a duly recorded holder of legal title, or a person who is a member of a nonprofit corporation or association which is a lessee with at least three years remaining on its lease.

(4) "Premises" means the principal stationary location in California where the system is installed for direct use or for purposes of sale of energy, and includes land, easements, and buildings or portions thereof.

(5) "Commercial purposes" means the installation of solar energy systems on premises other than single-family dwellings.

(6) "Single-family dwelling" means single-family residences, mobilehomes, and the individual units of condominiums.

"Single-family dwelling" does not include cooperatives, apartment buildings, or other similar multiple dwellings, including buildings

and any other common areas of a condominium maintained by a homeowners association.

(7) (A) "Solar energy system" means the use of solar devices for the individual function of:

(i) Domestic or service water heating.

(ii) Space conditioning.

(iii) Production of electricity.

(iv) Process heat.

(v) Solar mechanical energy.

"Solar energy system" includes, but is not limited to, passive thermal systems, semipassive thermal systems, active thermal systems, and photovoltaic systems.

For purposes of this section, "solar energy system" does not include solar devices for the individual function of wind energy for the production of electricity or mechanical work.

(B) Eligible solar energy systems shall have a useful life of not less than three years.

(8) "Solar device" means the equipment associated with the collection, conversion, transfer, distribution, storage, or control of solar energy. In the case of a solar device associated with two or more solar energy systems, the credit allowed for the solar device may be taken for any one of the systems, or divided equally between them.

(9) "Passive thermal system" means a system which utilizes the structural elements of the building, and is not augmented by mechanical components, to provide for collection, storage, or distribution of solar energy for heating or cooling.

(10) "Active thermal system" means a system which utilizes solar devices thermally isolated from the commercial space to provide for collection, storage, or distribution of solar energy for heating or cooling.

(11) "Semipassive thermal system" means a system which utilizes the structural elements of a building and is augmented by mechanical components to provide for collection, storage, or distribution of solar energy for heating or cooling.

(12) "Municipal solar utility" means a city, county, or municipal utility district, or agency thereof, which sells or leases solar or other energy generating equipment or energy saving devices for residential, commercial, agricultural, or industrial uses or which issues permits to companies engaged in the leasing of this equipment.

(m) Except for purposes of subdivision (g) of Section 23601.4, the provisions of this section shall not apply to any solar energy system which continues to qualify for the tax credit authorized by former Section 23601 (as amended by Chapter 1200 of the Statutes of 1986) by meeting the eligibility requirements of subdivision (j) of that section.

(n) 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 the date.

However, any unused credit may be used beyond that date in accordance with this section.

SEC. 53. Section 23609 of the Revenue and Taxation Code is amended to read:

23609. There shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax) an amount determined in accordance with Section 41 of the Internal Revenue Code, except as follows:

(a) The applicable percentage shall be 8 percent of the excess of the qualified research expenses for the income year over the base period research expenses and 12 percent of the basic research payments.

(b) "Qualified research" and "basic research" shall include only research conducted in California.

(c) The provisions of Section 41(e)(7)(A) of the Internal Revenue Code, shall be modified so that "basic research," for purposes of this section, includes any basic or applied research including scientific inquiry or original investigation for the advancement of scientific or engineering knowledge or the improved effectiveness of commercial products, except that the term does not include any of the following:

(1) Basic research conducted outside California.

(2) Basic research in the social sciences, arts, or humanities.

(3) Basic research for the purpose of improving a commercial product if the improvements relate to style, taste, cosmetic, or seasonal design factors.

(4) Any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

(d) In the case where the credit allowed under this section exceeds the taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax), that portion of the credit which exceeds those taxes may be carried over to the taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax) in succeeding income years. The credit shall be applied first to the earliest income years possible.

(e) (1) This section shall apply only to amounts incurred on or after January 1, 1988, and paid or incurred before January 1, 1993.

(2) In the case of any income year which begins before January 1, 1988, and ends after December 31, 1987, any amount for any base period with respect to that income year shall be the amount which bears the same ratio to that amount for that base period as the number of days in that income year after December 31, 1987, bears to the total number of days in that income year.

(3) In the case of any income year which begins before January 1, 1993, and ends after December 31, 1992, any amount for any base period with respect to that income year shall be the amount which bears the same ratio to that amount for that base period as the number of days in that income year before January 1, 1993, bears to

the total number of days in that income year.

(f) This section shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1994, deletes or extends that date.

SEC. 54. Section 23630 is added to the Revenue and Taxation Code, to read:

23630. (a) Notwithstanding any provision which allows a credit against the taxes imposed by this part, no credit against the tax shall be allowed to reduce the taxes imposed by this part below the tentative minimum tax (as defined by paragraph (1) of subdivision (a) of Section 23455), except—

(1) Carryovers from the credit allowed by former Section 23601 (relating to solar energy).

(2) The credit allowed by Section 23601.4 (relating to solar energy).

(b) Any credit which is partially or totally denied under subdivision (a) may be carried over and applied to taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax) in succeeding income years, if the provisions relating to that credit include a provision to allow a carryover when that credit exceeds the taxes imposed by this part.

SEC. 55. Section 23701 of the Revenue and Taxation Code is amended to read:

23701. Organizations which are organized and operated for nonprofit purposes within the provisions of a specific section of this article, or are defined in Section 23701h (relating to certain title-holding companies) or Section 23701u (relating to certain title-holding companies), are exempt from taxes imposed under this part, except as provided in this article or in Article 2 (commencing with Section 23731) of this chapter, if:

(a) An application for exemption is submitted in the form prescribed by the Franchise Tax Board; and

(b) A filing fee of twenty-five dollars ($25) is paid with each application for exemption filed with the Franchise Tax Board after December 31, 1969; and

(c) The Franchise Tax Board issues a determination exempting the organization from tax.

This section shall not prevent a determination from having retroactive effect and does not prevent the issuance of a determination with respect to a domestic organization which was in existence prior to January 1, 1970, and exempt under prior law without the submission of a formal application or payment of a filing fee. For the purpose of this section, the term "domestic" means created or organized under the laws of this state.

The Franchise Tax Board may issue rulings and regulations as are necessary and reasonable to carry out the provisions of this article.

SEC. 56. Section 23701m of the Revenue and Taxation Code is repealed.

SEC. 57. Section 23701w is added to the Revenue and Taxation

Code, to read:

23701w. A veteran's organization, as defined by Section 501(c)(19) of the Internal Revenue Code.

SEC. 58. Section 23710 is added to the Revenue and Taxation Code, to read:

23710. Any organization exempted from taxes imposed under this part pursuant to the provisions of this article shall not be disqualified for such exemption on the basis that it conducts bingo games pursuant to Section 326.5 of the Penal Code, provided that the proceeds from those games are used exclusively for charitable purposes.

SEC. 59. Section 23732 of the Revenue and Taxation Code is amended to read:

23732. The provisions of Section 512 of the Internal Revenue Code, relating to unrelated business taxable income, shall be applicable, except as otherwise provided.

(a) Section 512(a)(2) of the Internal Revenue Code, relating to special rules for foreign organizations, shall not be applicable.

(b) Section 512(a)(3) of the Internal Revenue Code, relating to special rules applicable to certain organizations, shall be modified as follows:

(1) The reference to Section 501(c)(7) of the Internal Revenue Code, relating to clubs organized for pleasure, recreation, and other nonprofitable purposes, shall be modified to refer to Section 23701g.

(2) The reference to Section 501(c)(9) of the Internal Revenue Code, relating to voluntary employees' beneficiary associations, shall be modified to refer to Section 23701i.

(3) The reference to Section 501(c)(17) of the Internal Revenue Code, relating to trusts providing for payment of supplemental unemployment compensation benefits, shall be modified to refer to Section 23701n.

(4) The reference to Section 501(c)(20) of the Internal Revenue Code, relating to qualified group legal services plans, shall be modified to refer to Section 23701q.

(c) Section 512(b)(10) of the Internal Revenue Code, relating to charitable contributions, shall be modified to provide that such deductions shall not exceed 5 percent of the unrelated business taxable income, rather than 10 percent.

SEC. 60. Section 23734 of the Revenue and Taxation Code is amended to read:

23734. The provisions of Section 513 of the Internal Revenue Code, relating to unrelated trade or business, shall be applicable, except that Section 513(g) of the Internal Revenue Code, relating to certain pole rentals, shall not be applicable.

SEC. 61. Section 23801 of the Revenue and Taxation Code is amended to read:

23801. (a) (1) A corporation may not elect to be treated as an "S corporation" unless it has in effect for federal purposes a valid election under Section 1362(a) of the Internal Revenue Code for the

same year.

(2) For income years beginning in 1987—

(A) A corporation which has in effect a valid federal election, for the income year beginning in 1987, shall be deemed to have elected to be treated as an "S corporation" for purposes of this part, unless that corporation elects on its return to continue to be treated as a "C corporation" for purposes of this part.

(B) A corporation to which subparagraph (A) applies, but which is not required to file a return under this part, may elect to be treated as a "C corporation" for purposes of this part in such form and in such manner as the Franchise Tax Board may prescribe.

(C) A corporation which is deemed to have elected to be treated as an "S corporation" under subparagraph (A) shall, for purposes of applying the provisions of Section 1374 of the Internal Revenue Code, relating to tax imposed on certain built-in gains, and Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income, be deemed to have made the election to be treated as an "S corporation" on the same date as the date of its federal election under Section 1362(a) of the Internal Revenue Code.

(3) For income years beginning after 1987—

(A) A corporation which had in effect a valid federal election for the preceding year, but was a "C corporation" for purposes of this part for that preceding year, may elect to be treated as an "S corporation" for purposes of this part by making an election in accordance with the provisions of Section 1362 of the Internal Revenue Code in such form and in such manner as the Franchise Tax Board may prescribe.

(B) A corporation which did not have in effect a valid federal election for the preceding year and which makes a federal election for the income year under Section 1362(a) of the Internal Revenue Code shall be deemed to have made an election to be treated as an "S corporation" for purposes of this part on the same date as the date of its federal election, unless that corporation elects on its return to continue to be treated as a "C corporation" for purposes of this part.

(C) A corporation to which subparagraph (B) applies, but which is not required to file a return under this part, may elect to be treated as a "C corporation" for purposes of this part in such form and in such manner as the Franchise Tax Board may prescribe.

(D) A corporation which elects to be treated as an "S corporation" under subparagraph A for an income year beginning in 1988 shall, for purposes of applying the provisions of Section 1374 of the Internal Revenue Code, relating to tax imposed on certain built-in gains, and Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income, be deemed to have made the election to be treated as an "S corporation" on the same date as the date of its federal election under Section 1362(a) of the Internal Revenue Code.

(b) If a corporation subject to tax under this part elects to be

treated as an "S corporation" and has one or more shareholders who are nonresidents of this state or is a trust with a nonresident fiduciary, each of the following shall be required:

(1) Each nonresident shareholder or fiduciary shall file with the return a statement of consent by that shareholder or fiduciary to be subject to the jurisdiction of the State of California to tax the shareholder's pro rata share of the income attributable to California sources.

(2) An "S corporation" shall include in its return for each income year a list of shareholders in the form and in the manner prescribed by the Franchise Tax Board.

(3) Failure to meet the requirements of this subdivision shall be grounds for retroactive revocation of the election pursuant to this chapter.

(c) Except as provided in subdivision (d), a corporation which makes a valid election to be treated as an "S corporation" for purposes of this part shall not be included in a combined report pursuant to Article 1 (commencing with Section 25101) of Chapter 17

(d) (1) In cases where the Franchise Tax Board determines that the reported income or loss of a group of commonly owned or controlled corporations (within the meaning of Section 25105), which includes one or more corporations electing to be treated as an "S corporation" under Chapter 4.5 (commencing with Section 23800), does not clearly reflect income (or loss) of a member of such group or represents an evasion of tax by one or more members of such group, and the Franchise Tax Board determines that the comparable uncontrolled price method prescribed by regulations pursuant to Section 482 of the Internal Revenue Code cannot practically be applied, the Franchise Tax Board may, in lieu of other methods prescribed by regulations pursuant to Section 482 of the Internal Revenue Code, apply methods of unitary combination, pursuant to Article 1 (commencing with Section 25101) of Chapter 17, to properly reflect the income or loss of the members of the group.

(2) The application of the provisions of this subdivision shall not affect the election of any corporation to be treated as an "S corporation".

(e) The tax for a "C corporation" for a short year shall be determined in accordance with Chapter 13 (commencing with Section 24631), in lieu of Section 1362(e) (5) of the Internal Revenue Code.

(f) A termination of a federal election pursuant to Section 1362(d) of the Internal Revenue Code, that is not an inadvertent termination pursuant to Section 1362(f) of the Internal Revenue Code, shall simultaneously terminate the "S corporation" election for purposes of Part 10 (commencing with Section 17001) and this part. A corporation may terminate by revocation its "S corporation" election for purposes of Part 10 (commencing with Section 17001) and this

part without terminating its federal election by providing written notification to the Franchise Tax Board which meets the requirements of Section 1362(d)(1) of the Internal Revenue Code.

SEC. 62. Section 23802 of the Revenue and Taxation Code is amended to read:

23802. (a) Section 1363(a) of the Internal Revenue Code, relating to the taxability of an S corporation, shall not be applicable.

(b) Corporations qualifying under this chapter shall continue to be subject to the taxes imposed under Chapter 2 (commencing with Section 23101) and Chapter 3 (commencing with Section 23501), except as follows:

(1) The tax imposed under Section 23151 or 23501 shall be imposed at a rate of 2½ percent rather than the rate specified in those sections.

(2) In the case of an "S corporation" which is also a financial corporation, the rate of tax specified in paragraph (1) shall be increased by the excess of the rate imposed under Section 23183 over the rate imposed under Section 23151 and Section 23184 shall be applicable.

(3) An "S corporation" shall not be subject to the alternative minimum tax (or preference tax) imposed under Section 23400.

(c) An "S corporation" shall be subject to the minimum tax imposed under Section 23151 or 23153.

(d) (1) For purposes of subdivision (b), an "S corporation" shall be allowed a deduction under Section 24416 (relating to net operating loss deductions), but only with respect to losses incurred during periods in which the corporation had in effect a valid election to be treated as an "S corporation" for purposes of this part.

(2) Section 1371(b) of the Internal Revenue Code, relating to denial of carryovers between "C years" and "S years", shall apply for purposes of the tax imposed under subdivision (b), except as provided in paragraph (1) of this subdivision.

(3) The provisions of this subdivision shall not affect the amount of any item of income or loss computed in accordance with the provisions of Section 1366 of the Internal Revenue Code, relating to pass-thru items to shareholders.

(4) For purposes of subdivision (b) of Section 17276, relating to limitations on loss carryovers, losses passed through to shareholders of an "S corporation," to the extent otherwise allowable without application of that subdivision, shall be fully included in the net operating loss of that shareholder and then that subdivision shall be applied to the entire net operating loss.

(e) For purposes of computing the taxes specified in subdivision (b), an "S corporation" shall be allowed a deduction from income for built-in gains and passive investment income for which a tax has been imposed under this part in accordance with the provisions of Section 1374 of the Internal Revenue Code, relating to tax imposed on certain built-in gains, or Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income.

(f) For purposes of computing taxes imposed under this part, as provided in subdivision (b)—

(1) An "S corporation" shall compute its deductions for amortization and depreciation in accordance with the provisions of Part 10 (commencing with Section 17001) of Division 2.

(2) The provisions of Section 465 of the Internal Revenue Code, relating to limitation of deductions to the amount at risk, shall be applied in the same manner as in the case of an individual.

(3) The provisions of Section 469 of the Internal Revenue Code, relating to limitations on passive activity losses and credits, shall be applied in the same manner as in the case of an individual.

SEC. 63. Section 23803 of the Revenue and Taxation Code is amended to read:

23803. (a) (1) With respect to credits which are otherwise allowed to reduce the taxes imposed under this part:

(A) The amount of any credit to be claimed shall be limited to one-third of the amount otherwise allowable.

(B) (i) Any unused portion of the credit allowable under subparagraph (A) (one-third of the total credit) shall be allowed to be carried forward and shall not be subject to additional reductions under subparagraph (A) in later years.

(ii) No carryforward shall be allowed for the portion of the credit denied under subparagraph (A) (two-thirds of the total credit).

(C) Credits carried forward from income years beginning prior to the first income year in which the corporation is treated as an "S corporation" under this part, shall be reduced in accordance with subparagraph (A) for that first income year and shall not be subject to additional reductions under subparagraph (A) in later years.

(D) No credit shall be allowed against the minimum franchise tax or the alternative minimum tax.

(E) The provisions of paragraphs (2) and (3) of subdivision (f) of Section 23802 shall be applied prior to the reduction required by subparagraph (A).

(F) No portion of any credit to which this paragraph applies shall be passed through to the shareholders of the "S corporation."

(G) The provisions of this paragraph shall not affect the amount of any credit computed under Part 10 (commencing with Section 17001) for pass through to shareholders in accordance with the provisions of Section 1366 of the Internal Revenue Code.

(2) With respect to credits which are allowed to the "S corporation" only because it is treated in the same manner as an individual, the provisions of Section 1366(a) of the Internal Revenue Code shall be modified to provide that the shareholder's pro rata share of the corporation's credits shall include the credit for political contributions allowed under Section 17053.14.

(b) Section 1366(f) of the Internal Revenue Code, relating to special rules, shall be modified as follows:

(1) The amount of tax used to compute the reduction allowed by Section 1366(f)(2) shall be the amount of tax imposed on built-in

gains under this part.

(2) The amount of tax used to compute the reduction allowed by Section 1366(f)(3) shall be the amount of tax imposed on excess net passive income under this part.

SEC. 64. Section 23808 of the Revenue and Taxation Code is amended to read:

23808. Sections 1373 and 1379 of the Internal Revenue Code shall not be applicable.

SEC. 65. Section 23809 of the Revenue and Taxation Code is amended to read:

23809. There is hereby imposed a tax on built-in gains attributable to California sources, determined in accordance with the provisions of Section 1374 of the Internal Revenue Code, relating to tax imposed on certain built-in gains, as modified by this section.

(a) (1) The rate of tax specified in Section 1374(b)(1) of the Internal Revenue Code shall be equal to the rate of tax imposed under Section 23151 in lieu of the rate of tax specified in Section 11(b) of the Internal Revenue Code.

(2) In the case of an "S corporation" which is also a financial corporation, the rate of tax specified in paragraph (1) shall be increased by the excess of the rate imposed under Section 23183 over the rate imposed under Section 23151.

(b) The tax imposed under subdivision (a) shall not be reduced by any financial corporation offset under Section 23184.

(c) The provisions of Section 1374(b)(3) of the Internal Revenue Code, relating to credits, shall be modified to provide that the tax imposed under subdivision (a) shall not be reduced by any credits allowed under this part.

(d) The provisions of Section 1374(b)(4) of the Internal Revenue Code, relating to coordination with Section 1201(a), shall not be applicable.

(e) In the case of corporation which is subject to the provisions of former Section 1374 of the Internal Revenue Code (prior to amendment by Public Law 99-514), the provisions of that section shall be modified to provide that:

(1) The tax specified in Section 1374(b)(1) of the Internal Revenue Code shall be equal to the rate of tax imposed under Section 23151 in lieu of the rate of tax specified in Section 11(b) of the Internal Revenue Code.

(2) In the case of an "S corporation" which is also a financial corporation, the rate of tax specified in paragraph (1) shall be increased by the excess of the rate imposed under Section 23183 over the rate imposed under Section 23151.

(3) The tax imposed under this subdivision shall not be reduced by any financial corporation offset under Section 23184.

SEC. 66. Section 23810 of the Revenue and Taxation Code is amended to read:

23810. In the case of an "S corporation" having nonresident shareholders, the shareholders may elect to apply the provisions of

Section 18408.5 (relating to a group return for nonresident partners of a partnership).

SEC. 67. Section 23811 is added to the Revenue and Taxation Code, to read:

23811. Except as otherwise provided in this section, there is hereby imposed a tax on passive investment income attributable to California sources, determined in accordance with the provisions of Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income, as modified by this section.

(a) The tax imposed under this section shall not be imposed on an "S corporation" that has no excess net passive income for federal purposes determined in accordance with Section 1375 of the Internal Revenue Code.

(b) (1) The rate of tax shall be equal to the rate of tax imposed under Section 23151 in lieu of Section 11(b) of the Internal Revenue Code.

(2) In the case of an "S corporation" which is also a financial corporation, the rate of tax specified in paragraph (1) shall be increased by the excess of the rate imposed under Section 23183 over the rate imposed under Section 23151.

(3) The tax imposed under subdivision (a) shall not be reduced by any financial corporation offset under Section 23184.

(c) The provisions of Section 1375(c)(1) of the Internal Revenue Code, relating to credits, shall be modified to provide that the tax imposed under subdivision (a) shall not be reduced by any credits allowed under this part.

(d) The term "subchapter C earnings and profits" as used in Sections 1362(d)(3) and 1375 of the Internal Revenue Code shall mean the subchapter C earnings and profits of the corporation attributable to California sources determined under this part, modified as provided in subdivision (e).

(e) (1) In the case of a corporation which elects to be treated as an "S corporation" for purposes of this part for its first income year beginning in 1987, or for its first income year for which it has in effect a valid federal S election, there shall be allowed as a deduction in determining that corporation's subchapter C earnings and profits at the close of any income year the amount of any consent dividend (as provided in paragraph (2)) paid after the close of such income year.

(2) In the event there is a determination that a corporation described in paragraph (1) has subchapter C earnings and profits at the close of any income year, that corporation shall be entitled to distribute a consent dividend to its shareholders. The amount of the consent dividend shall not exceed the difference between the corporation's subchapter C earnings and profits determined under subdivision (d) at the close of the income year with respect to which the determination is made and the corporation's subchapter C earnings and profits for federal income tax purposes at the same date. A consent dividend must be paid within 90 days of the date of the determination that the corporation has subchapter C earnings and

profits. For this purpose, the date of a determination means the effective date of a closing agreement pursuant to Section 25781, the date an assessment of tax imposed by this section becomes final, or the date of execution by the corporation of an agreement with the Franchise Tax Board relating to liability for the tax imposed by this section. For purposes of Part 10 and this part, a corporation must make the election provided in Section 1368(e)(3) of the Internal Revenue Code for any consent dividend.

(3) If a corporation distributes a consent dividend, it shall claim the deduction provided in paragraph (1) by filing a claim therefor with the Franchise Tax Board within 120 days of the date of the determination specified in paragraph (2).

(4) The collection of tax imposed by this section from a corporation described in paragraph (2) shall be stayed for 120 days after the date of the determination specified in paragraph (2). If a claim is filed pursuant to paragraph (3), collection of such tax shall be further stayed until the date the claim is acted upon by the Franchise Tax Board.

(5) If a claim is filed pursuant to paragraph (3), the running of the statute of limitations on the making of assessments and actions for collection of the tax imposed by this section shall be suspended for a period of two years after the date of the determination specified in paragraph (2).

SEC. 67.5. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) In lieu of Section 24347, for disaster losses resulting (1) from forest fire or any other related casualty occurring in 1985 in California, (2) from storm, flooding, or any other related casualty occurring in 1986 in California, (3) any loss sustained during 1987 as a result of a forest fire or any other related casualty, or (4) from earthquake, aftershock, or any other related casualty occurring in October, 1987, in this state, a deduction is allowed pursuant to Section 165(i) of the Internal Revenue Code.

(b) To the extent that losses under subdivision (a) exceed the net income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the net income of the year preceding the loss, then that "excess loss", at the election of the taxpayer, may be carried forward to each of the five income years following the income year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 income years.

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

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986, as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987, as the result of earthquake, aftershock, or any other related casualty.

(e) Any corporation subject to the provisions of Section 25101 or 25101.15 that has disaster losses pursuant to this section, shall determine the "excess loss" to be carried to other income years under the principles specified in Section 25108 relating to net operating losses.

(f) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 24416.

SEC. 68. Section 24348 of the Revenue and Taxation Code is amended to read:

24348. (a) (1) There shall be allowed as a deduction either of the following:

(A) Debts which become worthless within the income year in an amount not in excess of the part charged off within that income year.

(B) In the case of a savings and loan association, bank, or financial corporation, in lieu of any deduction under subparagraph (A), in the discretion of the Franchise Tax Board, a reasonable addition to a reserve for bad debts.

(2) When satisfied that a debt is recoverable in part only the Franchise Tax Board may allow that debt, in an amount not in excess of the part charged off within the income year, as a deduction; provided, however, that if a portion of a debt is claimed and allowed as a deduction in any year no deduction shall be allowed in any subsequent year for any portion of the debt which in any prior year was charged off, regardless of whether claimed as a deduction in that prior year.

(b) (1) The amendments to this section made during the 1985–86 Regular Session by the act adding this subdivision shall apply only to income years beginning after December 31, 1987.

(2) In the case of any taxpayer who maintained a reserve for bad debts for that taxpayer's last income year beginning before January 1, 1988, and who is required by the amendments to this section to change its method of accounting for any income year, all of the following shall apply:

(A) That change shall be treated as initiated by the taxpayer.

(B) That change shall be treated as made with the consent of the Franchise Tax Board.

(C) The net amount of adjustments required by Article 6 (commencing with Section 24721) of Chapter 13, to be taken into account by the taxpayer shall:

(i) In the case of a taxpayer maintaining a reserve under former subdivision (b) (prior to the amendments made during the 1985–86 Regular Session by the act adding this subdivision), be reduced by the balance in the suspense account under paragraph (4) of that subdivision as of the close of such last income year; and

(ii) Be taken into account ratably in each of the first four income years beginning after December 31, 1987.

SEC. 69. Section 24412 is added to the Revenue and Taxation Code, to read:

24412. Sections 851 to 855, inclusive, of the Internal Revenue Code, relating to regulated investment companies, shall be applicable for purposes of this chapter, except that—

(a) Section 852(b)(1) of the Internal Revenue Code, relating to imposition of tax on regulated investment companies, shall not apply.

(b) Section 852(b)(3)(A) of the Internal Revenue Code, relating to capital gains, shall not apply.

(c) Section 852(b)(5) of the Internal Revenue Code, relating to exempt interest dividends, shall not apply.

SEC. 70. Section 24416 of the Revenue and Taxation Code is amended to read:

24416. A net operating loss deduction shall be allowed in computing net income under Section 24341 and shall be determined in accordance with Section 172 of the Internal Revenue Code, except as otherwise provided.

(a) (1) Except as provided in subdivision (e), net operating losses attributable to income years beginning before January 1, 1985, and beginning on or after January 1, 1992, shall not be allowed, except for losses allowed by this section (as amended by Chapter 159 of the Statutes of 1985) and former Section 24417 (as amended by Chapter 158 of the Statutes of 1986).

(2) A net operating loss shall not be carried forward to any income year beginning before January 1, 1987.

(b) The provisions of Section 172(b)(2) of the Internal Revenue Code, relating to the amount of carryovers, shall be modified so that 50 percent of the entire amount of the net operating loss for any income year shall not be eligible for carryover to any subsequent income year.

(c) For any income year in which the taxpayer has in effect a water's edge election under Section 25110, the deduction of a net operating loss carryover shall be denied to the extent that such net operating loss carryover was determined by taking into account the income and factors of an affiliated bank or corporation in a combined report whose income and apportionment factors would not have been taken into account if a water's edge election under Section 25110 had been in effect for the income year in which the loss was incurred.

(d) Net operating loss carrybacks shall not be allowed.

(e) Notwithstanding the provisions of Section 172(b)(1) of the Internal Revenue Code—

(1) A net operating loss attributable to an income year beginning in 1985 or 1986, shall be a net operating loss carryover to the first income year beginning in 1987, and for each of the two succeeding income years.

(2) A net operating loss attributable to an income year ending on or after January 1, 1985, shall be a net operating loss carryover to the first income year beginning in 1987, and for each of the two succeeding income years.

(3) For purposes of paragraph (2), the amount of the carryover shall be reduced so that the amount of carryover, after application of this paragraph and subdivision (b), shall be equal to the following percentage of the entire amount of the net operating loss for the income year:

(A) For income years ending in January 1985, 4 percent.

(B) For income years ending in February 1985, 8 percent.

(C) For income years ending in March 1985, 12 percent.

(D) For income years ending in April 1985, 17 percent.

(E) For income years ending in May 1985, 21 percent.

(F) For income years ending in June 1985, 25 percent

(G) For income years ending in July 1985, 29 percent.

(H) For income years ending in August 1985, 33 percent.

(I) For income years ending in September 1985, 37 percent.

(J) For income years ending in October 1985, 42 percent.

(K) For income years ending in November 1985, 46 percent.

(*l*) For income years ending in December 1985, 50 percent.

(f) For income years beginning on or after January 1, 1987, net operating carryover losses shall be applied in accordance with Section 172 of the Internal Revenue Code (earliest year first)—

(1) First, from losses which were allowable under prior law, incurred in income years beginning prior to January 1, 1985.

(2) Second, from losses, other than losses allowed under prior law, incurred in income years ending in 1985.

(3) Third, from losses, other than losses allowed under prior law, incurred in income years beginning in 1985.

(4) Fourth, from losses which were allowable under prior law, incurred in income years beginning in 1985.

(5) Fifth, from losses, other than losses allowed under prior law, incurred in income years beginning in 1986.

(6) Sixth, from losses which were allowable under prior law, incurred in income years beginning in 1986.

(7) Seventh, from losses incurred in income years beginning on or after January 1, 1987.

(g) For purposes of corporations whose net income is determined under Chapter 17 (commencing with Section 25101)—

(1) The amount of net operating loss incurred in any income year which may be carried forward to another income year, and

(2) The amount of any loss carryforward which may be deducted in any income year,

shall be determined in accordance with the provisions of Section

25108.

(h) The provisions of Section 172(b)(1)(K) of the Internal Revenue Code, relating to bad debt losses of commercial banks, shall not be applicable.

SEC. 71. Section 24440 is added to the Revenue and Taxation Code, to read:

24440. The provisions of Section 280C of the Internal Revenue Code (relating to certain expenses for which credits are allowable) shall be applicable, but only with respect to amounts claimed as a tax credit under Section 23609.5 (relating to clinical testing of drugs).

SEC. 71.5. Section 24443 of the Revenue and Taxation Code is amended to read:

24443. (a) The provisions of Section 274 of the Internal Revenue Code, relating to the disallowance of certain entertainment, gift, travel, etc., expenses, shall apply, except as otherwise provided.

(b) Section 274(n) of the Internal Revenue Code shall not apply to any expense if the expense is for food or beverage—

(1) required by federal law to be provided to crew members of a vessel at sea, or

(2) provided on an oil or gas platform or drilling rig located offshore in Alaska.

SEC. 72. Section 24513 of the Revenue and Taxation Code is amended to read:

24513. (a) For purposes of this part, the provisions of Section 633 of Public Law 99-514 shall apply, except as otherwise provided.

(b) The provisions of Section 633(e) of Public Law 99-514, relating to other transition rules, shall not apply.

SEC. 72.5. Section 24592 of the Revenue and Taxation Code is amended to read:

24592. (a) Section 382 of the Internal Revenue Code, relating to special limitation on net operating loss carryforwards and certain built-in losses following ownership change, shall be applicable, except as otherwise provided.

(b) For income years beginning on or after January 1, 1987, the provisions of Section 10225 of Public Law 100-203, relating to amendments to Section 382, shall be applicable.

SEC. 72.6. Section 24594 is added to the Revenue and Taxation Code, to read:

24594. (a) The provisions of Section 384 of the Internal Revenue Code, relating to limitation on use of preacquisition losses to offset built-in gains, shall be applicable.

(b) For income years beginning on or after January 1, 1987, the provisions of Section 10226 of Public Law 100-203, relating to amendments to Section 384, shall be applicable.

SEC. 73. Section 24633.5 of the Revenue and Taxation Code is amended to read:

24633.5. (a) In the case of any taxpayer required to change its accounting period by the federal Tax Reform Act of 1986 (Public Law 99-514) as modified by Section 10206 of Public Law 100-203, that

change shall be treated as initiated by the taxpayer with the consent of the Franchise Tax Board.

(b) With respect to any partner or shareholder of an "S corporation" which is required to include the items from more than one taxable year of the partnership or "S corporation" in any one taxable year, any income in excess of expenses for the short income year resulting from the change described in subdivision (a) of Section 17551.5 shall be taken into account ratably in each of the first four income years (including the short year) beginning after December 31, 1986, unless the partner or shareholder elects to include all that income in the short income year.

(c) The spreading of income over four years, as allowed by subdivision (b), shall not apply unless the taxpayer receives similar treatment for federal income tax purposes.

SEC. 73.5. Section 24637 is added to the Revenue and Taxation Code, to read:

24637. For income years beginning on or after January 1, 1987, Section 444 of the Internal Revenue Code, as added by Public Law 200-103, relating to election of taxable year other than required taxable year, shall be applicable.

SEC. 74. Section 24654 of the Revenue and Taxation Code is amended to read:

24654. (a) The use of the cash method of accounting shall be limited in accordance with Section 448 of the Internal Revenue Code.

(b) For purposes of applying the provisions of Section 448 of the Internal Revenue Code, Sections 801 (d) (2) and 801 (d) (3) of the Tax Reform Act of 1986 (Public Law 99-514) shall apply.

SEC. 75. Section 24667 of the Revenue and Taxation Code is amended to read:

24667. (a) Installment sales shall be treated in accordance with Sections 453, 453A, 453B, and 453C of the Internal Revenue Code, except as otherwise provided.

(b) For purposes of subdivision (a), any references in the Internal Revenue Code to sections that have not been incorporated into this part by reference shall be deemed to refer to the corresponding section, if any, of this part.

(c) In the case of any taxpayer who made sales under a revolving credit plan and was on the installment method under former Section 24667 or 24668 for the taxpayer's last income year beginning before January 1, 1988, the provisions of this section shall be treated as a change in method of accounting for its first income year beginning after December 31, 1987, and all of the following shall apply:

(1) That change shall be treated as initiated by the taxpayer.

(2) That change shall be treated as having been made with the consent of the Franchise Tax Board.

(3) The period for taking into account adjustments under Article 6 (commencing with Section 24721) by reason of that change shall not exceed four years.

(d) For purposes of applying the provisions of Section 453C of the Internal Revenue Code, relating to certain indebtedness treated as a payment on installment obligations, the provisions of Sections 811(c)(2), 811(c)(4), 811(c)(6), and 811(c)(7) of Public Law 99-514, shall apply.

SEC. 76. Section 24670 of the Revenue and Taxation Code is repealed.

SEC. 77. Section 24673.2 of the Revenue and Taxation Code is amended to read:

24673.2. (a) Long-term contracts shall be accounted for in accordance with the special rules set forth in Section 460 of the Internal Revenue Code.

(b) This section shall apply to contracts entered into after February 28, 1986.

(c) In the case of a contract entered into after February 28, 1986, during an income year beginning before January 1, 1987, an adjustment to income shall be made upon completion of the contract, if necessary, to correct any under reporting or over reporting of income, for purposes of this part, resulting from differences between state and federal law for the income year in which the contract began.

SEC. 78. Section 24691 is added to the Revenue and Taxation Code, to read:

24691. Section 465 of the Internal Revenue Code, relating to limitations of deductions to the amount at risk, shall apply.

SEC. 79. Section 24692 of the Revenue and Taxation Code is amended to read:

24692. (a) The treatment of passive activity losses and credits shall be determined in accordance with Section 469 of the Internal Revenue Code, except as otherwise provided.

(b) For purposes of this part, the provisions of Section 469(d)(2) of the Internal Revenue Code, relating to passive activity credits, are modified to refer to the following credits:

(1) The credit for research expenses allowed by Section 23609.

(2) The credit for clinical testing expenses allowed by Section 23609.5.

(3) The credit for low-income housing allowed by Section 23610.5.

(4) The credit for certain wages paid (targeted jobs) allowed by Section 24330.

(c) For purposes of applying the provisions of Section 469(i) of the Internal Revenue Code, relating to the twenty-five thousand dollar ($25,000) offset for rental real estate activities, the dollar limitation for the credit allowed under Section 23610.5 (relating to low-income housing) shall be equal to seventy-five thousand dollars ($75,000) in lieu of the amount specified in Section 469(i)(2) of the Internal Revenue Code.

(d) Section 502 of the Tax Reform Act of 1986 (Public Law 99-514) shall apply.

(e) For income years beginning on or after January 1, 1987, the

provisions of Section 10212 of Public Law 100-203, relating to treatment of publicly traded partnerships under Section 469, shall be applicable.

SEC. 80. Section 24725 of the Revenue and Taxation Code is amended to read:

24725. The provisions of Section 482 of the Internal Revenue Code, relating to allocation of income and deductions among taxpayers, shall be applicable, except as provided in Chapter 17 (commencing with Section 25101).

SEC. 81. Section 24902.1 of the Revenue and Taxation Code is repealed.

SEC. 82. Section 24902.2 of the Revenue and Taxation Code is repealed.

SEC. 83. Section 24904 of the Revenue and Taxation Code is amended to read:

24904. (a) If a taxpayer has a net capital gain from the sale or exchange of small business stock, a deduction from gross income shall be allowed as follows:

(1) In the case of small business stock held for more than one year but not more than three years, 35 percent of the net capital gain.

(2) In the case of small business stock held for more than three years, 100 percent of the net capital gain.

(b) This section shall apply only with respect to small business stock acquired after September 30, 1982, and sold or exchanged before October 1, 1987.

(c) For purposes of this section, "small business stock" is an equity security issued by a corporation which has the following characteristics at the time of acquisition by the taxpayer:

(1) The commercial domicile or primary place of business is located within California.

(2) The total employment of the corporation is no more than 500 employees, as measured by the number of employees covered by federal unemployment insurance on December 31 of the year preceding acquisition of the small business stock, a majority of which employees were covered by California unemployment insurance on December 31 of the year preceding acquisition of the small business stock. However, if more than 50 percent of the outstanding equity securities of all classes are held by another corporation, the employment of the controlling corporation shall be counted as employment of the eligible corporation for purposes of this section.

(3) The outstanding issues of the corporations, including those held by the taxpayer, are not listed on the New York Stock Exchange, the American Stock Exchange, or the National Association of Securities Dealers Automated Quotation System.

(4) No more than 25 percent of gross receipts in the immediate prior income year were obtained from rents, interest, dividends, or sales of assets.

(5) The corporation is not engaged primarily in the business of holding land.

(6) Notwithstanding paragraph (4), "small business stock" includes an equity security issued by a corporation which has derived no more than 25 percent of its gross receipts from rents, dividends, or sales of assets during any of the first four income years following the date of its incorporation.

Paragraph (6) shall not be deemed satisfied by a corporation which issues equity securities if that corporation, for tax purposes only, liquidates its assets, in whole or in part, in anticipation of qualifying under those provisions and then subsequently reorganizes that portion of the corporation under a new name.

(d) For purposes of this section, "small business stock" does not include an equity security issued by a corporation which has either of the following characteristics in the income year immediately prior to the taxpayer's sale or exchange of the equity security:

(1) More than 25 percent of its gross receipts were obtained from rents, interest, dividends, or sales of assets.

(2) The corporation was primarily engaged in the business of holding land.

(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 enacted before January 1, 1989, deletes or extends that date.

SEC. 84. Section 24967 of the Revenue and Taxation Code is repealed.

SEC. 85. Section 24998 of the Revenue and Taxation Code is repealed.

SEC. 86. Section 24998 is added to the Revenue and Taxation Code, to read:

24998. The provisions of Sections 1091 and 1092 of the Internal Revenue Code, relating to loss from wash sales of stock or securities, and straddles, respectively, shall be applicable for purposes of this part.

SEC. 87. Section 25561 of the Revenue and Taxation Code is amended to read:

25561. (a) For purposes of this article, in the case of a corporation other than a financial corporation, the term "estimated tax" means the amount which the corporation estimates as the amount of the tax imposed by this part; but in no event shall the estimated tax of a corporation subject to the tax imposed by Article 2 of Chapter 2 be less than the minimum tax prescribed in Section 23151, 23151.1, or 23153 whichever is applicable.

(b) In case of an increase or decrease in the rate of tax imposed under Section 23151 (tax on general corporations), a bank or financial corporation shall be required to increase or decrease the rate determined by the Franchise Tax Board for the preceding year by the same amount as the change in the rate imposed under Section 23151 determined in accordance with Section 24251 (relating to computation of tax when law changed).

SEC. 88. Section 25901c of the Revenue and Taxation Code is amended to read:

25901c. (a) Except as provided in Section 25903, interest shall be imposed under this article with respect to any assessable penalty as provided in this section.

(b) In the case of a penalty which, when assessed, is due and payable on notice and demand, other than a penalty imposed under Section 25931 (relating to failure to file a return on or before the due date), Section 25934.2 (relating to underpayment of tax), interest shall be imposed from the date of the notice and demand to the date of payment.

(c) In the case of a penalty which is initially assessed as a deficiency, other than a penalty imposed under Section 25931 (relating to failure to file a return on or before the due date), Section 25934.2 (relating to underpayment of tax), or Section 25934.4 (relating to substantial understatement of tax liability), interest shall be imposed from the date of the notice of proposed assessment to the date of payment.

(d) Interest shall be imposed under this article with respect to any penalty imposed by Section 25931 (relating to failure to file a return on or before the due date), Section 25934.2 (relating to underpayment of tax), or Section 25934.4 (relating to substantial understatement of tax liability) for the period which—

(i) Begins on the date on which the return of the tax with respect to which that penalty is imposed is required to be filed (including any extensions), and

(ii) Ends on the date of payment of that addition to tax.

SEC. 89. Section 25934.2 of the Revenue and Taxation Code is amended to read:

25934.2. (a) If any taxpayer fails to pay either of the following:

(1) The amount of tax required to be paid under Sections 25551 and 25553 by the date prescribed therein, or

(2) Any amount in respect of any tax required to be shown on a return which is not so shown (including an assessment made pursuant to Section 25670) within 10 days of the date of the notice and demand therefor,

unless it is shown that such failure is due to reasonable cause and not due to willful neglect, a penalty is hereby imposed consisting of both of the following:

(A) Five percent of the total tax unpaid (as defined in subdivision (c)).

(B) An amount computed at the rate of 0.5 percent per month of the "remaining tax" (as defined in subdivision (d)) for each additional month or fraction thereof (not to exceed 40 months) during which the "remaining tax" is greater than zero.

(C) The aggregate amount of penalty imposed by this subdivision shall not exceed 25 percent of the total unpaid tax and shall be due and payable upon notice and demand by the Franchise Tax Board. The tender of a check or money order does not constitute payment of the tax for purposes of this section unless the check or money order is paid on presentment.

(b) The penalty prescribed by subdivision (a) shall not be assessed if, for the same year, the sum of any penalties imposed under Sections 25931 to 25934.4, inclusive, is equal to or greater than the subdivision (a) penalty. In the event the penalty imposed under subdivision (a) is greater than the sum of any penalties imposed under Sections 25931 to 25934.4, inclusive, the penalty imposed under subdivision (a) shall be the amount which exceeds the sum of any penalties imposed under Sections 25931 to 25934.4, inclusive.

(c) For purposes of this section, total tax unpaid means the amount of tax required to be shown on the return reduced by both of the following:

(1) The amount of any part of the tax which was paid on or before the date prescribed for payment of tax.

(2) The amount of any credit against the tax which may be claimed upon the return.

(d) For purposes of this section, "remaining tax" means total tax unpaid reduced by the amount (if any) of any payment of the tax.

(e) If the amount required to be shown as a tax on a return is less than the amount shown as tax on that return, subdivision (a), subdivision (c), and subdivision (d) shall be applied by substituting that lower amount.

(f) No interest shall accrue on the portion of the penalty described in subparagraph (B) of paragraph (2) of subdivision (a).

SEC. 90. Section 26083 is added to the Revenue and Taxation Code, to read:

26083. (a) (1) A corporation electing to be treated as an "S corporation" under Chapter 4.5 (commencing with Section 23800) may file an application for the transfer of an overpayment, with respect to payments of estimated tax for income years beginning in 1987, to the personal income tax accounts of its shareholders. An application under this subdivision shall not constitute a claim for credit or refund.

(2) An application under this subdivision shall be verified in the manner prescribed by Section 25403 in the case of the taxpayer, and shall be filed in the manner and form prescribed by the Franchise Tax Board. The application shall set forth—

(A) The amount the "S corporation" estimates as its tax liability under this part for the taxable year, which shall not be less than the greater of 2.5 percent of its net income or the applicable franchise minimum tax.

(B) The amount and date of the estimated tax paid during the income year.

(C) For each shareholder affected, his or her name, social security account number, address, percent of ownership, and amount of each overpayment to be transferred, and date the amount was paid.

(D) Such other information for purposes of carrying out the provisions of this section as may be required by the Franchise Tax Board.

(b) (1) Within a period of 45 days from the date on which an

application for a transfer is filed under subdivision (a), the Franchise Tax Board shall make, to the extent it deems practicable in that period, a limited examination of the application to discover omissions and errors therein, and shall determine the amount of the final amount of the transfers upon the basis of the application and the examination; except that the Franchise Tax Board may disallow, without further action, any application which it finds contains material omissions or errors which it deems cannot be corrected within the 45-day period.

(2) The Franchise Tax Board, within the 45-day period referred to in paragraph (1), may credit the amount of the overpayment against any liability on the part of the taxpayer under this part.

(3) In the event the amount available for transfer is less than requested by the taxpayer, the overpayment amount shall be allocated among the shareholders on a pro rata basis based on the percent of ownership stated on the application.

(4) For purposes of this part and the Personal Income Tax Law (Part 10 (commencing with Section 17001)) the transferred amounts shall be treated as if they had been estimated tax payments paid by the respective shareholders on the date originally paid by the corporation.

(5) No application under subdivision (a) shall be allowed unless the amount to be transferred equals or exceeds five hundred dollars ($500).

(6) Each "S corporation" which files an application for transfer of overpayments under subdivision (a) shall furnish to each person who is a shareholder at any time during the income year a statement showing amounts and dates of the overpayments being transferred to their personal income tax account.

SEC. 91. Section 26132.05 of the Revenue and Taxation Code is amended to read:

26132.05. (a) There shall be exempt from levy, under this chapter, all of the following:

(1) Those items of wearing apparel and those school books as are necessary for the taxpayer or for members of his or her family.

(2) If the taxpayer is the head of a family, so much of the fuel, provisions, furniture, and personal effects in his or her household, and of the arms for personal use, livestock, and poultry of the taxpayer, as does not exceed one thousand five hundred dollars ($1,500) in value.

(3) So many of the books and tools necessary for the trade, business, or profession of the taxpayer as do not exceed in the aggregate one thousand dollars ($1,000) in value.

(4) Any amount payable to an individual with respect to his or her unemployment (including any portion thereof payable with respect to dependents) under an unemployment compensation law of the United States, of any state, or of the District of Columbia or of the Commonwealth of Puerto Rico.

(5) Mail, addressed to any person, which has not been delivered

to the addressee.

(6) Annuity or pension payments under the Railroad Retirement Act, benefits under the Railroad Unemployment Insurance Act, special pension payments received by a person whose name has been entered on the Army, Navy, Air Force, and Coast Guard Medal of Honor roll (38 U.S.C. Sec. 562), and annuities based on retired or retainer pay under Chapter 73 of Title 10 of the United States Code.

(7) Any amount payable to an individual as worker's compensation (including any portion thereof payable with respect to dependents) under a worker's compensation law of the United States, any state, the District of Columbia, or the Commonwealth of Puerto Rico.

(8) If the taxpayer is required by judgment of a court of competent jurisdiction, entered prior to the date of levy, to contribute to the support of his or her minor children, so much of his or her salary, wages, or other income as is necessary to comply with that judgment.

(9) Any amount payable to or received by an individual as wages or salary for personal services, or as income derived from other sources, during any period, to the extent that the total of those amounts payable to or received by him or her during that period does not exceed the applicable exempt amount determined under subdivision (d).

(10) Any amount payable to an individual as a service-connected (within the meaning of Section 101(16) of Title 38, United States Code) disability benefit under any of the following:

(A) Subchapter II, IV, or VI of Chapter 11 of that Title 38.

(B) Subchapter I, II, or III of Chapter 19 of that Title 38.

(C) Chapter 21, 31, 32, 34, 35, 37, or 39 of that Title 38.

(b) The officer seizing property of the type described in subdivision (a) shall appraise and set aside to the owner the amount of that property declared to be exempt. If the taxpayer objects at the time of the seizure to the valuation fixed by the officer making the seizure, the Franchise Tax Board shall summon three disinterested individuals who shall make the valuation.

(c) Notwithstanding any other law, (including Section 207 of the federal Social Security Act), no property or rights to property shall be exempt from levy other than the property specifically made exempt by subdivision (a).

(d) (1) In the case of an individual who is paid or receives all of his or her wages, salary, and other income on a weekly basis, the amount of the wages, salary, and other income payable to or received by him or her during any week which is exempt from levy under paragraph (9) of subdivision (a) shall be:

(A) Seventy-five dollars ($75), plus

(B) Twenty-five dollars ($25) for each individual who is specified in a written statement which is submitted to the person on whom notice of levy is served and which is verified in such manner as the Franchise Tax Board shall prescribe by regulations and—

(i) Over half of whose support for the payroll period was received from the taxpayer,

(ii) Who is the spouse of the taxpayer, or who bears a relationship to the taxpayer specified in paragraphs (1) to (9), inclusive, of Section 152(a) of the Internal Revenue Code (relating to definition of dependents), and

(iii) Who is not a minor child of the taxpayer with respect to whom amounts are exempt from levy under paragraph (8) of subdivision (a) for the payroll period.

For purposes of clause (ii) of subparagraph (B) of the preceding sentence, "payroll period" shall be substituted for "taxable year" each place it appears in paragraph (9) of Section 152(a) of the Internal Revenue Code.

(2) In the case of any individual not described in paragraph (1), the amount of the wages, salary, and other income payable to or received by him or her during any applicable pay period or other fiscal period (as determined under regulations prescribed by the Franchise Tax Board) which is exempt from levy under paragraph (9) of subdivision (a) shall be an amount (determined under those regulations) which as nearly as possible will result in the same total exemption from levy for that individual over a period of time as he or she would have under paragraph (1) if during that period of time he or she were paid or received those wages, salary, and other income on a regular weekly basis.

SEC. 92. Section 13009 of the Unemployment Insurance Code is amended to read:

13009. "Wages" means all remuneration, other than fees paid to a public official, for services performed by an employee for his or her employer, including all remuneration paid to a nonresident employee for services performed in this state, and the cash value of all remuneration paid in any medium other than cash, except as provided by this section. "Wages" includes tips received by an employee in the course of his or her employment. The wages shall be deemed to be paid at the time a written statement including tips is furnished to the employer pursuant to Section 13055 or, if no statement including those tips is so furnished, at the time received.

"Wages" shall not include remuneration paid under any of the following conditions:

(a) For agricultural labor, as defined in subdivision (g) of Section 3121 of the Internal Revenue Code.

(b) For domestic service in a private home, local college club, or local chapter of a college fraternity or sorority.

(c) For service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for that service is fifty dollars ($50) or more and the service is performed by an individual who is regularly employed by the employer to perform the service. For purposes of this subdivision, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if either

of the following conditions is met:

(1) On each of some 24 days during the quarter, the individual performs for the employer for some portion of the day service not in the course of the employer's trade or business.

(2) The individual was regularly employed, as determined under paragraph (1), by the employer in the performance of the service during the preceding calendar quarter.

(d) For services by a citizen or resident of the United States for a foreign government or an international organization.

(e) For services performed by a nonresident alien individual as designated by regulations prescribed by the department.

(f) For services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry or by a member of a religious order in the exercise of duties required by the order.

(g) (1) For services performed by an individual under the age of 18 in delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution.

(2) For services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him or her at a fixed price, his or her compensation being based on the retention of the excess of the price over the amount at which the newspapers or magazines are charged to him or her whether or not he or she is guaranteed a minimum amount of compensation for the services, or is entitled to be credited with the unsold newspapers or magazines turned back.

(h) For services not in the course of the employer's trade or business, to the extent paid in any medium other than cash.

(i) To, or on behalf of, an employee or his or her beneficiary under any of the following situations:

(1) From or to a trust which is exempt from tax under Section 17631 of the Revenue and Taxation Code at the time of payment, unless the payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust.

(2) Under or to an annuity plan which, at the time of payment, is a plan qualified pursuant to Chapter 5 (commencing with Section 17501) of Part 10 of Division 2 of the Revenue and Taxation Code.

(3) Under or to a bond purchase plan which, at the time of payment, is a bond purchase plan qualified pursuant to Chapter 5 (commencing with Section 17501) of Part 10 of Division 2 of the Revenue and Taxation Code.

(4) For a payment which qualifies for deduction by an employee pursuant to Section 219 of the Internal Revenue Code if, at the time of payment, it is reasonable to believe that the employee will be entitled to a deduction under that section for payment.

(5) Under a cafeteria plan (within the meaning of Section 125 of

the Internal Revenue Code).

(j) To a master, officer, or any other seaman who is a member of a crew on a vessel engaged in foreign, coastwise, intercoastal, interstate, or noncontiguous trade.

(k) Pursuant to any provision of law other than Section 5(c) or 6(*l*) of the Peace Corps Act, for service performed as a volunteer or volunteer leader within the meaning of that act.

(*l*) In the form of group-term life insurance on the life of an employee.

(m) To or on behalf of an employee, and to the extent that, at the time of the payment of remuneration it is reasonable to believe that a corresponding deduction is allowable for moving expenses pursuant to Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 of Division 2 of the Revenue and Taxation Code.

(n) (1) As tips in any medium other than cash.

(2) As cash tips to an employee in any calendar month in the course of his or her employment by an employer, unless the amount of the cash tips is twenty dollars ($20) or more.

(o) For service performed by an individual on a boat engaged in catching fish or other forms of aquatic animal life under an arrangement with the owner or operator of the boat pursuant to which all of the following apply:

(1) The individual does not receive any cash remuneration, other than as provided in paragraph (2).

(2) The individual receives a share of the boat's (or the boats' in the case of a fishing operation involving more than one boat) catch of fish or other forms of aquatic animal life or a share of the proceeds from the sale of the catch.

(3) The amount of the individual's share depends on the amount of the boat's (or the boats' in the case of a fishing operation involving more than one boat) catch of fish or other forms of aquatic animal life.

This subdivision shall apply only where the operating crew of the boat (or each boat from which the individual receives a share in the case of a fishing operation involving more than one boat) is normally made up of fewer than 10 individuals.

(p) For any medical care reimbursement made to, or for the benefit of, an employee under a self-insured medical reimbursement plan pursuant to Section 105(h)(6) of the Internal Revenue Code.

(q) To, or on behalf of, an employee to the extent not includable in gross income pursuant to Section 13006.

(r) For services to which Section 633 applies.

SEC. 93. Sections 44 to 51, inclusive, Section 64, Section 67, Section 68, and Section 75 of this act shall become operative on, and be applied only to income years beginning on or after, January 1, 1988.

SEC. 94. Section 25934.2 of the Revenue and Taxation Code, as amended by Section 224 of Chapter 1139 of the Statutes of 1987, shall be applied with respect to penalties for income years ending on or

after December 31, 1987.

SEC. 95. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, unless otherwise specifically provided, the provisions of this act shall be applied in the computation of taxes for taxable or income years beginning on or after January 1, 1987.

CHAPTER 12

An act to amend Section 25359.7 of, and to add Sections 25360.2 and 25503.6 to, the Health and Safety Code, relating to hazardous substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 18, 1988. Filed with Secretary of State February 19, 1988.]

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

SECTION 1. Section 25359.7 of the Health and Safety Code is amended to read:

25359.7. (a) Any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property shall, prior to the sale of the real property, give written notice of that condition to each buyer of the real property. Failure of the owner to provide written notice when required by this subdivision to each buyer shall subject the owner to actual damages and any other remedies provided by law. In addition, where the owner has actual knowledge of the presence of any hazardous substance and knowingly and willfully fails to provide written notice to the buyer, the owner is liable for a civil penalty not to exceed five thousand dollars ($5,000) for each separate violation.

(b) Any lessee or renter of real property who knows, or has reasonable cause to believe, that any release of a hazardous substance has come to be located on or beneath that real property shall, upon discovery by the lessee or renter of the presence or suspected presence of the hazardous substance release, give written notice of that condition to the owner of the real property.

(1) Failure of the lessee or renter to provide written notice when required by this subdivision to the owner shall make the leasehold or rental agreement voidable at the discretion of the owner, except that this paragraph shall not apply to lessees and renters of property used exclusively for residential purposes.

(2) If the lessee or renter has actual knowledge of the presence of any hazardous substance release and knowingly and willfully fails to provide written notice when required by this subdivision to the owner, the lessee or renter is liable for a civil penalty not to exceed

five thousand dollars ($5,000) for each separate violation.

SEC. 2. Section 25360.2 is added to the Health and Safety Code, to read:

25360.2. (a) For purposes of this section, the following definitions apply:

(1) "Owner" means the owner of property who occupies a single-family residence constructed on the property.

(2) "Property" means real property of five acres or less which is zoned for, and on which has been constructed, a single-family residence.

(b) Notwithstanding any other provision of this chapter, an owner of property which is the site of a hazardous substance release is presumed to have no liability pursuant to this chapter. The presumption may be rebutted as provided in subdivision (d).

(c) An action for recovery of costs or expenditures incurred from the state account or the Hazardous Substance Cleanup Fund pursuant to this chapter in response to a hazardous substance release shall not be brought against an owner of property unless the department first certifies that, in the opinion of the department, one of the following applies:

(1) The hazardous substance release occurred after the owner acquired the property.

(2) The hazardous substance release occurred before the owner acquired the property and at the time of acquisition the owner knew or had reason to know of the hazardous substance release.

(d) In an action brought against an owner of property to recover costs or expenditures incurred from the state account or the Hazardous Substance Cleanup Fund pursuant to this chapter in response to a hazardous substance release, the presumption established in subdivision (b) may be rebutted if it is established by a preponderance of the evidence that the facts upon which the department made the certification pursuant to paragraph (1) or paragraph (2) of subdivision (c) are true.

(e) Notwithstanding any other provision of this chapter, this section governs liability pursuant to this chapter for an owner of property, as defined in subdivision (a).

SEC. 3. Section 25503.6 is added to the Health and Safety Code, to read:

25503.6. Any business which is required to establish and implement a business plan pursuant to Section 25503.5 and is located on leased or rented real property shall notify, in writing, the owner of the property that the business is subject to Section 25503.5 and has complied with its provisions, and shall provide a copy of the business plan to the owner or the owner's agent within five working days after receiving a request for a copy from the owner or the owner's agent.

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 appropriate defenses against liability under the Carpenter-Presley-Tanner Hazardous Substance Account Act ("California Superfund Act") become applicable as soon as possible and in order to avoid undue confusion concerning the reports that lessees or renters of real property are required to make to the owner, pursuant to those provisions enacted into law by Chapter 1302 of the Statutes of 1987, and thus to better protect the public health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 13

An act to amend Section 20022 of the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 19, 1988. Filed with Secretary of State February 19, 1988.]

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

SECTION 1. Section 20022 of the Government Code is amended to read:

20022. (a) "Compensation" includes: (1) the remuneration paid in cash out of funds controlled by the employer, plus the monetary value, as determined by the board, of living quarters, board, lodging, fuel, laundry and other advantages of any nature furnished a member by his or her employer in payment for his or her services or for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence; (2) any payments in cash by his or her employer to one other than an employee for the purpose of purchasing an annuity contract for a member under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of the United States; (3) 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; (4) any amount deducted from the member's salary for payment for participation in a retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code of the United States; (5) any amount deducted from the member's salary for payment into a money purchase pension plan and trust which meets the requirements of Section 401(a) of the Internal Revenue Code of the United States; (6) employer "pick up" of member contributions which meets the requirements of Section 414(h) (2) of the Internal Revenue Code of the United States; (7) any disability or workers' compensation

payments to safety members in accordance with Sections 4800 and 4850 of the Labor Code; (8) 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; (9) compensation for uniforms, except as provided in Section 20022.1; (10) any other payments the board may determine to be compensation.

(b) "Compensation" shall not include: (1) the provision by an employer of any medical or hospital service or care plan or insurance plan (other than the purchase of annuity contracts referred to in this section) for its employees, any contribution by an employer to meet the premium or charge for such plan, or any payment into a private fund to provide health and welfare benefits for its employees; (2) any payment by an employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act; (3) amounts not available for payment of salaries and which are applied by an employer for the purchase of annuity contracts including those which meet the requirements of Section 403(b) of the Internal Revenue Code of the United States; (4) the bonus sum provided for low-paid state employees in the Budget Act of 1975; (5) any benefits paid pursuant to Article 5 (commencing with Section 19878) of Chapter 2.5 of Part 2.6 of this division; (6) employers' payments which are to be credited as employee contributions for benefits provided by this system, or employers' payments which are to be credited to employee accounts in deferred compensation plans; provided, that amounts deducted from a member's wages for participation in a deferred compensation plan pursuant to paragraph (3) of subdivision (a) shall not be considered to be employer's payments; (7) payments for lump-sum vacation or compensating time off upon termination of employment; (8) final settlement pay; (9) lump-sum sick leave payment; (10) payments for overtime, including pay in lieu of vacation or holiday; (11) 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; (12) advanced disability pension payments provided pursuant to Section 4850.3 of the Labor Code; (13) amounts not available for payment of salaries and which are applied by the employer for the purchase of a retirement plan which meets the requirements of Section 401(k) of the Internal Revenue Code of the United States; (14) amounts not available for payment of salaries which are applied by the employer for payment into a money purchase pension plan and trust which meets the requirements of Section 401(a) of the Internal Revenue Code of the United States; and (15) any other payments the board may determine not to be compensation.

(c) If the provisions of this section are in conflict with the provisions of the memoranda of understanding reached pursuant to Section 3517.5 for state bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20, the memoranda of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(d) Subdivision (c) is not applicable to base salary payments or payments for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence.

SEC. 2. The provisions of the following memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the specified employee organization on the date listed below, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

Unit 3 - California State Employees' Association, dated January 13, 1988.

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 the 1987–88 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 14

An act to amend Section 15 of Chapter 432 of the Statutes of 1987, relating to the Superconducting Super Collider, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 29, 1988. Filed with Secretary of State February 29, 1988.]

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

SECTION 1. Section 15 of Chapter 432 of the Statutes of 1987 is amended to read:

Sec. 15. Section 12 of this act shall not be submitted to the voters.

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 Super Collider Bond Act not be submitted to the voters at the June 1988 primary election, it is necessary that this act go into immediate effect.

CHAPTER 15

An act to amend Section 76000 of the Government Code, relating to justice facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 1, 1988. Filed with Secretary of State March 1, 1988.]

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, 76008, or 76009 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) or paragraph (3), as applicable, a resolution adopted pursuant to Section 76005 shall limit the collection to the assessments specified in paragraph (2), a resolution adopted pursuant to Section 76008 shall limit the collection to the assessments specified in paragraph (4), and a resolution adopted pursuant to Section 76009 shall limit the collection to the assessments specified in paragraph (5):

(1) Except as limited by resolution pursuant to this subdivision, with respect to each fund established pursuant to Section 76001, 76002, 76004, or 76006, 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 pursuant to Section

76002, 76004, except in the counties listed in paragraph (3), or 76005, 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 76002, 76004, or 76005.

(3) Except as provided in Section 2 of the act which added this paragraph, but notwithstanding any other provision of law, in Alameda, Contra Costa, Los Angeles, Marin, Monterey, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Ventura, and Yolo Counties, with respect to each fund established pursuant to Section 76001, 76004, or 76006, there shall be levied an additional amount of two dollars ($2) 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) or subdivision (3) of Section 258 of the Welfare and Institutions Code. These amounts shall be deposited with the county treasurer and placed in the funds established pursuant to Sections 76001, 76004, and 76006.

(4) With respect to each fund established pursuant to Section 76008, 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 76008.

(5) With respect to each fund established pursuant to Section

76009, there shall be levied an additional amount of fifty cents ($.50) 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 76009.

(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, 76008, or 76009.

(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, except as otherwise agreed upon by the local governmental entities involved.

SEC. 2. Notwithstanding any other provision of law, Alameda County may collect funds pursuant to the provisions of this act only so long as the county maintains the Berkeley-Albany Municipal Court. In the event that the Berkeley-Albany Municipal Court is closed, Alameda County shall not collect funds pursuant to any provision of 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 the public peace, 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 justice facility construction in the counties affected, it is necessary that this act take effect immediately.

CHAPTER 16

An act to amend Section 9392 of the Welfare and Institutions Code, relating to elderly persons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 1, 1988. Filed with Secretary of State March 1, 1988.]

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

SECTION 1. Section 9392 of the Welfare and Institutions Code is amended to read:

9392. In order to select the contractors pursuant to Section 9390, the department shall seek proposals through the development of a request for proposal. During the 1984–85 fiscal year, the department shall contract with no more than 10 nonprofit organizations or governmental entities. Expansion beyond the 1984–85 fiscal year limits shall be subject to subsequent administrative action and budget appropriations. The department shall contract with nonprofit organizations or governmental entities to arrange for the provision of services under subdivisions (a) to (d), inclusive, of Section 9390, only until December 31, 1989.

A copy of each completed request for a proposal shall be filed by the applicant with either the applicant's local adult day health care planning council or a specified local long-term care planning council, for review and comment. Each local area agency on aging shall receive timely notice of all grants awarded pursuant to this chapter.

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

In order to continue the operation of the Linkages Program which is designed to avoid the inappropriate institutionalization of California's senior citizens by providing a central access point to community-based services, and effectively address existing statutory responsibilities as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 17

An act to amend Section 21114.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor March 1, 1988. Filed with Secretary of State March 1, 1988.]

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

SECTION 1. Section 21114.5 of the Vehicle Code is amended to read:

21114.5. Notwithstanding Section 21663 or any other provision of this code, local authorities may, by ordinance, authorize the operation of electric carts by physically disabled persons, or persons 50 years of age or older, or, while in the course of their employment, by employees of the United States Postal Service, state and local governmental agencies, or utility companies, on public sidewalks. Any ordinance shall, however, contain provisions requiring any disabled person or person 50 years of age or older who owns or leases an electric cart to apply to the local authority for a permit and an identification sticker to so operate the cart, and requiring the person to affix the sticker to the cart in order to operate it on the sidewalk. The permit and sticker shall become invalid if the person ceases to operate, own, or lease the cart.

This section does not apply to vehicles exempted from registration by Section 4011.

CHAPTER 18

An act to amend Section 22656 of the Vehicle Code, relating to abandoned vehicles.

[Approved by Governor March 1, 1988. Filed with Secretary of State March 1, 1988]

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

SECTION 1. Section 22656 of the Vehicle Code is amended to read:

22656. Any peace officer, as that term is defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may remove a vehicle from the right-of-way of a railroad, street railway, or light rail line located within the territorial limits in which the officer is empowered to act if the vehicle is parked or abandoned upon any track or within 7½ feet of the nearest rail.

CHAPTER 19

An act to amend Sections 19596.5 and 19596.6 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 3, 1988. Filed with Secretary of State March 3, 1988]

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

SECTION 1. 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 for wagering on races conducted in the northern zone at its racetrack inclosure, except during the part of the day racing is being conducted at its racetrack, and may, with the approval of the Department of Food and Agriculture, authorize any county fair, district agricultural association fair, or citrus fruit fair in the northern zone eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting or authorized pursuant to Section 19596.7, to locate a satellite wagering facility at its fairgrounds for wagering on races conducted in the northern zone, if all of the following conditions are met:

(1) An organization described in subdivision (c) of Section 19596.4 has executed agreements, which are approved by the board, with the association conducting a racing meeting in the northern zone and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and 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, except that the association or fair operating the satellite wagering facility may appeal the withholding of consent to the board which may determine that consent is not required.

(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.

(5) Except as provided in Section 19596.9, any association or fair which conducts satellite wagering shall conduct wagering on all racing offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or night meeting, as long as that loss is reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses which would be incurred regardless of the acceptance of night wagers shall be considered.

(b) Notwithstanding subdivision (a), during periods of the day when there is no night racing in the northern zone, the live audiovisual signal of night harness or quarter horse races in the central or southern zone may be offered to satellite wagering facilities in the northern zone, provided, however, (1) that racing associations may accept that audiovisual signal, but are not required to do so and (2) that satellite wagering facilities located at fairs are not required to accept more than five night racing programs per week.

(c) The total percentage deducted 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 and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.4 of 1 percent shall be distributed to the breeders in the form of breeders' awards, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3.0 percent on exotic

wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses and Appaloosas, 0.4 of 1 percent shall be distributed as breeders awards to breeders of quarter horses and Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition to the distributions in paragraph (1) or (2), on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent of the total amount handled by the satellite wagering facility shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities and 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(d) On thoroughbred meetings only, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting. Of the amount deducted for purses at the association conducting the racing meeting, 10 percent shall be distributed in the form of purses to horsemen who participate in racing fairs that operate satellite wagering facilities. The 10 percent of the purses for horsemen who participate in racing fairs shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings to achieve the purposes of subdivision (i).

(e) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses at the association conducting the racing meeting.

(f) Except as provided in subdivisions (g) and (h), all revenues payable to the state as license fees 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 from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture in his or her discretion, for the following purposes:

(1) For repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred, for the purpose of constructing improvements only at a fair's racetrack inclosure, for the purpose of construction of satellite wagering facilities at fairs, and for health and safety repair projects and handicapped access compliance at fairs. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at fairs.

(4) For support purposes of fairs generally.

(g) Seven and one-half percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in the General Fund.

(h) Up to 10 percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a special account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings to achieve the purposes of subdivision (i). 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 (i).

(i) It is the intent of the Legislature that funds allocated pursuant to subdivision (h) 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. The funds shall be used among all breeds. For fair racing meetings in the northern zone with a daily average handle of three hundred thousand dollars ($300,000) or less, it is the intent of the Legislature to bring the purses to a level of at least 25 percent of purses for similar classes of horses at private racing associations in the northern zone.

SEC. 2. Section 19596.6 of the Business and Professions Code is amended to read:

19596.6. (a) Notwithstanding any other provision of law, subject to the conditions and limitations set forth in this section and Section

19596.7, the following entities in the central or southern zone are eligible to be licensed to operate a satellite wagering facility for wagering on races conducted in the central or southern zone:

(1) Any county fair, district agricultural association fair, or citrus fruit fair which conducted general fair activities in 1986 within the central or southern zone, and which is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting, may locate a satellite wagering facility at its fairgrounds.

(2) Any association licensed to conduct a racing meeting in the central or southern zone.

(b) The board may authorize an eligible association or, with the approval of the Department of Food and Agriculture, an eligible fair, to operate a satellite wagering facility under all of the following conditions:

(1) A racing association licensed to conduct a racing meeting shall conduct satellite wagering only within its racing inclosure.

(2) An organization described in subdivision (c) of Section 19596.4 has executed an agreement approved by the board with the association conducting a racing meeting and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at the satellite wagering facility are included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(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 have been approved by the board.

(5) Any association or fair that operates a satellite wagering facility shall conduct wagering on all racing conducted in the central or southern zone that is offered to that satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or a night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or a night meeting, as long as that loss is not reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility which would be incurred regardless of the acceptance of night wagers shall be considered.

(c) Notwithstanding subdivision (a), a satellite wagering facility may not be located within the County of Los Angeles or within the County of Orange, except as follows:

(1) If all other conditions in subdivision (b) are met, the Fiftieth

District Agricultural Association may be authorized to operate a satellite wagering facility upon its fairgrounds in the City of Lancaster and to accept wagers on races conducted in the southern and central zones.

(2) If all other conditions are met, any fair or association licensed to conduct racing meetings in the County of Los Angeles and any racing association other than a fair which is licensed to conduct racing in the County of Orange may be authorized to operate a satellite wagering facility for the limited purpose of conducting satellite wagering on races conducted at the Twenty-Second District Agricultural Association fairgrounds at Del Mar in the County of San Diego, except that, when a fair in Orange County is licensed for a racing meeting, a satellite wagering facility located within the racing inclosure where the racing meeting is conducted may not operate on the days that racing is conducted.

(d) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.40 of 1 percent shall be distributed to the breeders in the form of breeders' awards, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, and 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses and Appaloosas, 0.4 of 1 percent shall be distributed as breeders awards to breeders of quarter horses and Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619, and one-tenth of 1 percent of the amount wagered at

the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition, on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities and 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) On thoroughbred meetings only, the funds remaining after distribution of the amounts in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting. All of the funds distributed for purses from satellite wagering facilities shall go to the purse program of the association conducting the racing meeting except that all sums for distribution as purses at satellite wagering facilities which are racing fairs in the County of Los Angeles shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings in Los Angeles and Orange Counties. The department shall distribute these funds on an equal basis to each racing fair in these counties for distribution in all nonstakes races and among all breeds.

(f) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses participating in the racing meeting.

(g) Notwithstanding subdivision (e), when satellite wagering is conducted on thoroughbred meetings, an amount, not to exceed 1.25 percent of the total amount handled by all satellite wagering facilities, shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, with each party having meaningful representation on the board of the organization, to administer, pursuant to supervision of the board, a fund to provide reimbursement for offsite stabling at board-approved auxiliary training facilities of licensed racing

associations for additional stalls beyond the number of usable stalls the association is required to make available and maintain pursuant to Section 19535, and for the vanning of starters from these additional stalls on race days for thoroughbred horses.

(h) The funds distributed to the organization formed pursuant to subdivision (g) shall be used to reimburse racing associations who are operating offsite stabling providing additional stalls for the incremental increase in operating costs directly resulting from providing the stabling. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity operating the offsite stabling facility where the injury occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

The funds shall also reimburse horsemen for the cost of vanning starting horses from a board-approved auxiliary training facility operated by a licensed racing association to the track conducting the racing meeting. Horsemen may use carriers of their own choice, except that the amount of reimbursement to horsemen is limited to the amount that the organization determines is generally charged by carriers for vanning from the auxiliary training facility to the track conducting the racing meeting. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity actually engaged in vanning horses, shall be liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

The training facilities and amenities provided for offsite stabling and training purposes shall be equivalent in character to those provided during racing meetings of the association.

Upon the request of any party within the organization, the board shall adjudicate any dispute regarding costs, or other matters relating to the furnishing of offsite stabling or vanning. The board may, if necessary, appoint an independent auditor to assist in the resolution of disputes. The auditor shall be reimbursed from the funds of the organization.

The organization may maintain a reserve fund of up to 10 percent of the total estimated annual vanning and stabling cost. In addition to the reserve fund, if the funds generated for offsite stabling and vanning are insufficient to fully reimburse racing associations for expenses incurred during the offsite vanning and stabling program, the organization is entitled to accumulate sufficient funds to fully reimburse these expenses.

The amount initially deducted and distributed to the organization shall be 1.25 percent of the total amount handled by satellite wagering facilities authorized under this section on thoroughbred racing, but that allocation may be adjusted by the board, in its discretion, but the adjusted amount may not exceed 1.25 of the total

amount handled by satellite wagering facilities, to pay expenses and maintain the reserve fund for the continuing support of the program.

(i) Forty-two percent of the revenue payable to the state from license fees from satellite wagering facilities located at fairs under the authority of this section shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes:

(1) For repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred for the purpose of constructing improvements only at a fair's racetrack inclosure, or for the purpose of construction of satellite wagering facilities at fairs, and for health and safety repair projects and handicapped access compliance at fairs. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at the fair.

(4) For support purposes of the fair generally.

(j) The remaining 58 percent of the revenues payable to the state from satellite wagering facilities at fairs and all revenues payable to the state from satellite wagering facilities located under the authority of this section at sites other than fairs shall be deposited in the General Fund.

(k) Notwithstanding subdivision (b) of Section 19641, the state shall receive as additional license fees 50 percent of any redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility, subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, and the funds shall be deposited in the General Fund. The remaining 50 percent of redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility shall be paid to a welfare fund established by the horsemen's organization contracting with the association conducting the racing meeting for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

(*l*) Of the total breakage arising in a parimutuel pool which includes wagers at satellite wagering facilities, that percentage of breakage equal to the percentage that wagers placed at satellite wagering facilities constitute of the total parimutuel pool shall be distributed equally among the state as an additional license fee deposited in the General Fund, the track conducting the racing meeting as a commission, and the horsemen participating in the racing meeting in the form of purses. The remainder of the breakage

shall be distributed in the same manner as breakage arising from wagers at the track conducting the racing meeting.

(m) Notwithstanding subdivision (c) of Section 19596.5 and subdivision (d) of this section, if the total revenues from horseracing for deposit in the General Fund for the 1988–89 fiscal year, as determined by the board, do not equal or exceed one hundred fifteen million dollars ($115,000,000), the license fees distributed to the state for all wagers under subdivision (c) of Section 19596.5 and subdivision (d) of this section shall be increased by one-half of 1 percent for meetings commencing after July 1, 1989. The board shall determine if the total revenues from horseracing for deposit in the General Fund during the 1989–90 fiscal year and subsequent fiscal years equal or exceed one hundred fifteen million dollars ($115,000,000), and in fiscal years when that amount is not equaled or exceeded, the license fees distributed to the state for all wagers under subdivision (c) of Section 19596.5 and subdivision (d) of this section shall be increased by one-half of 1 percent for meetings commencing after July 1 of the following 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 that this act may be implemented during the 1988 racing season already underway, it is necessary that this act take effect immediately.

CHAPTER 20

An act relating to the 1988 World Exposition, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 3, 1988. Filed with Secretary of State March 3, 1988.]

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

SECTION 1. The sum of two hundred thousand dollars ($200,000) is hereby appropriated from the General Fund to the Business, Transportation and Housing Agency, without regard to fiscal years, to permit the completion of the California exhibits at the six-month long 1988 World Exposition in Brisbane, Australia.

Any funds appropriated by this section not needed to complete these exhibits shall be returned by the agency to the General Fund.

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 complete exhibits in time for the April 30th opening of the 1988 World Exposition in Brisbane, Australia, it is necessary that this act take effect immediately.

CHAPTER 21

An act to add Section 48416 to the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 4, 1988 Filed with Secretary of State March 7, 1988.]

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

SECTION 1. Section 48416 is added to the Education Code, to read:

48416. Notwithstanding any other provision of law, a child who, at the time a leave of absence is to begin, will be between the ages of 16 and 18, inclusive, may take a leave of absence from compulsory continuation education classes or, if exempted pursuant to subdivision (b) of Section 48410, from the school that the child attends, for a period of up to two semesters, if all 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, the child's parent or guardian, the principal or administrative officer of the school that 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 that 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 written 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.

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 between the ages of 16 and 18 years may take a leave of absence during the 1987–88 school year, it is necessary that this act take effect immediately.

CHAPTER 22

An act to amend and supplement the Budget Act of 1987 by amending Items 2660-301-036, 3790-102-036, 3790-103-036, and 8570-101-036 of Section 2 thereof, relating to fiscal affairs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 4, 1988. Filed with Secretary of State March 7, 1988.]

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

SECTION 1. Item 2660-301-036 of Section 2.00 of the Budget Act of 1987 is amended to read:

2660-301-036—For capital outlay, Department of Transportation, payable from the Special Account for Capital Outlay		725,000
Schedule:		
(1) Lyons Avenue and Interstate Highway 5 Interchange	725,000	

SEC. 2. Item 3790-102-036 of Section 2 of the Budget Act of 1987 is amended to read:

3790-102-036—For local assistance, Department of Parks and Recreation, payable from the Special Account for Capital Outlay 14,031,092

Schedule:

(1) City of Los Angeles—Los Angeles City Hall		300,000
(3) City of Los Angeles—Eagle Rock Library		238,000
(4) San Bernardino County, to correct an underallocation of the Community Parklands Bond Act of 1986		100,092
Schedule:		
(a) Barstow Recreation and Park District	29,798	
(b) Big Bear Valley Rec. & Park District	4,210	
(c) Yucca Valley Rec. & Park District ..	29,542	
(d) Hesperia Recreation and Park District	36,542	
(5) Santa Clara County—Los Gatos Creek Trail		750,000
(6) Raisin City Recreation and Park District		20,000
(8) City and County of San Francisco, South Beach Park		250,000
(9) City of Santa Paula, Santa Paula Community Center		250,000
(10) City of Los Angeles, Duane and Waterloo Street Ballpark Fencing		30,000
(11) City of San Diego, Balboa Park Administration Building		160,000
(12) County of San Diego, Spring Valley Revitalization Program and Avocado Park		950,000
(13) City of Colton, Library Historical Restoration Project		200,000
(14) City of Sacramento, Softball Park		60,000
(16) City of Oakland, Peralta Hacienda Park		490,000
(17) East Bay Regional Park District, Wool Ranch Property Acquisition		1,000,000

(18) City of Los Angeles, Harbor Lake Improvements		200,000
(19) Southgate Recreation and Park District, Bowling Green Park		60,000
(20) County of Marin, Marin Wildlife Center		145,000
(21) City of Winters, City Hall Historic Refurbishment		131,000
(22) City of La Mirada, La Mirada Community Center		500,000
(23) City of San Buenaventura, Ventura Pier Refurbishment		500,000
(24) City of La Canada-Flintridge, Lanterman Home Refurbishment		500,000
(25) City of Bellflower, Thompson Pool Reconstruction		500,000
(26) City of San Mateo, Remodel two Senior Citizens Centers		430,000
(27) City of Westmoreland, Swimming Pool		200,000
(28) City of Kingsburg, Kingsburg Pool		400,000
(29) City of Dinuba, Vuich Bandstand		150,000
(30) City of Cudahy, Community Pool		250,000
(32) City of Maricopa, Maricopa Municipal Park (P,W,C)		300,000
(33) City of Dublin		100,000
(a) Shannon Park	50,000	
(b) East Dougherty Hills Park	50,000	
(34) City of San Ramon		25,000
(a) Athan Downs	25,000	
(35) City of Pleasanton		180,000
(a) Augustin Bernal Park Community Park	50,000	
(b) Senior Park Master Plan (P,W)	80,000	
(c) McKinley Park	50,000	
(36) City of Danville		50,000
(a) Baseball recreation facilities	50,000	
(37) Downey Municipal Pool (P,W,C)		500,000
(38) City of Anaheim, Child Day Care Center		200,000
(39) City of Garden Grove, Senior Center Expansion		150,000

(40) City of Santa Ana		160,000
(a) City Library, Children's Section (P,W,C)	160,000	
(41) City of San Diego		2,550,000
(a) Canyonside Community Park	500,000	
(b) Mission Bay Regional Park Sail Bay, Phase III	500,000	
(c) Beausoliel Property, acquisition	1,550,000	
(42) Nevada County Fair, acquisition of adjacent property		450,000
(43) City of Chowchilla, Chowchilla Community Center		500,000
(44) City of Piedmont, Linda Playfield		102,000

SEC. 3. Item 3790-103-036 of Section 2.00 of the Budget Act of 1987 is amended to read:

3790-103-036—For local assistance, Department of Parks and Recreation, payable from the Special Account for Capital Outlay 3,010,000

Schedule:

(1) Santa Clara County, Los Gatos Creek Trail	250,000
(2) East Bay Regional Park District, Wool Ranch Property Acquisition	360,000
(3) City of Bellflower, Thompson Pool Reconstruction	150,000
(4) City of Cudahy, Community Pool Project	50,000
(5) State Center Community College District, Old Administration Building Restoration Project, Fresno City College	1,000,000
(6) City of Chula Vista Park and Recreation District, Norman Park Senior Center	200,000
(7) City of Los Angeles Housing Authority, Ramona Gardens Housing Project, recreation equipment and repairs	85,000
(8) City of Atwater, Community Service Center	50,000
(9) City of Desert Hot Springs, Baseball park lighting	15,000

(10) City of Oakland, Aquatic Biology Hall Project, Oakland Museum 250,000
(11) City of Norwalk, Norwalk Park Refurbishment 100,000
(12) County of Los Angeles, Highland-Camrose Bungalows 500,000

SEC. 4. Item 8570-101-036 of Section 2.00 of the Budget Act of 1987, as added by Chapter 1408 of the Statutes of 1987, is amended and renumbered to read:

8570-001-036—For support, Department of Food and Agriculture, payable from the Special Account for Capital Outlay 500,000
Schedule:
(a) Rice Straw Disposal Research 500,000
Provisions:
(1) The California Rice Research Board shall be the recipient of these funds and shall utilize the funds to investigate technologies for reducing the emissions of particulate matter during rice straw burning.

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 urgently needed highway and parks and recreation projects may be funded at the earliest opportunity, and in order to clarify, as soon as possible, the purposes for which certain funds may be expended for rice straw disposal research, it is necessary that this act take effect immediately.

CHAPTER 23

An act to add Title 9.3 (commencing with Section 1297.11) to Part 3 of the Code of Civil Procedure, relating to international commercial disputes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 4, 1988 Filed with Secretary of State March 7, 1988.]

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

SECTION 1. Title 9.3 (commencing with Section 1297.11) is added to Part 3 of the Code of Civil Procedure, to read:

TITLE 9.3. ARBITRATION AND CONCILIATION OF INTERNATIONAL COMMERCIAL DISPUTES

CHAPTER 1. APPLICATION AND INTERPRETATION

Article 1. Scope of Application

1297.11. This title applies to international commercial arbitration and conciliation, subject to any agreement which is in force between the United States and any other state or states.

1297.12. This title, except Article 2 (commencing with Section 1297.81) of Chapter 2 and Article 3 (commencing with Section 1297.91) of Chapter 2, applies only if the place of arbitration or conciliation is in the State of California.

1297.13. An arbitration or conciliation agreement is international if any of the following applies:

(a) The parties to an arbitration or conciliation agreement have, at the time of the conclusion of that agreement, their places of business in different states.

(b) One of the following places is situated outside the state in which the parties have their places of business:

(i) The place of arbitration or conciliation if determined in, or pursuant to, the arbitration or conciliation agreement.

(ii) Any place where a substantial part of the obligations of the commercial relationship is to be performed.

(iii) The place with which the subject matter of the dispute is most closely connected.

(c) The parties have expressly agreed that the subject matter of the arbitration or conciliation agreement relates to commercial interests in more than one state.

(d) The subject matter of the arbitration or conciliation agreement is otherwise related to commercial interests in more than one state.

1297.14. For the purposes of Section 1297.13, if a party has more than one place of business, the place of business is that which has the closest relationship to the arbitration agreement, and if a party does not have a place of business, reference is to be made to his habitual residence.

1297.15. For the purposes of Section 1297.13, the states of the United States, including the District of Columbia, shall be considered one state.

1297.16. An arbitration or conciliation agreement is commercial if it arises out of a relationship of a commercial nature including, but not limited to, any of the following:

(a) A transaction for the supply or exchange of goods or services.

(b) A distribution agreement.

(c) A commercial representation or agency.

(d) An exploitation agreement or concession.

(e) A joint venture or other, related form of industrial or business

cooperation.

(f) The carriage of goods or passengers by air, sea, rail, or road.

(g) Construction.

(h) Insurance.

(i) Licensing.

(j) Factoring.

(k) Leasing.

(*l*) Consulting.

(m) Engineering.

(n) Financing.

(o) Banking.

(p) The transfer of data or technology.

(q) Intellectual or industrial property, including trademarks, patents, copyrights and software programs.

(r) Professional services.

1297.17. This title shall not affect any other law in force in California by virtue of which certain disputes may not be submitted to arbitration or may be submitted to arbitration only in accordance with provisions other than those of this title. Notwithstanding the foregoing, this title supersedes Sections 1280 to 1284.2, inclusive, with respect to international commercial arbitration and conciliation.

Article 2. Interpretation

1297.21. For the purposes of this title:

(a) "Arbitral award" means any decision of the arbitral tribunal on the substance of the dispute submitted to it and includes an interim, interlocutory, or partial arbitral award.

(b) "Arbitral tribunal" means a sole arbitrator or a panel of arbitrators.

(c) "Arbitration" means any arbitration whether or not administered by a permanent arbitral institution.

(d) "Conciliation" means any conciliation whether or not administered by a permanent conciliation institution.

(e) "Chief Justice" means the Chief Justice of California or his or her designee.

(f) "Court" means a body or an organ of the judicial system of a state.

(g) "Party" means a party to an arbitration or conciliation agreement.

(h) "Superior court" means the superior court in the county in this state selected pursuant to Section 1297.61.

(i) "Supreme Court" means the Supreme Court of California.

1297.22. Where a provision of this title, except Article 1 (commencing with Section 1297.281) of Chapter 6, leaves the parties free to determine a certain issue, such freedom includes the right of the parties to authorize a third party, including an institution, to make that determination.

1297.23. Where a provision of this title refers to the fact that the

parties have agreed or that they may agree, or in any other way refers to an agreement of the parties, such agreement shall be deemed to include any arbitration or conciliation rules referred to in that agreement.

1297.24. Where this title, other than Article 8 (commencing with Section 1297.251) of Chapter 5, Article 5 (commencing with Section 1297.321) of Chapter 6, or subdivision (a) of Section 1297.322, refers to a claim, it also applies to a counterclaim, and where it refers to a defense, it also applies to a defense to that counterclaim.

Article 3. Receipt of Written Communications

1297.31. Unless otherwise agreed by the parties, any written communication is deemed to have been received if it is delivered to the addressee personally or if it is delivered at his place of business, habitual residence, or mailing address, and the communication is deemed to have been received on the day it is so delivered.

1297.32. If none of the places referred to in Section 1297.31 can be found after making a reasonable inquiry, a written communication is deemed to have been received if it is sent to the addressee's last known place of business, habitual residence, or mailing address by registered mail or by any other means which provides a record of the attempt to deliver it.

1297.33. This article does not apply to written communications in respect of court proceedings.

Article 4. Waiver of Right to Object

1297.41. A party who knows that any provision of this title, or any requirement under the arbitration agreement, has not been complied with and yet proceeds with the arbitration without stating his or her objection to noncompliance without undue delay or, if a time limit is provided for stating that objection, within that period of time, shall be deemed to have waived his right to object.

1297.42. For purposes of Section 1297.41, "any provision of this title" means any provision of this title in respect of which the parties may otherwise agree.

Article 5. Extent of Judicial Intervention

1297.51. In matters governed by this title, no court shall intervene except where so provided in this title, or applicable federal law.

Article 6. Functions

1297.61. The functions referred to in Sections 1297.114, 1297.115, 1297.116, 1297.134, 1297.135, 1297.136, 1297.165, 1297.166, and 1297.167 shall be performed by the superior court of the county in which the place of arbitration is located. The functions referred to in Section

1297.81 shall be performed by the superior court selected pursuant to Article 2 (commencing with Section 1292) of Chapter 5 of Title 9.

CHAPTER 2. ARBITRATION AGREEMENTS AND JUDICIAL MEASURES IN AID OF ARBITRATION

Article 1. Definition and Form of Arbitration Agreements

1297.71. An "arbitration agreement" is an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not. An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.

1297.72. An arbitration agreement shall be in writing. An agreement is in writing if it is contained in a document signed by the parties or in an exchange of letters, telex, telegrams, or other means of telecommunication which provide a record of this agreement, or in an exchange of statements of claim and defense in which the existence of an agreement is alleged by one party and not denied by another. The reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement provided that the contract is in writing and the reference is such as to make that clause part of the contract.

Article 2. Stay of Proceedings

1297.81. When a party to an international commercial arbitration agreement as defined in this title commences judicial proceedings seeking relief with respect to a matter covered by the agreement to arbitrate, any other party to the agreement may apply to the superior court for an order to stay the proceedings and to compel arbitration.

1297.82. A timely request for a stay of judicial proceedings made under Section 1297.81 shall be granted.

Article 3. Interim Measures

1297.91. It is not incompatible with an arbitration agreement for a party to request from a superior court, before or during arbitral proceedings, an interim measure of protection, or for the court to grant such a measure.

1297.92. Any party to an arbitration governed by this title may request from the superior court enforcement of an award of an arbitral tribunal to take any interim measure of protection of an arbitral tribunal pursuant to Article 2 (commencing with Section 1297.171) of Chapter 4. Enforcement shall be granted pursuant to the law applicable to the granting of the type of interim relief requested.

1297.93. Measures which the court may grant in connection with a pending arbitration include, but are not limited to:

(a) An order of attachment issued to assure that the award to which applicant may be entitled is not rendered ineffectual by the dissipation of party assets.

(b) A preliminary injunction granted in order to protect trade secrets or to conserve goods which are the subject matter of the arbitral dispute.

1297.94. In considering a request for interim relief, the court shall give preclusive effect to any and all findings of fact of the arbitral tribunal including the probable validity of the claim which is the subject of the award for interim relief and which the arbitral tribunal has previously granted in the proceeding in question, provided that such interim award is consistent with public policy.

1297.95. Where the arbitral tribunal has not ruled on an objection to its jurisdiction, the court shall not grant preclusive effect to the tribunal's findings until the court has made an independent finding as to the jurisdiction of the arbitral tribunal. If the court rules that the arbitral tribunal did not have jurisdiction, the application for interim measures of relief shall be denied. Such a ruling by the court that the arbitral tribunal lacks jurisdiction is not binding on the arbitral tribunal or subsequent judicial proceeding.

CHAPTER 3. COMPOSITION OF ARBITRAL TRIBUNALS

Article 1. Number of Arbitrators

1297.101. The parties may agree on the number of arbitrators. Otherwise, there shall be one arbitrator.

Article 2. Appointment of Arbitrators

1297.111. A person of any nationality may be an arbitrator.

1297.112. Subject to Sections 1297.115 and 1297.116, the parties may agree on a procedure for appointing the arbitral tribunal.

1297.113. Failing such agreement referred to in Section 1297.112, in an arbitration with three arbitrators and two parties, each party shall appoint one arbitrator, and the two appointed arbitrators shall appoint the third arbitrator.

1297.114. If the appointment procedure in Section 1297.113 applies and either a party fails to appoint an arbitrator within 30 days after receipt of a request to do so from the other party, or the two appointed arbitrators fail to agree on the third arbitrator within 30 days after their appointment, the appointment shall be made, upon request of a party, by the superior court.

1297.115. Failing any agreement referred to in Section 1297.112, in an arbitration with a sole arbitrator, if the parties fail to agree on the arbitrator, the appointment shall be made, upon request of a party, by the superior court.

1297.116. The superior court, upon the request of a party, may take the necessary measures, unless the agreement on the appointment procedure provides other means for securing the appointment, where, under an appointment procedure agreed upon by the parties, any of the following occurs:

(a) A party fails to act as required under that procedure.

(b) The parties, or two appointed arbitrators, fail to reach an agreement expected of them under that procedure.

(c) A third party, including an institution, fails to perform any function entrusted to it under that procedure.

1297.117. A decision on a matter entrusted to the superior court pursuant to Sections 1297.114, 127.115, and 1297.116 is final and is not subject to appeal.

1297.118. The superior court, in appointing an arbitrator, shall have due regard to all of the following:

(a) Any qualifications required of the arbitrator by the agreement of the parties.

(b) Other considerations as are likely to secure the appointment of an independent and impartial arbitrator.

(c) In the case of a sole or third arbitrator, the advisability of appointing an arbitrator of a nationality other than those of the parties.

Article 3. Grounds for Challenge

1297.121. Except as otherwise provided in this title, all persons whose names have been submitted for consideration for appointment or designation as arbitrators or conciliators, or who have been appointed or designated as such, shall, within 15 days, make a disclosure to the parties of any information which might cause their impartiality to be questioned including, but not limited to, any of the following instances:

(a) The person has a personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceeding.

(b) The person served as a lawyer in the matter in controversy, or the person is or has been associated with another who has participated in the matter during such association, or he or she has been a material witness concerning it.

(c) The person served as an arbitrator or conciliator in another proceeding involving one or more of the parties to the proceeding.

(d) The person, individually or a fiduciary, or such person's spouse or minor child residing in such person's household, has a financial interest in the subject matter in controversy or in a party to the proceeding, or any other interest that could be substantially affected by the outcome of the proceeding.

(e) The person, his or her spouse, or a person within the third degree of relationship to either of them, or the spouse of such a person meets any of the following conditions:

(i) The person is or has been a party to the proceeding, or an officer, director, or trustee of a party.

(ii) The person is acting or has *acted* as a lawyer in the proceeding.

(iii) The person is known to have an interest that could be substantially affected by the outcome of the proceeding.

(iv) The person is likely to be a material witness in the proceeding.

(f) The person has a close personal or professional relationship with a person who meets any of the following conditions:

(i) The person is or has been a party to the proceeding, or an officer, director, or trustee of a party.

(ii) The person is acting or has acted as a lawyer or representative in the proceeding.

(iii) The person is or expects to be nominated as an arbitrator or conciliator in the proceedings.

(iv) The person is known to have an interest that could be substantially affected by the outcome of the proceeding.

(v) The person is likely to be a material witness in the proceeding.

1297.122. The obligation to disclose information set forth in Section 1297.121 is mandatory and cannot be waived as to the parties with respect to persons serving either as the sole arbitrator or sole conciliator or as the chief or prevailing arbitrator or conciliator. The parties may otherwise agree to waive such disclosure.

1297.123. From the time of appointment and throughout the arbitral proceedings, an arbitrator, shall, without delay, disclose to the parties any circumstances referred to in Section 1297.121 which were not previously disclosed.

1297.124. Unless otherwise agreed by the parties or the rules governing the arbitration, an arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to his or her independence or impartiality, or as to his or her possession of the qualifications upon which the parties have agreed.

1297.125. A party may challenge an arbitrator appointed by it, or in whose appointment it has participated, only for reasons of which it becomes aware after the appointment has been made.

Article 4. Challenge Procedure

1297.131. The parties may agree on a procedure for challenging an arbitrator and the decision reached pursuant to that procedure shall be final.

1297.132. Failing any agreement referred to in Section 1297.131, a party which intends to challenge an arbitrator shall, within 15 days after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstances referred to in Sections 1297.124 and 1297.125, whichever shall be later, send a written statement of the reasons for the challenge to the arbitral tribunal.

1297.133. Unless the arbitrator challenged under Section 1297.132

withdraws from his or her office or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.

1297.134. If a challenge following the procedure under Section 1297.133 is not successful, the challenging party may request the superior court, within 30 days after having received notice of the decision rejecting the challenge, to decide on the challenge. If a challenge is based upon the grounds set forth in Section 1297.121, and the superior court determines that the facts support a finding that such ground or grounds fairly exist, then the challenge should be sustained.

1297.135. The decision of the superior court under Section 1297.134 is final and is not subject to appeal.

1297.136. While a request under Section 1297.134 is pending, the arbitral tribunal, including the challenged arbitrator, may continue with the arbitral proceedings and make an arbitral award.

Article 5. Failure or Impossibility to Act

1297.141. The mandate of an arbitrator terminates if he becomes de jure or de facto unable to perform his or her functions or for other reasons fails to act without undue delay, and he withdraws from his or her office or the parties agree to the termination of his or her mandate.

1297.142. If a controversy remains concerning any of the grounds referred to in Section 1297.141, a party may request the superior court to decide on the termination of the mandate.

1297.143. A decision of the superior court under Section 1297.142 is not subject to appeal.

1297.144. If, under this section or Section 1297.132, an arbitrator withdraws from office or a party agrees to the termination of the mandate of an arbitrator, this does not imply acceptance of the validity of any ground referred to in Section 1297.132.

Article 6. Termination of Mandate and Substitution of Arbitrators

1297.151. In addition to the circumstances referred to under Article 4 (commencing with Section 1297.131) and Article 5 (commencing with Section 1297.141) of this chapter, the mandate of an arbitrator terminates upon his or her withdrawal from office for any reason, or by or pursuant to agreement of the parties.

1297.152. Where the mandate of an arbitrator terminates, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.

1297.153. Unless otherwise agreed by the parties:

(a) Where the sole or presiding arbitrator is replaced, any hearings previously held shall be repeated.

(b) Where an arbitrator other than the sole or presiding arbitrator is replaced, any hearings previously held may be repeated at the

discretion of the arbitral tribunal.

1297.154. Unless otherwise agreed by the parties, an order or ruling of the arbitral tribunal made prior to the replacement of an arbitrator under this section is not invalid because there has been a change in the composition of the tribunal.

CHAPTER 4. JURISDICTION OF ARBITRAL TRIBUNALS

Article 1. Competence of an Arbitral Tribunal to Rule on its Jurisdiction

1297.161. The arbitral tribunal may rule on its own jurisdiction, including ruling on any objections with respect to the existence or validity of the arbitration agreement, and for that purpose, an arbitration clause which forms part of a contract shall be treated as an agreement independent of the other terms of the contract, and a decision by the arbitral tribunal that the contract is null and void shall not entail ipso jure the invalidity of the arbitration clause.

1297.162. A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the statement of defense. However, a party is not precluded from raising such a plea by the fact that he or she has appointed, or participated in the appointment of, an arbitrator.

1297.163. A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings.

1297.164. The arbitral tribunal may, in either of the cases referred to in Sections 1297.162 and 1297.163, admit a later plea if it considers the delay justified.

1297.165. The arbitral tribunal may rule on a plea referred to in Sections 1297.162 and 1297.163 either as a preliminary question or in an award on the merits.

1297.166. If the arbitral tribunal rules as a preliminary question that it has jurisdiction, any party shall request the superior court, within 30 days after having received notice of that ruling, to decide the matter or shall be deemed to have waived objection to such finding.

1297.167. While a request under Section 1297.166 is pending, the arbitral tribunal may continue with the arbitral proceedings and make an arbitral award.

Article 2. Interim Measures Ordered by Arbitral Tribunals

1297.171. Unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party, order a party to take any interim measure of protection as the arbitral tribunal may consider necessary in respect of the subject matter of the dispute.

1297.172. The arbitral tribunal may require a party to provide

appropriate security in connection with a measure ordered under Section 1297.171.

CHAPTER 5. MANNER AND CONDUCT OF ARBITRATION

Article 1. Equal Treatment of Parties

1297.181. The parties shall be treated with equality and each party shall be given a full opportunity to present his or her case.

Article 2. Determination of Rules of Procedure

1297.191. Subject to this title, the parties may agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings.

1297.192. Failing any agreement referred to in Section 1297.191, the arbitral tribunal may, subject to this title, conduct the arbitration in the manner it considers appropriate.

1297.193. The power of the arbitral tribunal under Section 1297.192 includes the power to determine the admissibility, relevance, materiality, and weight of any evidence.

Article 3. Place of Arbitration

1297.201. The parties may agree on the place of arbitration.

1297.202. Failing any agreement referred to in Section 1297.201, the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.

1297.203. Notwithstanding Section 1297.201, the arbitral tribunal may, unless otherwise agreed by the parties, meet at any place it considers appropriate for consultation among its members, for hearing witnesses, experts, or the parties, or for inspection of documents, goods, or other property.

Article 4. Commencement of Arbitral Proceedings

1297.211. Unless otherwise agreed by the parties, the arbitral proceedings in respect of a particular dispute commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent.

Article 5. Language

1297.221. The parties may agree upon the language or languages to be used in the arbitral proceedings.

1297.222. Failing any agreement referred to in Section 1297.221, the arbitral tribunal shall determine the language or languages to be used in the arbitral proceedings.

1297.223. The agreement or determination, unless otherwise specified, shall apply to any written statement by a party, any hearing, and any arbitral award, decision, or other communication by the arbitral tribunal.

1297.224. The arbitral tribunal may order that any documentary evidence shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal.

Article 6. Statements of Claim and Defense

1297.231. Within the period of time agreed upon by the parties or determined by the arbitral tribunal, the claimant shall state the facts supporting his or her claim, the points at issue, and the relief or remedy sought, and the respondent shall state his or her defense in respect of these particulars, unless the parties have otherwise agreed as to the required elements of those statements.

1297.232. The parties may submit with their statements all documents they consider to be relevant or may add a reference to the documents or other evidence they will submit.

1297.233. Unless otherwise agreed by the parties, either party may amend or supplement his or her claim or defense during the course of the arbitral proceedings, unless the arbitral tribunal considers it inappropriate to allow the amendment or supplement having regard to the delay in making it.

Article 7. Hearings and Written Proceedings

1297.241. Unless otherwise agreed by the parties, the arbitral tribunal shall decide whether to hold oral hearings for the presentation of evidence or for oral argument, or whether the proceedings shall be conducted on the basis of documents and other materials.

1297.242. Unless the parties have agreed that no oral hearings shall be held, the arbitral tribunal shall hold oral hearings at an appropriate state of the proceedings, if so requested by a party.

1297.243. The parties shall be given sufficient advance notice of any hearing and of any meeting of the arbitral tribunal for the purpose of inspection of documents, goods, or other property.

1297.244. All statements, documents, or other information supplied to, or applications made to, the arbitral tribunal by one party shall be communicated to the other party, and any expert report or evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to the parties.

1297.245. Unless otherwise agreed by the parties, all oral hearings and meetings in arbitral proceedings shall be held in camera.

Article 8. Default of a Party

1297.251. Unless otherwise agreed by the parties, where, without showing sufficient cause, the claimant fails to communicate his or her statement of claim in accordance with Sections 1297.231 and 1297.232, the arbitral tribunal shall terminate the proceedings.

1297.252. Unless otherwise agreed by the parties, where, without showing sufficient cause, the respondent fails to communicate his or her statement of defense in accordance with Sections 1297.231 and 1297.232, the arbitral tribunal shall continue the proceedings without treating that failure in itself as an admission of the claimant's allegations.

1297.253. Unless otherwise agreed by the parties, where, without showing sufficient cause, a party fails to appear at an oral hearing or to produce documentary evidence, the arbitral tribunal may continue with the proceedings and make the arbitral award on the evidence before it.

Article 9. Expert Appointed by Arbitral Tribunal

1297.261. Unless otherwise agreed by the parties, the arbitral tribunal may appoint one or more experts to report to it on specific issues to be determined by the arbitral tribunal, and require a party to give the expert any relevant information or to produce, or to provide access to, any relevant documents, goods, or other property for his or her inspection.

1297.262. Unless otherwise agreed by the parties, if a party so requests or if the arbitral tribunal considers it necessary, the expert shall, after delivery of his or her written or oral report, participate in an oral hearing where the parties have the opportunity to question the expert and to present expert witnesses on the points at issue.

Article 10. Court Assistance in Taking Evidence and Consolidating Arbitrations

1297.271. The arbitral tribunal, or a party with the approval of the arbitral tribunal, may request from the superior court assistance in taking evidence and the court may execute the request within its competence and according to its rules on taking evidence. In addition, a subpoena may issue as provided in Section 1282.6, in which case the witness compensation provisions of Section 1283.2 shall apply.

1297.272. Where the parties to two or more arbitration agreements have agreed, in their respective arbitration agreements or otherwise, to consolidate the arbitrations arising out of those arbitration agreements, the superior court may, on application by one party with the consent of all the other parties to those arbitration agreements, do one or more of the following:

(a) Order the arbitrations to be consolidated on terms the court

considers just and necessary.

(b) Where all the parties cannot agree on an arbitral tribunal for the consolidated arbitration, appoint an arbitral tribunal in accordance with Section 1297.118.

(c) Where all the parties cannot agree on any other matter necessary to conduct the consolidated arbitration, make any other order it considers necessary.

1297.273. Nothing in this article shall be construed to prevent the parties to two or more arbitrations from agreeing to consolidate those arbitrations and taking any steps that are necessary to effect that consolidation.

CHAPTER 6. MAKING OF ARBITRAL AWARD AND TERMINATION OF PROCEEDINGS

Article 1. Rules Applicable to Substance of Dispute

1297.281. The arbitral tribunal shall decide the dispute in accordance with the rules of law designated by the parties as applicable to the substance of the dispute.

1297.282. Any designation by the parties of the law or legal system of a given state shall be construed, unless otherwise expressed, as directly referring to the substantive law of that state and not to its conflict of laws rules.

1297.283. Failing any designation of the law under Section 1297.282 by the parties, the arbitral tribunal shall apply the rules of law it considers to be appropriate given all the circumstances surrounding the dispute.

1297.284. The arbitral tribunal shall decide ex aequo et bono or as amiable compositeur, if the parties have expressly authorized it to do so.

1297.285. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.

Article 2. Decisionmaking by Panel of Arbitrators

1297.291. Unless otherwise agreed by the parties, in arbitral proceedings with more than one arbitrator, any decision of the arbitral tribunal shall be made by a majority of all of its members.

Notwithstanding this section, if authorized by the parties or all the members of the arbitral tribunal, questions of procedure may be decided by a presiding arbitrator.

Article 3. Settlement

1297.301. It is not incompatible with an arbitration agreement for an arbitral tribunal to encourage settlement of the dispute and, with the agreement of the parties, the arbitral tribunal may use

mediation, conciliation, or other procedures at any time during the arbitral proceedings to encourage settlement.

1297.302. If, during arbitral proceedings, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings and, if requested by the parties and not objected to by the arbitral tribunal, record the settlement in the form of an arbitral award on agreed terms.

1297.303. An arbitral award on agreed terms shall be made in accordance with Article 4 (commencing with Section 1297.311) of this chapter and shall state that it is an arbitral award.

1297.304. An arbitral award on agreed terms has the same status and effect as any other arbitral award on the substance of the dispute.

Article 4. Form and Content of Arbitral Award

1297.311. An arbitral award shall be made in writing and shall be signed by the members of the arbitral tribunal.

1297.312. For the purposes of Section 1297.311, in arbitral proceedings with more than one arbitrator, the signatures of the majority of all the members of the arbitral tribunal shall be sufficient so long as the reason for any omitted signature is stated.

1297.313. The arbitral award shall state the reasons upon which it is based, unless the parties have agreed that no reasons are to be given, or the award is an arbitral award on agreed terms under Article 3 (commencing with Section 1297.301) of this chapter.

1297.314. The arbitral award shall state its date and the place of arbitration as determined in accordance with Article 3 (commencing with Section 1297.201) of Chapter 5 and the award shall be deemed to have been made at that place.

1297.315. After the arbitral award is made, a signed copy shall be delivered to each party.

1297.316. The arbitral tribunal may, at any time during the arbitral proceedings, make an interim arbitral award on any matter with respect to which it may make a final arbitral award. The interim award may be enforced in the same manner as a final arbitral award.

1297.317. Unless otherwise agreed by the parties, the arbitral tribunal may award interest.

1297.318. (a) Unless otherwise agreed by the parties, the costs of an arbitration shall be at the discretion of the arbitral tribunal.

(b) In making an order for costs, the arbitral tribunal may include as costs any of the following:

(1) The fees and expenses of the arbitrators and expert witnesses.

(2) Legal fees and expenses.

(3) Any administration fees of the institution supervising the arbitration, if any.

(4) Any other expenses incurred in connection with the arbitral proceedings.

(c) In making an order for costs, the arbitral tribunal may specify any of the following:

(1) The party entitled to costs.
(2) The party who shall pay the costs.
(3) The amount of costs or method of determining that amount.
(4) The manner in which the costs shall be paid.

Article 5. Termination of Proceedings

1297.321. The arbitral proceedings are terminated by the final arbitral award or by an order of the arbitral tribunal under Section 1297.322. The award shall be final upon the expiration of the applicable periods in Article 6 (commencing with Section 1297.331) of this chapter.

1297.322. The arbitral tribunal shall issue an order for the termination of the arbitral proceedings where any of the following occurs:

(a) The claimant withdraws his or her claim, unless the respondent objects to the order and the arbitral tribunal recognizes a legitimate interest on the respondent's part in obtaining a final settlement of the dispute.

(b) The parties agree on the termination of the proceedings.

(c) The arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.

1297.323. Subject to Article 6 (commencing with Section 1297.331) of this chapter, the mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings.

Article 6. Correction and Interpretation of Awards and Additional Awards

1297.331. Within 30 days after receipt of the arbitral award, unless another period of time has been agreed upon by the parties:

(a) A party may request the arbitral tribunal to correct in the arbitral award any computation errors, any clerical or typographical errors, or any other errors of a similar nature.

(b) A party may, if agreed by the parties, request the arbitral tribunal to give an interpretation of a specific point or part of the arbitral award.

1297.332. If the arbitral tribunal considers any request made under Section 1297.331 to be justified, it shall make the correction or give the interpretation within 30 days after receipt of the request and the interpretation shall form part of the arbitral award.

1297.333. The arbitral tribunal may correct any error of the type referred to in subdivision (a) of Section 1297.331, on its own initiative, within 30 days after the date of the arbitral award.

1297.334. Unless otherwise agreed by the parties, a party may request, within 30 days after receipt of the arbitral award, the arbitral tribunal to make an additional arbitral award as to the claims presented in the arbitral proceedings but omitted from the arbitral

award.

1297.335. If the arbitral tribunal considers any request made under Section 1297.334 to be justified, it shall make the additional arbitral award within 60 days after receipt of the request.

1297.336. The arbitral tribunal may extend, if necessary, the period of time within which it shall make a correction, give an interpretation, or make an additional arbitral award under Section 1297.331 or 1297.334.

1297.337. Article 4 (commencing with Section 1297.311) of this chapter applies to a correction or interpretation of the arbitral award or to an additional arbitral award made under this section.

CHAPTER 7. CONCILIATION

Article 1. Appointment of Conciliators

1297.341. It is the policy of the State of California to encourage parties to an international commercial agreement or transaction which qualifies for arbitration or conciliation pursuant to Section 1297.13, to resolve disputes arising from such agreements or transactions through conciliation. The parties may select or permit an arbitral tribunal or other third party to select one or more persons to serve as the conciliator or conciliators who shall assist the parties in an independent and impartial manner in their attempt to reach an amicable settlement of their dispute.

1297.342. The conciliator or conciliators shall be guided by principles of objectivity, fairness, and justice, giving consideration to, among other things, the rights and obligations of the parties, the usages of the trade concerned and the circumstances surrounding the dispute, including any previous practices between the parties.

1297.343. The conciliator or conciliators may conduct the conciliation proceedings in such a manner as they consider appropriate, taking into account the circumstances of the case, the wishes of the parties, and the desirability of a speedy settlement of the dispute. Except as otherwise provided in this title, other provisions of this code, the Evidence Code, or the California Rules of Court, shall not apply to conciliation proceedings brought under this title.

Article 2. Representation and Assistance

1297.351. The parties may appear in person or be represented or assisted by any person of their choice. A person assisting or representing a party need not be a member of the legal profession or licensed to practice law in California.

Article 3. Report of Conciliators

1297.361. At any time during the proceedings, the conciliator or conciliators may prepare a draft conciliation settlement which may include the assessment and apportionment of costs between the parties, and send copies to the parties, specifying the time within which they must signify their approval.

1297.362. No party may be required to accept any settlement proposed by the conciliator or conciliators.

Article 4. Confidentiality

1297.371. When persons agree to participate in conciliation under this title:

(a) Evidence of anything said or of any admission made in the course of the conciliation is not admissible in evidence, and disclosure of any such evidence shall not be compelled, in any civil action in which, pursuant to law, testimony may be compelled to be given. However, this subdivision does not limit the admissibility of evidence if all parties participating in conciliation consent to its disclosure.

(b) In the event that any such evidence is offered in contravention of this section, the arbitration tribunal or the court shall make any order which it considers to be appropriate to deal with the matter, including, without limitation, orders restricting the introduction of evidence, or dismissing the case without prejudice.

(c) Unless the document otherwise provides, no document prepared for the purpose of, or in the course of, or pursuant to, the conciliation, or any copy thereof, is admissible in evidence, and disclosure of any such document shall not be compelled, in any arbitration or civil action in which, pursuant to law, testimony may be compelled to be given.

Article 5. Stay of Arbitration and Resort to Other Proceedings

1297.381. The agreement of the parties to submit a dispute to conciliation shall be deemed an agreement between or among those parties to stay all judicial or arbitral proceedings from the commencement of conciliation until the termination of conciliation proceedings.

1297.382. All applicable limitation periods including periods of prescription shall be tolled or extended upon the commencement of conciliation proceedings to conciliate a dispute under this title and all limitation periods shall remain tolled and periods of prescription extended as to all parties to the conciliation proceedings until the 10th day following the termination of conciliation proceedings. For purposes of this article, conciliation proceedings are deemed to have commenced as soon as (a) a party has requested conciliation of a particular dispute or disputes, and (b) the other party or parties

agree to participate in the conciliation proceeding.

Article 6. Termination

1297.391. The conciliation proceedings may be terminated as to all parties by any of the following:

(a) A written declaration of the conciliator or conciliators, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration.

(b) A written declaration of the parties addressed to the conciliator or conciliators to the effect that the conciliation proceedings are terminated, on the date of the declaration.

(c) The signing of a settlement agreement by all of the parties, on the date of the agreement.

1297.392. The conciliation proceedings may be terminated as to particular parties by either of the following:

(a) A written declaration of a party to the other party and the conciliator or conciliators, if appointed, to the effect that the conciliation proceedings shall be terminated as to that particular party, on the date of the declaration.

(b) The signing of a settlement agreement by some of the parties, on the date of the agreement.

1297.393. No person who has served as conciliator may be appointed as an arbitrator for, or take part in any arbitral or judicial proceedings in, the same dispute unless all parties manifest their consent to such participation or the rules adopted for conciliation or arbitration otherwise provide.

1297.394. By submitting to conciliation, no party shall be deemed to have waived any rights or remedies which that party would have had if conciliation had not been initiated, other than those set forth in any settlement agreement which results from the conciliation.

Article 7. Enforceability of Decree

1297.401. If the conciliation succeeds in settling the dispute, and the result of the conciliation is reduced to writing and signed by the conciliator or conciliators and the parties or their representatives, the written agreement shall be treated as an arbitral award rendered by an arbitral tribunal duly constituted in and pursuant to the laws of this state, and shall have the same force and effect as a final award in arbitration.

Article 8. Costs

1297.411. Upon termination of the conciliation proceedings, the conciliator shall fix the costs of the conciliation and give written notice thereof to the parties. As used in this article, "costs" includes only the following:

(a) A reasonable fee to be paid to the conciliator or conciliators.

(b) The travel and other reasonable expenses of the conciliator or conciliators.

(c) The travel and other reasonable expenses of witnesses requested by the conciliator or conciliators with the consent of the parties.

(d) The cost of any expert advice requested by the conciliator or conciliators with the consent of the parties.

(e) The cost of any court.

1297.412. These costs shall be borne equally by the parties unless the settlement agreement provides for a different apportionment. All other expenses incurred by a party shall be borne by that party.

Article 9. Effect on Jurisdiction

1297.421. Neither the request for conciliation, the consent to participate in the conciliation proceedings, the participation in such proceedings, nor the entering into a conciliation agreement or settlement shall be deemed as consent to the jurisdiction of any court in this state in the event conciliation fails.

Article 10. Immunity of Conciliators and Parties

1297.431. Neither the conciliator or conciliators, the parties, nor their representatives shall be subject to service of process on any civil matter while they are present in this state for the purpose of arranging for or participating in conciliation pursuant to this title.

1297.432. No person who serves as a conciliator shall be held liable in an action for damages resulting from any act or omission in the performance of his or her role as a conciliator in any proceeding subject to this title.

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.

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 reduce the unnecessary burden on the courts, and the resulting delay in the resolution of international commercial disputes, it is necessary that this act take effect immediately.

CHAPTER 24

An act to amend Sections 14524, 14525, and 14529 of, to add Sections 14524.15, 14525.5, 14529.2, and 14533.1 to, to repeal and add Section 14529.6 of, and to repeal Section 14524.1 of, the Government Code, and to add Sections 170.5 and 182.5 to, and to add Article 4.3 (commencing with Section 163) to Chapter 1 of Division 1 of, and Chapter 16 (commencing with Section 2600) and Chapter 17 (commencing with Section 2700) to Division 3 of, the Streets and Highways Code, relating to transportation, providing the funds necessary therefor through the issuance and sale of bonds of the State of California and providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 11, 1988 Filed with Secretary of State March 14, 1988]

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

SECTION 1. This act shall be known and may be cited as the Deddeh Transportation Improvement and Reform Act.

SEC. 2. (a) The Legislature makes the following findings and declarations:

(1) An efficient transportation infrastructure is vital to the economic well-being of the state and is essential for the daily activities of all the people.

(2) Current resources are not adequate to meet the growing needs for the maintenance, operation, and improvement of the state's transportation infrastructure.

(3) Transportation infrastructure is within the state budget's highest priority category and should maintain its pro rata share of the appropriations limit under Article XIII B of the California Constitution.

(4) Responsibility for providing a better transportation system is a joint venture of federal, state, and local governments and the private sector.

(5) Transportation projects require years of advance planning before being implemented, and the long-range project development work cannot proceed without a long-range financial commitment.

(6) An increasing number of transportation projects call for joint financing by state and local governments as well as by the private sector.

(7) The state's role in financing transportation projects needs to be defined so that local governments can better plan and manage their growth patterns and better assess their financial needs.

(8) User fee revenues have not kept up with inflation; the average annual gas tax revenue generated by a car in 1973 was $53.42, compared to the average annual gas tax revenue generated by a car in 1984 of only $21.37 in 1973 dollars.

(9) With the state's population projected to grow by about six million by the year 2000, preparing the transportation infrastructure for the year 2000 will require major resource commitments by the people of the state.

(10) Financing transportation programs through user fees is an equitable and efficient method of financing and should be the primary source of funding for transportation.

(11) Due to the enormous costs and the long-range benefits of many transportation projects, bonds should be used to augment and stabilize the transportation program.

(b) Therefore, it is the intention of the Legislature, through the enactment of this act:

(1) To develop a long-range financial commitment for transportation.

(2) To reform transportation planning and programming procedures and to delineate state and local transportation responsibilities and to provide additional financial resources.

(c) It is the further intent of the Legislature that any debt incurred as a result of the adoption by the voters of the Deddeh Transportation Bond Act (Chapter 17 (commencing with Section 2700) of Division 3 of the Streets and Highways Code) be retired as soon as feasible so as to minimize the interest cost of the debt to the citizens of the State of California.

SEC. 3. Section 14524 of the Government Code is amended to read:

14524. Not later than October 15 of each year, the department shall submit to the commission a recommended annual and five-year estimate of all federal and state funds available for transportation purposes in order that the commission may provide estimates pursuant to Section 14525.

The estimate shall be on the basis of state transportation districts, and the boundaries of the transportation planning agencies and county transportation commissions in urbanized areas over 50,000 in population. The method by which the estimate is arrived at, including the way in which state discretionary funds are to be estimated, shall be determined by the commission in consultation with the department, the transportation planning agencies, and the county transportation commissions. The estimate shall not include federal discretionary grants or funds.

The estimate shall be consistent with the financial plan specified in Section 164 of the Streets and Highways Code, and the estimated total of all state and federal funds available for each program category for each fiscal year shall not exceed the amounts specified in Section 164 of the Streets and Highways Code.

SEC. 4. Section 14524.1 of the Government Code, as added by Chapter 9 of the Statutes of 1988, is repealed.

SEC. 5. Section 14524.15 is added to the Government Code, to read:

14524.15. (a) Not later than November 15 of each year, the

department shall submit to the appropriate fiscal and policy committees of the Legislature, and to the Joint Legislative Budget Committee, a project delivery plan based on the state transportation improvement program adopted by the commission pursuant to Section 14529 on or before the preceding July 1. The plan shall consist of all of the following:

(1) The capital outlay project development staffing needs of the department in the next fiscal year necessary to deliver the adopted state transportation improvement program and any new funding capacity as indicated in the adopted funding estimate for the subsequent state transportation improvement program period, including projects to be advanced.

(2) Beginning with the plan due on November 15, 1990, the department shall reconcile the capital outlay project development staffing estimates made in previous plans with staffing actually available and the staffing actually required to perform the identified work for the state transportation improvement program.

(3) A determination of that portion of the project development workload developed pursuant to subdivision (a) that is proposed to be accomplished by the department's project development staff and that portion that is proposed by the department to be accomplished by contract for professional and technical services.

(b) The Legislative Analyst shall include its assessment of the department's project delivery plan in its annual analysis of the Governor's proposed budget. This assessment shall include each of the following:

(1) An analysis of the progress the department has made in the prior year toward delivering projects as scheduled in the adopted state transportation improvement program.

(2) An overall assessment of the plan's adequacy in ensuring that all federal, state, local, and private funds are used in a timely and efficient manner with a minimum of project delays.

(3) The Legislative Analyst's recommendations, if any, for improving the project delivery performance.

(4) The extent to which the department continues to meet its affirmative action goals for project development staff, including those personnel year equivalents contracted out pursuant to Article 2.5 (commencing with Section 14130) of Chapter 2 of Part 5.

(5) The extent to which the department has met the minority and women business enterprise goals established pursuant to that article.

(c) Beginning on January 1, 1989, and on January 1 of each year thereafter, the department shall report to the Governor and the Legislature on the level of participation by minority and women business enterprises in contracting pursuant to this article. If the established goals are not met, the department shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

(d) Not later than March 1 of each year, the department shall submit to the appropriate fiscal and policy committees of the

Legislature, and to the Joint Legislative Budget Committee, a revised project delivery plan which shall be the project delivery plan submitted pursuant to subdivision (a) updated to reflect the fund estimate provided the commission pursuant to Section 14524.

SEC. 6. Section 14525 of the Government Code is amended to read:

14525. Not later than November 15 of each year, the commission shall adopt and provide, to the transportation planning agencies and county transportation commissions, an annual and five-year estimate of all state and federal funds reasonably expected to be available to each region for transportation purposes.

The commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances.

The estimate shall be consistent with the financial plan specified in Section 164 of the Streets and Highways Code, and the estimated total of all state and federal funds available for each program category for each fiscal year shall not exceed the amounts specified in Section 164 of the Streets and Highways Code.

SEC. 7. Section 14525.5 is added to the Government Code, to read:

14525.5. (a) The department shall submit a project delivery report to the Governor and the Legislature not later than November 15, 1988, and not later than November 15 of each year thereafter. The report shall include all state highway projects that are included in the adopted state transportation improvement program costing one million dollars ($1,000,000) or more and for which the department is the responsible agency for project development work.

(b) For each of these projects, the report shall identify the following milestone dates by month and year:

(1) Commencement of the environmental process.

(2) Commencement of the circulation of the draft environmental documents.

(3) Final approval of the environmental documents.

(4) Commencement of work on the plans, specifications, and estimates.

(5) Approval of the plans, specifications, and estimates by the department headquarters.

(6) Project delivery, as defined in subdivision (b) of Section 14529.

(c) For the federal fiscal year ending September 30, 1988, and each year thereafter, the report shall identify the number of these projects which were to have passed one or more of these six milestone dates where the department was able to meet these milestones. The report shall also identify each project where the department failed to meet one or more milestones. For each of those projects, the report shall identify the specific circumstances resulting in the delay, and present a plan to resolve any problems and a new schedule for delivery.

SEC. 8. Section 14529 of the Government Code is amended to read:

14529. (a) After taking into consideration the existing adopted state transportation improvement program, the proposed state transportation improvement program submitted by the department pursuant to Section 14526, the regional transportation improvement programs submitted pursuant to Section 14527, and comments submitted pursuant to Section 14528, through the use of public hearings, the commission shall adopt and submit to the Legislature and Governor by July 1 of each year, a five-year state transportation improvement program including all funds to be allocated by the commission consisting of:

(1) The estimate of available funds from state and federal sources and associated constraints for transportation improvement in the state.

(2) All major projects, as determined by the commission, to be funded from state transportation funds allocated by the commission during the succeeding five fiscal years. For any highway project that will not be completed within the five-year period, the commission shall estimate the amount, and identify the source, of funds required to complete the project and the expected completion date.

(3) A summary of expenditures for minor projects, as determined by the commission, to be funded from state transportation funds allocated by the commission during the succeeding five fiscal years.

(4) The projects included in the adopted state transportation improvement program shall be limited to those projects that are included in the immediately prior state transportation improvement program, projects submitted pursuant to Sections 14526 and 14527, and projects recommended by the department.

(5) Any additional action and information determined by the commission to be relevant to the successful implementation of the adopted state transportation improvement program.

(b) The state transportation improvement program shall be considered a schedule for project delivery, and shall identify the year each project in the program is to be delivered. The state transportation improvement program shall not identify any milestone dates other than project delivery. As used in this subdivision, "project delivery" means the date on which funds for the project are to be obligated by the department, if the project is to be funded in part with federal funds or the date on which funds for the project are to be obligated by the commission, if the project is funded solely with state funds.

(c) Total expenditures for each program category for each fiscal year shall not exceed the amount specified in Section 164 of the Streets and Highways Code.

(d) The commission may adjust the project scope and cost for any project that was included in a previous state transportation improvement program with the concurrence of the department. The commission shall consult with the appropriate transportation

planning agency prior to making the adjustment.

SEC. 9. Section 14529.2 is added to the Government Code, to read:

14529.2. Prior to the adoption of the state transportation improvement program, the commission shall review the department's project delivery performance. The commission shall publish its findings and hold at least one public hearing.

Based on its findings and the information obtained during the public hearing, the commission may make a determination that the department has not made reasonable progress with project delivery and that it is unlikely that the department can accelerate its project delivery schedule to reasonably accommodate the adopted state transportation improvement program. Upon making this determination, the commission may allocate State Highway Account funds for expenditure by counties for development, right-of-way acquisition, and construction of state highway projects included in the state transportation improvement program.

The commission, in making an allocation under this section, shall seek the recommendation of the transportation planning agency or county transportation commission within whose jurisdiction the county is located. The commission shall specify the amount and the purpose of the allocation. The commission may request, and the county shall accept, an audit of funds allocated to the county under this section.

SEC. 10. Section 14529.6 of the Government Code is repealed.

SEC. 11. Section 14529.6 is added to the Government Code, to read:

14529.6. (a) Funds in the State Highway Account in the State Transportation Fund shall be programmed, budgeted, and expended to maximize the use of federal funds and shall be based on the following sequence of priorities:

(1) Operation, maintenance, and rehabilitation of the state highway system.

(2) Safety improvements where physical changes, other than adding additional lanes, would reduce fatalities and the number and severity of injuries.

(3) Operational improvements such as auxiliary lanes, ramp metering, and other physical changes where the system capacity can be enhanced without adding additional lanes.

(4) New facilities.

(5) Compatibility improvements, including landscaping and noise attenuation barriers.

(b) For the state transportation improvement program, the department shall recommend, and the commission shall include, to the extent feasible, projects in all categories listed in subdivision (a).

(c) Subject to Sections 188 and 188.8 of the Streets and Highways Code, projects included in the state transportation improvement program shall be based on objective criteria that are relevant to the project. The objective criteria used shall be stated for each project.

(d) The primary objective of the State Highway System is to facilitate interregional travel and commerce. New facilities shall be programmed consistent with this objective, and the department and the commission shall assign the highest priority to those projects that facilitate interregional travel.

SEC. 12. Section 14533.1 is added to the Government Code, to read:

14533.1. The department and the commission shall prepare their fund estimates and the state transportation improvement programs based on funding levels specified in Section 164 of the Streets and Highways Code.

The commission shall not include any project in the state transportation improvement program or make any commitment whatsoever that exceeds funding levels specified in Section 164 of the Streets and Highways Code. The department and the commission shall use an inflation rate that has been established by the Department of Finance. The Department of Finance shall consult with the Legislative Analyst and the Department of Transportation when calculating inflation rates for this purpose.

SEC. 13. Article 4.3 (commencing with Section 163) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 4.3. Transportation Funding Plan

163. (a) Commencing with the 1989–90 fiscal year and biennially thereafter, the Governor shall, at the time of submission of the budget, submit to the Legislature a six-year transportation funding plan. The plan shall be a statement of the Governor's policy and intent relative to the funding of transportation programs for the six years following the budget year.

(b) The plan submitted by the Governor shall, at a minimum, do all of the following:

(1) Include a listing of planned expenditures by program categories pursuant to Section 167 from the State Highway Account and the Transportation Planning and Development Account in the State Transportation Fund for state highway and public transportation purposes.

(2) Include a listing of planned expenditures by program categories pursuant to Section 167 for each of the six successive fiscal years, beginning with the 1990–91 fiscal year for the first plan.

(3) Specify all relevant criteria used in preparing the plan, including, but not limited to, the estimated available federal funds, the state's economic conditions, the population growth rate, and the inflation rate.

(4) Specify the sources and amount of state funds needed and, if current revenue sources are not adequate to fully fund the plan, identify new revenue sources, including proceeds from the sale of bonds, and the amount available therefrom.

(5) Specify the amount and dates for the sale of any bonds if

necessary.

(6) Specify all changes in state and local policies and procedures that need modification in order to implement the plan.

(c) The plan shall not include specific individual projects and the Legislature shall not enact legislation containing specific individual transportation projects.

164. It is the intent of the Governor and the Legislature to utilize all available state and federal revenues in the State Highway Account and to utilize general obligation bond revenues as necessary to supplement user fee revenues to maintain the following long-range funding levels for transportation:

(a) For administration, maintenance, operation, and rehabilitation and safety improvements of state highways, the necessary amount consistent with need.

(b) For capacity enhancement to the state highway system, one billion dollars ($1,000,000,000) annually.

(c) For exclusive public mass transit guideways, seventy-five million dollars ($75,000,000) annually.

(d) For noise attenuation barriers pursuant to Section 215.5, fifteen million dollars ($15,000,000) annually.

The funding levels specified in this section are based on the best estimate of federal funds that will become available to the state as well as the best estimate of economic activities and needs for the future. It is intended that these funding levels be adhered to and that adjustments be made in state resources to the extent necessary to meet these levels.

SEC. 14. Section 170.5 is added to the Streets and Highways Code, to read:

170.5. Notwithstanding Section 13302 of the Government Code, the department may, with respect to any project which will not be completed within a fiscal year, finance the project on a cash basis if the department has sufficient unused bonding authority not earmarked for any other project.

SEC. 15. Section 182.5 is added to the Streets and Highways Code, to read:

182.5. It is the intent of the Legislature that the proceeds of any voter-approved bonds or any other new revenues made available in 1988 be used to bring the state transportation improvement program into compliance with the requirement of Section 188.8 and to initiate a state-local transportation demonstration program. New capacity expanding projects which are added to the state transportation improvement program in existence at the time new state revenues are made available, shall be directed at meeting the requirements of Sections 188 and 188.8. To the extent that county minimums specified in Section 188.8 cannot be achieved for the period which includes the 1988–89 and 1989–90 fiscal years, any individual county shortfall for that period shall be carried forward and added as an increase to the following five-year period county minimum required under Section 188.8.

The proceeds of any voter-approved state bonds or any new state transportaton funds shall be used to comply with the financial plan in Section 164. The department and the commission shall inform the Legislature whenever the revenues available are not adequate to comply with Section 164.

SEC. 16. Chapter 16 (commencing with Section 2600) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 16. STATE-LOCAL TRANSPORTATION DEMONSTRATION PROGRAM

2600. (a) It is the intent of the Legislature to initiate a new state-local partnership for financing transportation improvement projects. Locally funded and constructed highway and exclusive public mass transit guideway projects will provide economic and transportation benefits for the state and, therefore, it is appropriate to provide state matching funds for these projects.

(b) The state-local transportation demonstration program is hereby created to carry out the intent in subdivision (a). The Legislature intends to appropriate a total of three hundred million dollars ($300,000,000) for the 1990–91 fiscal year to implement this program. It is also the intent of the Legislature to use this demonstration program as a basis for an ongoing program beyond the 1990–91 fiscal year.

2601. For purposes of this chapter:

(a) "Applicant" means a city, a county, or any local entity that is authorized to impose taxes or fees and that has responsibility for constructing highways or exclusive public mass transit guideways.

(b) "Eligible project" means a local road, a state highway, or an exclusive public mass transit guideway improvement project that meets all of the following conditions:

(1) Upon completion of the project, it would constitute a usable segment that would increase the capacity of the highway or guideway or would extend service to new areas, or, in the case of a local road rehabilitation project, it would extend the useful life of the roadway.

(2) The applicant has committed, or is capable of committing, to pay the local share to complete the project.

(3) The project is not receiving any other state funds.

(4) The applicant has completed, or is capable of completing, all project development work so that the contracts for the project can be awarded no later than June 31, 1991.

(5) Improvements to state highways are consistent with state and federal standards, are designed to minimize long-term maintenance costs, and are approved by the department.

(c) "Local fund" means revenues from any locally imposed tax or fee.

(d) "Local share" means the total cost of completing the project less any state matching funds applied for through this demonstration

program and any federal funds.

(e) "State share" means the amount of state funds applied for and in no case shall it exceed local share. The state share is not subject to the requirements of Sections 188 and 188.8.

2602. The state-local transportation demonstration program shall be implemented by the department and the applicants under the following procedures:

(a) Applicants shall submit eligible projects to the department not later than June 30, 1989.

(b) The department shall review the applications for consistency with the requirements of this chapter and shall compile a list of all eligible projects not later than December 31, 1989. If the total state share for eligible projects exceeds three hundred million dollars ($300,000,000), the department shall compute the pro rata share of state funds to be available so that each eligible project would receive the same ratio of state share to local share.

(c) Not later than April 1, 1990, each applicant shall inform the department whether or not it can proceed with the project with the lower state share. The department shall compile a new list of eligible projects consisting of those projects that (1) were included in the original list, and (2) that the applicant has indicated it can proceed with the lower state share.

(d) Using the new rate established pursuant to subdivision (b) and the new list established pursuant to subdivision (c), the department shall compute the matching funds necessary and shall so inform the Legislature not later than May 1, 1990.

(e) The Legislature intends to appropriate a maximum of three hundred million dollars ($300,000,000) by June 30, 1990, for this program.

(f) The applicant shall let construction contracts not later than June 30, 1991.

(g) The funds appropriated shall be spent not later than June 30, 1993.

SEC. 17. Chapter 17 (commencing with Section 2700) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 17. DEDDEH TRANSPORTATION BOND ACT

Article 1. General Provisions

2700. This chapter shall be known and may be cited as the Deddeh Transportation Bond Act.

2701. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Transportation Improvement Finance Committee created pursuant to Section 2712.

(b) "Department" means the Department of Transportation.

(c) "Fund" means the Transportation Improvement Bond Fund created pursuant to Section 2705.

Article 2. Transportation Improvement Program

2705. The proceeds of notes and bonds issued and sold pursuant to this chapter shall be deposited in the Transportation Improvement Bond Fund, which is hereby created.

2706. The money in the fund, upon appropriation by the Legislature, shall be available for expenditure without regard to fiscal years for state highway and exclusive public mass transit guideway capital improvements in accordance with Chapter 2 (commencing with Section 14520) of Part 5.3 of Division 3 of Title 2 of the Government Code and for local community transportation capital improvements on local streets and roads, state highways, and those guideway projects.

Article 3. Fiscal Provisions

2710. Notes and bonds in the total amount of one billion dollars ($1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The notes and 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 notes and bonds as the principal and interest become due and payable.

2711. (a) Except as provided in subdivision (b), the notes and bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the notes and bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any other provision of this chapter or the State General Obligation Bond Law, the following applies:

(1) Each issue of bonds authorized by the committee shall have a final maturity of 20 years and shall be structured to provide, as nearly as possible, level principal payments over the life of the bonds.

(2) Any bonds may be called and redeemed prior to their stated maturity only from the proceeds of refunding bonds or from funds appropriated by the Legislature which are proceeds of taxes of the state anticipated to exceed the state's appropriations limit for any fiscal year, if the amount used to redeem the bonds does not exceed the amount which is certified by the Controller to be the excess of proceeds of taxes for that fiscal year, as those terms are defined in Article XIII B of the California Constitution. For purposes of this paragraph, the use of proceeds of taxes to redeem bonds prior to

their stated maturity shall be deemed to be the payment of debt service on the bonds within the meaning of Article XIII B. The dedication of the proceeds of taxes to an escrow fund to redeem the bonds on the first date on which they may be redeemed shall also be deemed as payment of debt service on the bonds within the meaning of Article XIII B.

2712. (a) The Transportation Improvement Finance Committee is hereby created. For purposes of this chapter, the Transportation Improvement Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code). The committee consists of the Treasurer, the Director of Finance, the Controller, the Director of Transportation, and the Lieutenant Governor, or their designated representative. 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 Department of Transportation is designated the "board."

2713. The committee shall determine whether it is necessary or desirable to issue notes and bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 2706, and if so, the amount of notes and bonds to be issued and sold. Successive issues of notes and bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the notes and bonds so authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the notes and bonds issued.

2714. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, the sum, in addition to the ordinary revenues of the state, required to pay the principal of, and interest on, the notes and bonds due and payable each year and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect the additional sum.

2715. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, without regard to fiscal years, for the purpose of this chapter, an amount equal to that sum annually necessary to pay the principal of, and the interest on, the notes and bonds issued and sold pursuant to this chapter as the principal and interest become due and payable.

2716. Money may be transferred from the fund to the State Transportation Fund to reimburse the State Highway Account for expenditures made subsequent to the adoption of this chapter by the voters for the purposes of state highway and exclusive public mass transit guideway capital improvements in accordance with Chapter

2 (commencing with Section 14520) of Part 5.5 of Division 3 of Title 2 of the Government Code as specified in Section 2706.

The aggregate amounts that may be transferred under this section shall not be in excess of amounts appropriated by the Legislature from the fund for that purpose.

2717. The board may request a loan from the General Fund or the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter.

The amount of the request shall not exceed the amount of the unsold notes and bonds which the committee has, by resolution, authorized to be sold for the purposes of carrying out this chapter. Money received from the sale of bonds shall be used to repay the loan.

Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

2718. All money deposited in the fund which is derived from premium and accrued interest on notes and 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.

2719. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

2720. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of notes and 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.

2721. The Department of Transportation shall be responsible for the administration of all money in the fund. In consultation with the Treasurer and the Director of Finance, the department shall establish the procedures necessary to ensure compliance with all state and federal laws pertaining to the sale and use of general obligation bonds.

SEC. 18. Section 4 of this act shall become operative on January 1, 1989.

SEC. 19. Section 17 of this act shall take effect upon the adoption by the voters of the Deddeh Transportation Bond Act, as set forth in that section.

SEC. 20. (a) Notwithstanding Sections 3525 and 10218 of the Elections Code, Section 17 of this act shall be submitted to the voters at the June 7, 1988, direct primary election.

(b) The Secretary of State shall ensure the placement of Section 17 of this act on the June 7, 1988, statewide ballot, in substantial compliance with any statutory time requirements applicable to the

submission of statewide measures to the voters at a statewide election.

(c) Notwithstanding Section 3531 of the Elections Code, the Attorney General shall prepare and return to the Secretary of State a ballot title for the bond act contained in Section 17 of this act as expeditiously as possible, but not later than two days after the effective date of this act.

(d) Notwithstanding Section 3572 of the Elections Code, the Legislative Analyst shall prepare an impartial analysis of the bond act contained in Section 17 of this act as expeditiously as possible, but not later than five days after the effective date of this act, and the analysis shall not be submitted to a review committee.

(e) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the bond act contained in Section 17 of this act.

If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the bond act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall, notwithstanding Section 3578 of that code, be mailed at least 14 days before the election.

SEC. 20.5. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: " Deddeh Transportation Bond Act," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one billion dollars ($1,000,000,000) to provide funds for capital improvements for local streets and roads, state highways, and exclusive public mass transit guideways." 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. 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 that the Deddeh Transportation Bond Act proposed by Section 17 of this act be included in the June 7, 1988, statewide ballot, and that transportation funding be revised to meet critical transportation needs as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 25

An act to add Chapter 21.8 (commencing with Section 17697) to Part 10 of the Education Code, relating to providing for the preparation, issuance, and sale of bonds of the State of California to fund school construction, providing for the submission of the measure to a vote of the people, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 11, 1988. Filed with Secretary of State March 14, 1988.]

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

SECTION 1. Chapter 21.8 (commencing with Section 17697) is added to Part 10 of the Education Code, to read:

CHAPTER 21.8. SCHOOL FACILITIES BOND ACT of 1988

17697. This chapter may be cited as the School Facilities Bond Act of 1988.

17697.10. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter. All references in this chapter to "herein" shall be deemed to refer both to this chapter and that law.

17697.15. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

(a) "Committee" means the State School Building Finance Committee created by Section 15909.

(b) "Board" means the State Allocation Board.

(c) "Fund" means the State School Building Lease-Purchase Fund.

17697.20. For the purpose of creating a fund to provide aid to school districts of the state in accordance with the provisions of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)), the purposes authorized under Section 17697.75, and of all acts amendatory thereof and supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code, the committee shall be and is hereby authorized and empowered to create a debt or debts,

liability or liabilities, of the State of California, in the aggregate amount of eight hundred million dollars ($800,000,000), exclusive of refunding bonds issued pursuant to Section 17697.85, in the manner provided herein, but not in excess thereof.

17697.25. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the principal and interest on the bonds as herein provided, and all officers required by law to perform any duty in regard to the collection of state revenues shall collect that additional sum.

On the several dates of maturity of the principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, all of the money in the fund exclusive of funds transferred pursuant to subdivision (f) of Section 6217 of the Public Resources Code, not in excess of the principal of and interest on the bonds then due and payable, except as herein provided for the prior redemption of the bonds, and, in the event the money so returned on the dates of maturity is less than the principal and interest then due and payable, then the balance remaining unpaid shall be returned to the General Fund in the State Treasury out of the fund as soon thereafter as it shall become available.

17697.30. All money deposited in the fund under Section 17732 and pursuant to Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code shall be available only for transfer to the General Fund, as provided in Section 17697.25. When transferred to the General Fund, the money shall be applied as a reimbursement of the General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by the transfer of funds.

17697.35. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, an amount that will equal the following:

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

(b) The sum as is necessary to carry out Section 17697.40, which sum is appropriated without regard to fiscal years.

17697.40. For the purposes of carrying out the provisions of this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out

this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds sold for the purpose of carrying out this chapter.

17697.45. Upon request of the board from time to time, supported by a statement of the apportionments made and to be made under Chapter 22 (commencing with Section 17700), the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to fund the apportionments, and, if so, the amount of bonds to be issued and sold. The Treasurer shall sell the bonds so determined at such different times as necessary to service expenditures required by the apportionments.

17697.50. In computing the net interest cost under Section 16754 of the Government Code, interest shall be computed from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, the computation to be made on a 360-day-year basis.

17697.55. The committee may authorize the Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

17697.60. All proceeds from the sale of the bonds herein authorized deposited in the fund, as provided in Section 16757 of the Government Code, except those derived from premium and accrued interest, shall be available for the purpose herein provided, but shall not be available for transfer to the General Fund pursuant to Section 17697.25 to pay principal and interest on bonds.

17697.65. With respect to the proceeds of bonds authorized by this chapter, all provisions of Chapter 22 (commencing with Section 17700) shall apply.

17697.70. Out of the first money realized from the sale of bonds under this chapter, there shall be repaid any moneys advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act.

17697.75. (a) Of the proceeds from the sale of bonds pursuant to this chapter:

(1) Not more than one hundred twenty million dollars ($120,000,000) may be used for the reconstruction or modernization of facilities within the meaning of Chapter 22 (commencing with Section 17700).

(2) Not more than forty million dollars ($40,000,000) may be used for the purchase and installation of air-conditioning equipment and insulation materials pursuant to Section 42250.1.

(3) Not more than fifty million dollars ($50,000,000) may be used for the acquisition of portable classrooms for use in accordance with

Chapter 25 (commencing with Section 17785).

(b) Notwithstanding subdivision (a), in the event the board determines at any time that the maximum amount made available pursuant to any of the paragraphs in that subdivision exceeds the amount necessary to fund the qualified recipients of the apportionment authorized under that paragraph, the board may expend any portion of that excess for the construction of new school facilities pursuant to Chapter 22 (commencing with Section 17700) or for any one or more of the purposes described in subdivision (a).

17697.80. 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.

17697.85. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of these bonds shall include the approval of any bonds issued to refund any bonds originally issued or previously issued refunding bonds.

17697.90. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out the provisions of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the people of the School Facilities Bond Act of 1988, as set forth in Section 1 of this act. Sections 3 to 5, inclusive, of this act contain provisions relating to and necessary for the submission of the School Facilities Bond Act of 1988 to the people, and for returning, canvassing, and proclaiming the votes thereon, and shall take effect immediately.

SEC. 3. (a) Notwithstanding Sections 3525 and 10218 of the Elections Code or any other provision of law, the School Facilities Bond Act of 1988, as set forth in Section 1 of this act, shall be submitted to the people of the State of California for their ratification at the primary election to be held June 7, 1988, and shall appear as the first proposition on the ballot.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the June 7, 1988, statewide ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) Notwithstanding Section 3531 of the Elections Code, the Attorney General shall prepare and return to the Secretary of State a ballot title for the bond act contained in Section 1 of this act as expeditiously as possible, but no later than two days after the effective date of this act.

(d) Notwithstanding Section 3572 of the Elections Code, the Legislative Analyst shall prepare an impartial analysis of the bond act contained in Section 1 of this act as expeditiously as possible, but no later than five days after the effective date of this act, and the analysis shall not be submitted to a review committee.

(e) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the bond act contained in Section 1 of this act.

If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the bond act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall, notwithstanding Section 3578 of the Elections Code, be mailed at least 14 days before the election.

SEC. 4. All ballots at the election shall have printed thereon and in a square thereof, the words: "School Facilities Bond Act of 1988," and in the same square under the words the following in 8-point type: "This act provides for a bond issue of eight hundred million dollars ($800,000,000) to provide capital outlay for construction or improvement of public schools. Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act. However, where the voting of the election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, the use of the voting machines, and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section.

SEC. 5. The votes cast for or against the School Facilities Bond Act of 1988 shall be counted, returned, and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appears that the act shall have received a majority of all the votes cast for and against it at the election, then the act shall take effect as provided by this section, and shall not be repealed until the principal and interest of the liabilities created pursuant to this act shall be paid and discharged; but if a majority of the votes cast at the election are against this act, then the act shall not take effect.

SEC. 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 permit the bond measure proposed by this act to be submitted for voter ratification at the primary election to be held

June 7, 1988, it is necessary that this act take effect immediately.

CHAPTER 26

An act to amend Section 991 of, and to add Article 5t (commencing with Section 998.085) to Chapter 6 of Division 4 of, the Military and Veterans Code, relating to financing of a program to provide farm and home aid for veterans in accordance with the Veterans' Farm and Home Purchase Act of 1974, and acts amendatory thereof and supplemental thereto, through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 11, 1988. Filed with Secretary of State March 14, 1988]

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

SECTION 1. Section 991 of the Military and Veterans Code is amended to read:

991. There is hereby created a Veterans' Finance Committee of 1943 composed of the Governor, Controller, Treasurer, Director of Finance, and Director of Veterans Affairs, or their designated representatives, all of whom shall serve thereon without compensation and a majority of whom shall be empowered to act for the committee. The Attorney General shall be the legal adviser of the Veterans' Finance Committee of 1943.

Upon request of the Department of Veterans Affairs, supported by a statement of the plans and projects of the Department of Veterans Affairs with respect thereto, the Veterans' Finance Committee of 1943 shall determine whether or not a bond issue under this article is necessary or desirable to carry such plans and projects into execution.

SEC. 2. Article 5t (commencing with Section 998.085) is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5t. Veterans Bond Act of 1988

998.085. This article may be cited as the Veterans Bond Act of 1988.

998.086. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), except as otherwise provided herein, is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this article, and the provisions of that law are included in this article as though set out in full in this article. All references in

this article to "herein" refer both to this article and that law.

998.087 As used herein, the following words shall have the following meanings:

(a) "Bond" means veterans bond, a state general obligation bond issued pursuant to this article adopting the provisions of the State General Obligation Bond Law.

(b) "Committee" means the Veterans' Finance Committee of 1943.

(c) "Board" means the Department of Veterans Affairs.

(d) "Fund" means the Veterans' Farm and Home Building Fund of 1943.

(e) "Bond act" means this article authorizing the issuance of state general obligation bonds and adopting the State General Obligation Bond Law by reference.

998.088. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with the Veterans' Farm and Home Purchase Act of 1974 (Article 3.1 (commencing with Section 987.50)), and of all acts amendatory thereof and supplemental thereto, the committee may create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of not more than five hundred ten million dollars ($510,000,000) in the manner provided herein.

998.089. All bonds authorized by this article, when duly sold and delivered as provided herein, constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected a sum of money, in addition to the ordinary revenues of the state, sufficient to pay the principal and interest on these bonds as provided herein, and all officers required by law to perform any duty in regard to the collection of state revenues shall collect this additional sum.

On the dates on which funds are remitted pursuant to Section 16676 of the Government Code for the payment of the then maturing principal and interest of the bonds in each fiscal year, there shall be returned into the General Fund all of the money in the Veterans' Farm and Home Building Fund of 1943, not in excess of the principal of and interest on any bonds then due and payable, except as herein provided for the prior redemption of the bonds, and, if the money so returned on the remittance dates is less than the principal and interest then due and payable, the balance remaining unpaid shall be returned into the General Fund out of the Veterans' Farm and Home Building Fund of 1943 as soon as it shall become available, together with interest thereon from the dates of maturity until so returned at the same rate of interest as borne by the bonds, compounded semiannually.

998.090. There is hereby appropriated from the General Fund, for purposes of this article, a sum of money that will equal both of the

following:

(a) That sum annually necessary to pay the principal of, and the interest on, the bonds issued and sold as provided herein, as that principal and interest become due and payable.

(b) That sum necessary to carry out Section 998.091, appropriated without regard to fiscal years.

998.091. For purposes of this article, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of a sum of money not to exceed the amount of the unsold bonds which have been authorized by the committee to be sold pursuant to this article. Any sums withdrawn shall be deposited in the Veterans' Farm and Home Building Fund of 1943. All money made available under this article to the board shall be returned by the board to the General Fund from receipts from the sale of bonds sold under this article, together with interest at the rate of interest fixed in the bonds so sold.

998.092. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The board shall execute whatever documents are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

998.093. Upon request of the board, supported by a statement of its plans and projects approved by the Governor, the committee shall determine whether to issue any bonds authorized under this article in order to carry out the board's plans and projects, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out these plans and projects progressively, and it is not necessary that all the bonds be issued or sold at any one time.

998.094. So long as any bonds authorized under this article are outstanding, the Director of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Director of Veterans Affairs, the California Veterans Board, and the committee.

The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money which the division may have available on deposit with the Treasurer.

998.095. The committee may authorize the Treasurer to sell all or any part of the bonds authorized by this article at the time or times fixed by the Treasurer.

Whenever the committee deems it necessary for an effective sale of the bonds, the committee may authorize the Treasurer to sell any issue of bonds at less than their par value, notwithstanding Section 16754 of the Government Code. However, the discount on the bonds shall not exceed 3 percent of the par value thereof.

998.096. Out of the first money realized from the sale of bonds as provided herein, there shall be redeposited in the General Obligation Bond Expense Revolving Fund, established by Section 16724.5 of the Government Code, the amount of all expenditures made for the purposes specified in that section, and this money may be used for the same purpose and repaid in the same manner whenever additional bond sales are made.

998.097. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of bonds shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

SEC. 3. Section 2 of this act shall take effect upon the adoption of the people of the Veterans Bond Act of 1988, as set forth in Section 2 of this act.

SEC. 4. (a) Notwithstanding Sections 3525 and 10218 of the Elections Code, Section 2 of this act shall be submitted to the voters at the June 7, 1988, direct primary election.

(b) The Secretary of State shall ensure the placement of Section 2 of this act on the June 7, 1988, statewide ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) Notwithstanding Section 3531 of the Elections Code, the Attorney General shall prepare and return to the Secretary of State a ballot title for the bond act contained in Section 2 of this act as expeditiously as possible, but not later than two days after the effective date of this act.

(d) Notwithstanding Section 3572 of the Elections Code, the Legislative Analyst shall prepare an impartial analysis of the bond act contained in Section 2 of this act as expeditiously as possible, but not later than five days after the effective date of this act, and the analysis shall not be submitted to a review committee.

(e) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the bond act contained in Section 2 of this act.

If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the bond act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall, notwithstanding Section 3578 of that code, be mailed

at least 14 days before the election.

SEC. 5. Notwithstanding any other provision of law, all ballots at the election shall have printed thereon, in a square, the words: "Veterans Bond Act of 1988," and in the same square under the words the following in 8-point type: "This act provides for a bond issue of five hundred ten million dollars ($510,000,000) to provide farm and home aid for California veterans." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act. Where the voting of the election is done by means of voting machines used pursuant to law a manner that carries out the intent of this section, the use of the voting machines, and the expression of the voters' choice by means thereof, are in compliance with this section.

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

In order that the Veterans Bond Act of 1988, contained in Section 2 of this act, may be included on the June 7, 1988, statewide ballot, and in order that related provisions may apply to that bond act, it is necessary that this act take effect immediately.

CHAPTER 27

An act to add Chapter 12.45 (commencing with Section 8878.15) to Division 1 of Title 2 of the Government Code, relating to financing a housing rehabilitation 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 11, 1988 Filed with Secretary of State March 14, 1988]

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

SECTION 1. The Legislature finds and declares the following:

(a) California is likely to experience damaging to severe earthquakes in the foreseeable future, and increased efforts to reduce earthquake hazards should be encouraged and supported.

(b) Unreinforced masonry structures have been found to be the most vulnerable to life-threatening earthquake damage. Thousands of multifamily residential structures are constructed of unreinforced masonry and continue to be a serious danger to their residents and the general public.

(c) The recent earthquakes in Los Angeles has revealed that of the some 700 apartment buildings damaged in the quake, 80 percent

are unreinforced masonry, and therefore require structural repairs for their safe occupation.

(d) Approximately 875,000 California housing units are substandard and need to be rehabilitated and over 385,000 units need to be replaced.

(e) Long-term general obligation bonds are a suitable means for financing the work needed to increase the ability of these residential structures to withstand earthquakes, and these bonds must be approved by the voters in a timely manner to most effectively provide for and promote the health and safety of the public.

SEC. 2. Chapter 12.45 (commencing with Section 8878.15) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.45. CALIFORNIA EARTHQUAKE SAFETY AND HOUSING REHABILITATION BOND ACT OF 1988

Article 1. General Provisions

8878.15. This chapter shall be known and may be cited as the California Earthquake Safety and Housing Rehabilitation Bond Act of 1988.

8878.16. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words have the following meanings:

(a) "Committee" means the California Earthquake Safety and Housing Rehabilitation Finance Committee.

(b) "Department" means Department of Housing and Community Development.

(c) "Fund" means the Housing Rehabilitation Loan Fund establish by Section 50661 of the Health and Safety Code.

(d) "Local agency" means any city, city and county, or county.

Article 2. California Earthquake Safety and Housing Rehabilitation Program

8878.20. (a) Of the proceeds of bonds issued and sold pursuant to this chapter, eighty million dollars ($80,000,000) shall be deposited in a special account in the Housing Rehabilitation Loan Fund and shall be used by the department, in accordance with the criteria and priorities now or hereafter established by statute, to make deferred payment loans to increase the ability of unreinforced masonry multifamily residential structures to withstand earthquakes. To be eligible for a loan funded pursuant to this section, not less than 70 percent of the tenants shall be households specified in Section 50079.5 of the Health and Safety Code.

(b) Prior to making commitments under this program for loans in a particular local agency's jurisdiction, the department shall determine that the local agency has completed an inventory of the unreinforced masonry structures within its jurisdiction and has

adopted a mitigation ordinance pursuant to Section 8875.2 or Section 19163 of the Health and Safety Code. The local agency shall establish criteria, terms, and conditions to identify eligible rental housing developments. Only structures identified as potentially hazardous buildings by a local agency, in accordance with criteria of Section 8875, shall be eligible for the loans.

(c) All seismic safety rehabilitation improvements made with loans funded pursuant to this section shall be in accordance with a plan developed for the structure by a civil engineer or architect.

(d) Loans made pursuant to this section shall constitute liens in favor of the department. Payments of the principal of, and interest on, the loans shall be deposited in the Housing Rehabilitation Loan Fund.

8878.21. Of the proceeds of bonds issued and sold pursuant to this chapter, seventy million dollars ($70,000,000) shall be deposited in a special account in the Housing Rehabilitation Loan Fund and shall be used by the department, in accordance with the criteria and priorities now or hereafter established by statute, for the housing rehabilitation loan programs authorized by Chapter 6.5 (commencing with Section 50660) of Part 2 of Division 31 of the Health and Safety Code, including the Special User Housing Rehabilitation Program authorized by Section 50670 of the Health and Safety Code, but not including the special program authorized by Section 50662.5. However, none of the moneys allocated pursuant to this section shall be used to make deferred payment loans to acquire residential hotels.

8878.22. Notwithstanding the allocation of bond proceeds specified in Sections 8878.20 and 8878.21, the director of the department every two years, commencing June 30, 1990, may reallocate the bond proceeds pursuant to this section between the accounts established in the Housing Rehabilitation Loan Fund by Sections 8878.20 and 8878.21. The director of the department may reallocate these moneys as necessary to satisfy program needs if demand for loans from one of the accounts substantially exceeds the level of funding therein and there is an unencumbered balance in the other account which exceeds the amount of loans for which there are then pending applications. The amount of any transfer from an account in the Housing Rehabilitation Loan Fund pursuant to this section may not include moneys for which loan applications from potentially eligible applicants are then pending.

Article 3. Fiscal Provisions

8878.25. Bonds in the total amount of one hundred fifty million dollars ($150,000,000), exclusive of refunding bonds issued pursuant to Section 8878.34, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section

16724.5 of the Government Code. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

8878.26. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

8878.27. (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 California Earthquake Safety and Housing Rehabilitation Finance Committee is hereby created. For purposes of this chapter, the California Earthquake Safety and Housing Rehabilitation Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, or their designated representatives, a person appointed by the Senate Rules Committee, a person appointed by the Speaker of the Assembly, and the Executive Director of the Seismic Safety Commission. The Treasurer shall serve as the 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 Department of Housing and Community Development is designated the "board."

(c) The board may adopt rules and regulations establishing requirements for local administration of the financing program to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds.

8878.28. 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 Sections 8878.20 and 8878.21, 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.

8878.29. There shall be collected annually in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, these bonds as provided herein, and all officers required by law to perform any duty in regard to the collection of state revenues shall collect that additional sum.

8878.30. 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 8878.31, appropriated without regard to fiscal years.

8878.31. For the purposes of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any money made available under this section to the board shall be returned by the board to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this chapter.

8878.32. 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.

8878.33. 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.

8878.34. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of these bonds shall include the approval of any bonds issued to refund any bonds originally issued or previously issued refunding bonds.

8878.35. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out the provisions of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute such documents as are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

SEC. 3. Section 2 of this act shall take effect upon the adoption by the voters of the California Earthquake Safety and Housing Rehabilitation Bond Act of 1988, as set forth in Section 2 of this act.

SEC. 4. (a) Notwithstanding Sections 3525 and 10218 of the

Elections Code, Section 2 of this act shall be submitted to the voters at the June 7, 1988, direct primary election.

(b) The Secretary of State shall ensure the placement of Section 2 of this act on the June 7, 1988, statewide ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) Notwithstanding Section 3531 of the Elections Code, the Attorney General shall prepare and return to the Secretary of State a ballot title for the bond act contained in Section 2 of this act as expeditiously as possible, but no later than two days after the effective date of this act.

(d) Notwithstanding Section 3572 of the Elections Code, the Legislative Analyst shall prepare an impartial analysis of the bond act contained in Section 2 of this act as expeditiously as possible, but no later than five days after the effective date of this act, and the analysis shall not be submitted to a review committee.

(e) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the bond act contained in Section 2 of this act.

If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the bond act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall, notwithstanding Section 3578 of the code, be mailed at least 14 days before the election.

SEC. 5. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "California Earthquake Safety and Housing Rehabilitation Bond Act of 1988," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one hundred fifty million dollars ($150,000,000) to provide funds for a California Earthquake Safety and Housing Rehabilitation 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. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the California Earthquake Safety and Housing Rehabilitation Bond Act of 1988 contained in Section 2 of this act be included on the June 7, 1988, statewide ballot, it is necessary that this

act take effect immediately.

CHAPTER 28

An act to amend Section 12987 of, to amend, repeal, and add Section 12986 of, to add Sections 12912.5, 12992, and 12993 to, to add Part 4.8 (commencing with Section 12300) to Division 6 of, and to add and repeal Section 12987.5 of, the Water Code, relating to flood control, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 11, 1988 Filed with Secretary of State March 14, 1988]

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

SECTION 1. This act shall be known and may be cited as the Delta Flood Protection Act of 1988.

SEC. 2. The Legislature hereby finds and declares as follows:

(a) The value and public benefit of preserving the Sacramento-San Joaquin Delta, as declared in Section 12981 of the Water Code, is reaffirmed, as is the recognition that not all islands, because of the physical condition of their soils and foundations, can economically justify protection or increased development.

(b) In recent years, federal, state, and local expenditures for disaster assistance have been very high, and hazard mitigation efforts to avoid disasters are needed.

(c) Other lands have been benefited by flood control levees at the expense of the delta through loss of overbank storage which causes more flood water to reach the delta.

(d) Long-term solutions for the delta will be facilitated by short-term efforts to stabilize the existing situation.

SEC. 3. Part 4.8 (commencing with Section 12300) is added to Division 6 of the Water Code, to read:

PART 4.8. DELTA FLOOD PROTECTION

CHAPTER 1. DELTA FLOOD PROTECTION FUND

12300. (a) The Delta Flood Protection Fund is hereby created in the State Treasury. There shall be deposited in the fund all moneys appropriated to the fund and all income derived from the investment of moneys that are in the fund.

(b) It is the intent of the Legislature to appropriate, in accordance with Section 12938, twelve millon dollars ($12,000,000) each year through fiscal year 1998–99 to the Delta Flood Protection Fund from moneys deposited in the California Water Fund pursuant to subdivision (b) of Section 6217 of the Public Resources Code. It is

further the intent of the Legislature to appropriate annually moneys in the Delta Flood Protection Fund to the department for expenditure and allocation, without regard to fiscal years, in the following amounts and for the following purposes:

(1) Six million dollars ($6,000,000) annually for local assistance under the delta levee maintenance subventions program pursuant to Part 9 (commencing with Section 12980), and for the administration thereof.

(2) Six million dollars ($6,000,000) annually for special delta flood protection projects under Chapter 2 (commencing with Section 12310) and for subsidence studies and monitoring. These funds shall only be allocated for projects on Bethel, Bradford, Holland, Hotchkiss, Jersey, Sherman, Twitchell, and Webb Islands in the delta and for the Towns of Thornton and Walnut Grove.

(c) Any moneys unexpended at the end of a fiscal year shall revert to the Delta Flood Protection Fund and shall be available for appropriation by the Legislature for the purposes specified in subdivision (b).

12301. The Delta Flood Protection Fund is hereby abolished on January 1, 1999, and all unencumbered moneys in the fund are transferred to the General Fund.

CHAPTER 2. SPECIAL FLOOD CONTROL PROJECTS

12310. As used in this chapter, the following terms have the following meanings:

(a) "Local public agency" means a reclamation district or levee district or other public agency responsible for the maintenance of a nonproject levee as defined in subdivision (d) of Section 12980.

(b) "Project" means the flood control improvement constructed or interests in land acquired pursuant to this chapter.

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

(d) "Delta" means the Sacramento-San Joaquin Delta as described in Section 12220.

12311. (a) The department shall develop and implement a program of flood control projects on Bethel, Bradford, Holland, Hotchkiss, Jersey, Sherman, Twitchell, and Webb Islands in the delta and for the Towns of Thornton and Walnut Grove. This program shall have, as its primary purpose, the protection of discrete and identifiable public benefits, including the protection of public highways and roads, utility lines and conduits, and other public facilities, and the protection of urbanized areas, water quality, recreation, and other public benefits.

(b) Notwithstanding subdivision (a), the department shall develop and recommend a plan of action, including alternatives, for flood control for the Towns of Thornton and Walnut Grove and shall submit the plan to the Legislature by January 1, 1989. The department shall not allocate any funds for implementation of the plan of action for flood control for the Towns of Thornton and

Walnut Grove until a plan is approved by the Legislature.

12312. The department may expend any moneys available to it pursuant to paragraph (2) of subdivision (b) of Section 12300 for the purposes of this chapter. In addition, the department shall seek a sharing of costs with the beneficiaries or owners or operators of the public facilities benefited by the flood protection projects. The department shall also seek cost sharing with, or financial assistance from, federal agencies which have programs applicable to, or which have an interest in, the flood protection projects.

12313. (a) The department shall develop a list of areas where flood control work is needed to protect public facilities or provide public benefits. In developing the list, the department shall consult with all appropriate federal, state, and local agencies. The list shall establish a priority for the areas based upon both of the following:

(1) The importance or degree of public benefit needing protection.

(2) The need for flood protective work.

(b) The list shall be submitted to the California Water Commission for approval, and shall be updated by the department, with the approval of the California Water Commission, as the department may deem appropriate.

12314. Guided by the approved priority list developed pursuant to Section 12313, the department shall develop project plans to accomplish the needed flood protection work, in cooperation with the local public agency, the public beneficiary, and the Department of Fish and Game.

The plans shall be subject to the approval of the appropriate local public agency or agencies and subject to any cost-sharing agreement the department may have entered into under Section 12312. Project plans may include, or be a combination of, the improvement, rehabilitation, or modification of existing levees and the conveyance of interests in land to limit or to modify land management practices which have a negative impact on flood control facilities.

Project plans shall include provision for the protection of fish and wildlife habitat determined to be necessary by the Department of Fish and Game and not injurious to the integrity of flood control works. The Department of Fish and Game shall consider the value of the riparian and fisheries habitat and the need to provide greater flood protection in preparing its requirements, and shall not approve any plan which calls for the use of channel islands or berms with significant riparian communities as borrow sites for levee repair materials, unless fully mitigated, or any plans which will result in a net long-term loss of riparian, fisheries, or wildlife habitat.

12315. Projects shall be undertaken and completed in accordance with the approved project plans. Project works may be undertaken by the department or, at the department's option, by the local public agency pursuant to an agreement with the department.

12316. In addition to any obligations assumed under an agreement with the department and to the extent consistent with

that agreement, the local public agency shall do all of the following:

(a) Provide construction access to lands or rights-of-way which it owns or maintains for flood control purposes or for purposes with which the project's required uses are compatible and necessary to complete the project.

(b) Maintain the completed project.

(c) Apply for federal disaster assistance, whenever eligible, under Public Law 93-288.

(d) Hold and save the department, any other agency or department of the state, and their employees free from any and all liability for damages, except that caused by gross negligence, that may arise out of the construction, operation, or maintenance of the project.

(e) Acquire easements up to 400 feet in width from the crown along levees in areas where the department determines that such an easement is desirable to maintain structural stability of the levee. The easement shall (1) restrict the use of the land to open-space uses with minimum tillage of the soil, including, without limitation, nontillable crops such as pasture, the propagation of wildlife habitat, and other compatible uses, (2) provide full access to the local agency for levee maintenance and improvement purposes, and (3) allow the owner to retain reasonable rights of ingress and egress as well as reasonable rights of access to the waterways for water supply and drainage. The local public agency costs of acquisition of the easements shall be reimbursable by the department from moneys appropriated pursuant to paragraph (2) of subdivision (b) of Section 12300.

(f) Comply with all mitigation requirements required pursuant to this chapter.

SEC. 4. Section 12912.5 is added to the Water Code, to read:

12912.5. Of the amounts deposited in the California Water Fund pursuant to subdivision (b) of Section 6217 of the Public Resources Code, five million dollars ($5,000,000) shall be deposited annually in a special account in the California Water Fund for appropriation by the Legislature to the Department of Water Resources for purposes of mitigation of adverse effects to water quality, fisheries, or wildlife in (1) the Sacramento-San Joaquin Delta, Suisun Marsh, and San Francisco Bay caused by historic upstream depletions and diversions, as nonreimbursable costs under Section 11912 and for other nonreimbursable costs, and (2) the Salton Sea and its tributaries.

SEC. 5. Section 12986 of the Water Code is amended to read:

12986. (a) It is the intention of the Legislature to reimburse an eligible local agency pursuant to this part for costs incurred in any year for the maintenance or improvement of nonproject levees as follows:

(1) No costs incurred shall be reimbursed if the entire cost incurred per mile of nonproject levee is one thousand dollars ($1,000) or less.

(2) Seventy-five percent of any costs incurred in excess of one

thousand dollars ($1,000) per mile of nonproject levee shall be reimbursed.

(b) 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.

SEC. 6. Section 12986 is added to the Water Code, to read:

12986. (a) It is the intention of the Legislature to reimburse from the General Fund an eligible local agency pursuant to this part for costs incurred in any year for the maintenance or improvement of nonproject levees as follows:

(1) No costs incurred shall be reimbursed if the entire cost incurred per mile of levee is one thousand dollars ($1,000) or less.

(2) Fifty percent of any costs incurred in excess of one thousand dollars ($1,000) per mile of levee shall be reimbursed.

(3) The maximum total reimbursement from the General Fund shall not exceed two million dollars ($2,000,000) annually.

(b) This section shall become operative on January 1, 1999.

SEC. 7. Section 12987 of the Water Code is amended to read:

12987. Local agencies maintaining nonproject levees shall be eligible for reimbursement pursuant to this part upon submission to and approval by the board of plans for the maintenance and improvement of the nonproject levees, including plans for the annual routine maintenance of the levees, in accordance with the criteria adopted by the board.

The plans shall also be compatible with the plan for improvement of the delta levees as set forth in Bulletin No. 192-82 of the department, dated December 1982, and as approved in Section 12225, and shall include provisions to acquire easements up to 400 feet in width from the crown along levees in areas where the department determines that such an easement is desirable to maintain structural stability of the levee. The easement shall (1) restrict the use of the land to open-space uses with minimum tillage of the soil, including, without limitation, nontillable crops such as pasture, the propagation of wildlife habitat, and other compatible uses, (2) provide full access to the local agency for levee maintenance and improvement purposes, and (3) allow the owner to retain reasonable rights of ingress and egress as well as reasonable rights of access to the waterways for water supply and drainage. The local agency cost of acquisition of the easements shall be reimbursable by the department from moneys appropriated pursuant to paragraph (1) of subdivision (b) of Section 12300. The plans shall also include provision for protection of the fish and wildlife habitat determined to be necessary by the Department of Fish and Game and not injurious to the integrity of the levee. The Department of Fish and Game shall consider the value of the riparian and fisheries habitat and the need to provide safe levees in preparing its requirements. The Department of Fish and Game shall not approve any plan which calls for the use of channel islands or berms with significant riparian communities as borrow sites for levee

repair material, unless fully mitigated, or any plans which will result in a net long-term loss of riparian, fisheries, or wildlife habitat.

The plans shall also take into account the most recently updated Delta Master Recreation Plan prepared by the Resources Agency.

Upon approval of the plans by the board, the local agencies shall enter into an agreement with the board to perform the maintenance and improvement work, including the annual routine maintenance work, specified in the plans. If applications for state funding in any year exceed the state funds available, the board shall apportion the funds among those levees or levee segments that are identified by the department as most critical and beneficial, considering the needs of flood control, water quality, recreation, and wildlife.

SEC. 8. Section 12987.5 is added to the Water Code, to read:

12987.5. (a) In an agreement entered into under Section 12987, the board may provide for an advance to the applicant in an amount not to exceed 75 percent of the estimated state share. The agreement shall provide that no advance shall be made until the applicant has incurred costs averaging one thousand dollars ($1,000) per mile of levee.

(b) Advances made under subdivision (a) shall be subtracted from amounts to be reimbursed after the work has been performed. If the department finds that work has not been satisfactorily performed or where advances made actually exceed reimbursable costs, the local agency shall promptly remit to the state all amounts advanced in excess of reimbursable costs. If advances are sought, the board may require a bond to be posted to ensure the faithful performance of the work set forth in the agreement.

(c) 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.

SEC. 9. Section 12992 is added to the Water Code, to read:

12992. Before any plan is approved, agreement entered into, or moneys advanced or reimbursed under this part, the local agency shall first enter into an agreement with the board indemnifying and holding and saving the State of California, the board, the department, any other agency or department of the state, and their employees free from any and all liability for damages, except that caused by gross negligence, that may arise out of the approvals, agreements, inspections, or work performed under this part.

Any funds appropriated for any of the purposes of this part may be used to satisfy any judgment against the state covered by this section, pending indemnification by the local agency.

SEC. 10. Section 12993 is added to the Water Code, to read:

12993. Applicants shall apply for federal disaster assistance, whenever eligible, under Public Law 93-288. If, and to the extent that, it is determined that the work performed does not qualify for federal disaster assistance, the applicant may apply for reimbursement under Section 12986, and the costs shall be deemed incurred by the applicant in the year in which the latter application

is filed.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 urgently needed flood protection at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 29

An act to amend Section 17718.5 of the Education Code, and to amend Sections 53080 and 65995 of, to add Section 65995.1 to, and to repeal and add Section 65997 of, the Government Code, relating to school facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 14, 1988 Filed with Secretary of State March 14, 1988]

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

SECTION 1. Section 17718.5 of the Education Code is amended to read:

17718.5. (a) The Legislature intends for the board to encourage school districts to utilize alternative methods to fund school facilities.

(b) The board shall approve applications pursuant to the requirements of this section that request the board to share a portion of the cost of projects constructed pursuant to the Mello-Roos Community Facilities Act of 1982, as set forth by Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code. The board shall disregard the fact that structures have been constructed in accordance with that act, and neither consider nor approve any application for cost sharing until the time that the applicant school district would have become eligible for approval of its application during the normal process established for considering and approving applications.

(c) The board shall approve applications for cost sharing based on both of the following factors:

(1) Estimates of average daily attendance at the time the application is considered.

(2) The amount of cost sharing requested.

(d) The costs shared by the board shall be an amount equal to the cost that would have been allowed for the project had it been originally approved pursuant to this chapter less 5 percent per year depreciation, exclusive of land, for each year that the project was constructed in advance of the application approval, but no more than the lesser of an amount equal to 75 percent of the allowable cost of

the project or the principal amount of any outstanding callable bonds and other debts incurred to finance the project under the Mello-Roos Community Facilities Act of 1982.

(e) If the board utilizes a point system to prioritize applications for funding, the computation of priorities for an application pursuant to this section shall be increased by 4 percent for each year from the date of construction of the project to the date of approval of the cost sharing application.

SEC. 2. Section 53080 of the Government Code, as amended by Chapter 888 of the Statutes of 1986, is amended to read:

53080. (a) The governing board of any school district is authorized to levy a fee, charge, dedication, or other form of requirement against any development project, as defined in Section 65928, within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7. This fee, charge, dedication, or other form of requirement may be applied only to new commercial and industrial construction, to new residential construction, and, to the extent of the resulting increase in habitable space, as defined in Section 65995, to other residential construction as to any development project having a value in excess of twenty thousand dollars ($20,000).

(b) No city or county, whether general law or chartered, may issue a building permit for any development absent certification by the appropriate school district of compliance by that development project with any fee, charge, dedication, or other form of requirement levied by the governing board of that school district pursuant to subdivision (a).

(c) In the case of the sale of a manufactured home or mobilehome, the payment of fees to either the school district or other entity shall occur at the time of occupancy pursuant to the sale or lease of the manufactured home or mobilehome pursuant to Section 18080.5 of the Health and Safety Code.

SEC. 3. Section 65995 of the Government Code is amended to read:

65995. (a) Except for a dedication or fee, or both, required under Section 53080, or pursuant to Chapter 4.7 (commencing with Section 65970), no fee, charge, dedication, or other form of requirement shall be levied by the legislative body of a local agency against a development project, as defined by Section 65928, for the construction or reconstruction of school facilities.

(b) In no event shall the amount of any fee, charge, dedication, or other form of requirement, as described in subdivision (a), including the amount of fees to be paid or the value of land to be dedicated, or both, under Chapter 4.7 (commencing with Section 65970), exceed the following:

(1) One dollar and fifty cents ($1.50) per square foot of habitable space, in the case of any residential development. "Habitable space,"

for this purpose, means the space determined by the building department of the city or county issuing the building permit, in accordance with the building standards of that city or county, to be within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, detached accessory structure, or similar area.

(2) Twenty-five cents ($0.25) per square foot of covered or enclosed space, in the case of any commercial or industrial development. No fee, charge, dedication, or other form of the requirement may be levied by any school district governing board upon any commercial or industrial development unless and until the governing board has first made the finding that the location and amount of land to be dedicated or the amount of fees to be paid, or both, shall bear a reasonable relationship and be limited to the needs of the community for elementary or high school facilities and shall be reasonably related and limited to the need for schools caused by the development.

(3) The amount of the limits set forth in paragraphs (1) and (2) shall be annually increased according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting.

(c) Subdivision (a) does not apply during the term of any contract entered into between a subdivider or builder and a school district, city, county, or city and county, whether general law or chartered, on or before the effective date of this chapter that requires the payment of a fee, charge, or dedication for the construction of school facilities as a condition to the approval of residential development. In addition, any development project for which a final map was approved and construction had commenced on or before September 1, 1986, is subject to only the fee, charge, dedication, or other form of requirement prescribed in any local ordinance in existence on that date and applicable to the project.

(d) The Legislature finds and declares that the subject of the financing of school facilities with development fees is a matter of statewide concern. For this reason the Legislature hereby occupies the subject matter of mandatory development fees and other development requirements for school facilities finance to the exclusion of all local measures on the subject.

(e) Nothing in this section shall be interpreted to limit or prohibit the use of Chapter 2.5 (commencing with Section 53311) of Division 2 of Title 5 to finance the construction or reconstruction of school facilities.

SEC. 4. Section 65995.1 is added to the Government Code, to read:

65995.1. (a) Notwithstanding any other provision of law, as to any development project used exclusively for the housing of senior citizens, as described in Section 51.3 of the Civil Code, any fee, charge, dedication, or other form of requirement that is levied under Section 53080 may be applied only to new construction, and is subject

to the limits and conditions applicable under subdivision (b) of Section 65995 in the case of commercial or industrial development.

(b) Any development project against which school facilities fees or other requirements have been levied in accordance with the limit set forth in subdivision (a) may be converted to any use other than the housing of senior citizens only with the approval of the city or county that issued the building permit for the project. That approval shall not be granted absent certification by the appropriate school district that payment has been made on the part of the development project at the rate of the school facilities fee, charge, dedication, or other form of requirement applied by the district under Section 53080 to residential development as of the date of conversion, less the amount of any school facilities fees or other requirements paid on the part of the project in accordance with the limits set forth in subdivision (a).

SEC. 5. Section 65997 of the Government Code is repealed.

SEC. 6. Section 65997 is added to the Government Code, to read:

65997. (a) This chapter shall remain in effect only until such date as any state general obligation bond measure submitted to the voters of this state for their ratification, which measure includes within its purposes the funding of school facilities construction, fails to receive that ratification, and as of that date is repealed.

(b) This section shall become operative December 31, 1990.

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.

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 make certain changes in existing law that will be affected by the decision of the voters on a state general obligation bond measure to be voted on at the election of June 7, 1988, it is necessary that this act take effect immediately.

CHAPTER 30

An act to add Sections 50010, 50668.5, and 50808 to, to add Article 6 (commencing with Section 50771.1) to Chapter 9 of Part 2 of Division 31 of, to add Chapter 15 (commencing with Section 50880) to Part 2 of Division 31 of, to add Part 8 (commencing with Section 53130) to Division 31 of, and to add Chapter 6.8 (commencing with Section 51341) to Part 3 of Division 31 of, the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 14, 1988 Filed with Secretary of State March 14, 1988.]

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

SECTION 1. Section 50010 is added to the Health and Safety Code, to read:

50010. (a) The Legislature finds and declares the following:

(1) The high cost of housing in this state makes it impossible for most households to become homeowners and impedes the ability of California employers to compete in the national marketplace for employees.

(2) Approximately 1,100,000 lower income renters pay more than 35 percent of their income for housing and over 1,600,000 lower income renters pay more than 25 percent of their income for housing.

(3) Approximately 875,000 housing units need to be rehabilitated and over 385,000 units need to be replaced in the state.

(4) Sufficient safe, sanitary, and affordable housing is not available for households with special needs, particularly elderly and disabled households.

(5) The Department of Housing and Community Development estimates that there are between 50,000 and 75,000 homeless individuals in California and other data discloses that the fastest growing segment of the homeless population are families with children.

(6) There are nearly 2,000 rental projects built in this state prior to 1980 under the Section 236, Section 221 (d) (3) B.M.I.R., and Section 8 programs of the United States Department of Housing and Urban Development and the Section 515 Program of the federal Farmers Home Administration, containing approximately 123,000 units subject to potential conversion to higher rent housing or condominium units.

(7) The federal budget for assisted housing has declined sharply leaving state and local government the burden of developing affordable housing.

(8) The annual budget of the Department of Housing and Community Development, which includes forty-five million dollars

($45,000,000) in General Fund and special fund revenues, comprises less than two-tenths of 1 percent of the proposed 1988–89 state budget of forty-two billion three hundred million dollars ($42,300,000,000).

(9) The basic housing goal for state government pursuant to subdivision (b) of Section 50003 of the Health and Safety Code is to provide a decent home and suitable living environment for every California family.

(b) The Legislature further finds and declares the following:

(1) There is an urgent and continuing need to provide affordable housing to meet the increasingly unfulfilled housing needs of this state.

(2) There is an immediate need to reaffirm commitment to the official housing policy of the state and provide sufficient financial resources to meet this commitment over a reasonable period of time.

(3) There is a need to maximize the amount of federal, state, local, and private resources available for affordable housing and to minimize the administrative costs and simplify the financing systems for producing affordable housing.

(4) There is a critical need to provide financial assistance to (A) purchase, construct, and rehabilitate emergency shelters and transitional housing for homeless families and individuals, (B) construct rental housing for families and individuals, including the special housing needs of the elderly, disabled, and farmworkers, (C) preserve and rehabilitate homes and rental housing, and (D) provide home purchase assistance for first-time homebuyers.

SEC. 2. Section 50668.5 is added to the Health and Safety Code, to read:

50668.5. For the purpose of providing financial assistance pursuant to this chapter utilizing bond proceeds transferred to the Housing Rehabilitation Loan Fund pursuant to paragraph (2) of subdivision (a) of Section 53130 and paragraph (2) of subdivision (b) of Section 53130 and Sections 8878.20 and 8878.21 of the Government Code, deferred payment loans made with these funds shall be subject to all of the following special provisions, which shall prevail over conflicting provisions of this chapter:

(a) (1) Applications for fund commitments shall be accepted by the department at any time. Fund commitments shall be based on a ranking of applications, which shall occur at least once every three months until there are insufficient funds available to commit according to this ranking. In making this ranking, priority shall be given to those projects which: (A) serve the greater number of eligible households as defined in Section 50105 with the lowest incomes; (B) provide the greater number of units with three or more bedrooms; (C) are located in areas where the housing need is great as determined by the department, taking into consideration, among other factors, low vacancy rates, high market rents, long waiting lists for subsidized housing, the stock of substandard housing, and the potential loss of subsidized rental housing to market-rate housing

through demolition, foreclosure, or subsidy termination; (D) complement the implementation of an existing housing program; (E) maximize private local and other funding sources; and (F) maximize long-term benefits for eligible households, as defined in Sections 50079.5 and 50105. Subparagraph (B) above shall not apply to applications for fund commitments submitted pursuant to Section 50670 or to any application for a residential hotel project submitted pursuant to paragraph (1) of subdivision (a) of Section 50661. The department shall evaluate the capability of the sponsor to rehabilitate, own, and manage the rental housing development.

(2) Loans for rental housing developments may be reviewed, approved, and funded by the department directly to the sponsor. In these cases, the department shall ensure that the sponsor notifies the local legislative body of the sponsor's loan application prior to a funding award. Loans to owner-occupants may be made by local public entities or nonprofit corporations which have received fund commitments from the department, and have been certified by the department as capable of making these loans. When a certification has been granted, the department shall delegate the sole responsibility for reviewing and approving these loans to the local public entity or nonprofit corporation.

(3) A sponsor may apply for loans for one or more rental housing developments.

(b) (1) A housing development may utilize any combination of federal, state, local, and private financial resources necessary to make the development affordable, for the term of the state's regulatory agreement, to the eligible households.

(2) In the case of nonprofit sponsors, loans for rental housing developments, when combined with other indebtedness against the property shall not exceed 100 percent of the after-rehabilitation value of the property, as determined by an appraisal of the property conducted pursuant to guidelines established in regulations of the department.

(3) The maximum loan amounts per unit established in regulations pursuant to Section 50607 shall also apply to rental housing developments rehabilitated or acquired and rehabilitated pursuant to paragraph (1) of subdivision (a) of Section 50661, except that there shall not be a maximum loan amount established per project. These dollar limitations may be increased by the department, as necessary, in high-cost areas of the state or where the correction of severe health and safety defects or the provisions of handicapped accessibility standards necessitate greater assistance.

(4) (A) Loans made to sponsors of rental housing developments for acquisition and rehabilitation shall be for terms of not less than 30 years. Loans made to sponsors of rental housing developments for rehabilitation only shall be for terms of not less than 20 years. However, the term shall not exceed the useful life of the rental housing development for which the loan is made. The sponsor may elect to begin to repay the loan at any time in accordance with the

prepayment plan established in accordance with paragraph (6), if it is determined by the department, that the sponsors can continue to maintain the rents at levels affordable to eligible households.

(B) The term of the loan and the time for repayment may be extended by the department for additional 10-year terms as long as the rental housing development is operated in a manner consistent with the regulatory agreement and the sponsor requires an extension in order to continue to operate in a manner consistent with this chapter.

(5) In the case of loans made for rental housing developments, rehabilitation costs shall include those costs relating to (A) real property acquisition; (B) rehabilitation or reconstruction, including the conversion of nonresidential structures to residential use; (C) general property improvements which are necessary to correct unsafe, unhealthy, or unsanitary conditions, including renovations and remodeling, including, but not limited to, remodeling of kitchens and bathrooms, installation of new appliances, landscaping, and purchase or installation of central air conditioning; (D) necessary and related onsite improvements; (E) reasonable administrative expenses in connection with the planning and execution of the project, as determined by the department; (F) reasonable consulting costs; (G) rent-up costs; (H) seismic rehabilitation improvements; and (I) any other costs of rehabilitation authorized by the department. "Rent-up costs," as used in this section, means costs incurred while a unit is on the housing market but not rented to its first tenant. "Seismic rehabilitation improvements," as used in this section, means improvements which are designed to increase seismic structural safety in accordance with a plan developed by a civil engineer, a structural engineer, or an architect for a particular building that has been identified as hazardous by the city or county in which the building is located in accordance with the criteria established by the Seismic Safety Commission pursuant to Section 8875.1 of the Government Code or in accordance with a previously adopted city or county seismic safety ordinance adopted pursuant to Section 19163.

(6) Upon request of the sponsor, the department may permit repayment of a sponsor's loan on the basis of net cash flow. The department shall develop a prepayment plan in conjunction with the sponsor which will ensure the maintenance of affordable rents and the fiscal integrity of the rental housing development. As an incentive to encourage the prepayment of loans, the department may permit the sponsor to retain one-half of the net cash flow. The department shall determine the method for calculating net cash flow, which may include a factor for excess debt service coverage or a return on cash investment to the sponsor.

(7) If a loan is made pursuant to this chapter for both seismic rehabilitation improvements and other eligible rehabilitation costs, only those costs related to the seismic rehabilitation improvements

shall be counted and included for purposes of the fund reservation made by Section 8878.20 of the Government Code.

(c) Principle and accumulated interest is due and payable upon completion of the term of the loan.

(1) "Maintain affordable rent levels," as used in this section, means rents may be automatically increased by the sponsor on an annual basis pursuant to an inflation index to be determined by the department. The inflation index shall reflect anticipated annual changes in rental housing development operating costs from a base year when the rents are initially established. Any sponsor may appeal to the department for a greater adjustment in rents necessary to ensure the fiscal integrity of the rental housing development. If the department does not respond within 60 days, the request shall be deemed approved. A 30-day written notice shall be given to each eligible household prior to an adjustment in the amount of rent.

(2) If a tenant's income exceeds the standard pursuant to which he or she was accepted for tenancy, that fact alone shall neither constitute cause for the tenant's eviction, nor be a violation of the sponsor's loan agreement. If a tenant's income exceeds the income limit for a household specified in Section 50079.5, the tenant shall be required to vacate the assisted unit within six months from the date of income recertification or notice to the sponsor of an increase in income over the permissible income level. That period may be extended by the sponsor for an additional six-month period in high cost rental areas with low vacancy rates, as determined by the department. Any vacant units shall be rented to eligible households until the required residency by eligible households is attained.

(d) Prior to disbursement of any funds for loans to rental housing developments made pursuant to this section, the department shall enter into a regulatory agreement with the sponsor in accordance with subdivision (d) of Section 50670, except that (1) the term of the regulatory agreement shall be for the original term of the loan and the agreement shall be binding upon the sponsor and successors in interest upon sale or transfer of the rental housing development or prepayment of the loan and (2) a nonprofit sponsor, other than a governmental agency, may maintain a debt service coverage ratio of 115 percent and distribute earnings in an amount no greater than 8 percent of the nonprofit sponsor's actual investment. The regulatory agreement also shall contain provisions requiring annual inspections and review of year-end fiscal audits and related reports by the department and provisions to maintain affordable rent levels to serve eligible households.

(e) Where loans will be used in conjunction with federal or other housing assistance or tax credits and a conflict exists between the other state or federal program requirements and those of this chapter with respect to the calculation of rents, the requirements of the Deferred Payment Rehabilitation Loan Program and the Special User Housing Rehabilitation Program may be waived only to the extent necessary to permit federal or other state financial

participation or eligibility for tax credits.

(f) "Sponsor," for purposes of this section, shall have the same meaning as the definition in subdivision (c) of Section 50669.

SEC. 3. Section 50808 is added to the Health and Safety Code, to read:

50808. For the purpose of providing grants to recipients for the development of emergency shelters for the homeless utilizing funds transferred to the Emergency Housing and Assistance Fund pursuant to subdivision (d) of Section 53130, the department shall not award more than five hundred thousand dollars ($500,000) to any eligible recipient under each application.

SEC. 4. Article 6 (commencing with Section 50771.1) is added to Chapter 9 of Part 2 of Division 31 of the Health and Safety Code, to read:

Article 6. Program Requirements

50771.1. For the purpose of providing deferred payment loans pursuant to this chapter for the development costs of rental housing developments utilizing moneys transferred to the Rental Housing Construction Fund pursuant to paragraph (1) of subdivision (a) of Section 53130 and paragraph (1) of subdivision (b) of Section 53130, the following special provisions shall prevail over conflicting provisions of this chapter:

(a) (1) Sponsor applications shall be accepted by the department at any time. Awards of funds shall be based on a quarterly ranking of sponsor applications. In making this ranking, notwithstanding Sections 50737 and 50737.5, priority shall be given to projects which (A) serve the greater number of eligible households, as defined in Section 50105 with the lowest incomes, (B) provide the greater number of units with three or more bedrooms, (C) are located in areas where the housing need is great, as determined by the department, taking into consideration, among other factors, variations in local development costs, low vacancy rates, high market rents, and long waiting lists for subsidized housing, (D) complement the implementation of an existing housing program, (E) maximize private, local, and other funding sources, and (F) are economically feasible given local market conditions. Subparagraph (B) above does not apply to applications for a residential hotel project.

(2) All loans shall be made directly from the department to the housing sponsor which applies to the department and will own, operate, and develop the housing development. The sponsor shall notify the local legislative body of its loan application prior to the funding award.

(3) A sponsor may apply for awards for one or more rental housing developments.

(4) The department shall evaluate the capability of the sponsor to own, construct, and manage the rental housing development.

(b) (1) A rental housing development may utilize any

combination of federal, state, local, and private financial resources necessary to make the development affordable, for the term of the state's regulatory agreement, to eligible households.

(2) (A) Loans to sponsors of housing developments shall be for a term not less than 40 years. After 30 years from the time the loan is made, the sponsor shall begin to repay the loan in accordance with a payment plan, as determined by the department, that will maintain the rents affordable to eligible households.

(B) The term of the loan and the time for repayment may be extended by the department for additional 10-year terms as long as the rental housing development is operated in a manner consistent with the regulatory agreement and the sponsor requires an extension in order to continue to operate in a manner consistent with this chapter.

(3) (A) Development costs shall include reasonable consulting fees, and other reasonable administrative expenses in connection with the planning and execution of the rental housing development, as determined by the department.

(B) A rental housing development shall include residential hotels, as defined in subdivision (b) of Section 50669.

(4) The sponsor shall maintain an emergency reserve to defray unanticipated cost increases or revenue shortfalls to maintain the fiscal integrity of the rental housing development and maintain affordable rents for eligible households.

(c) (1) "Maintain affordable rents," as used in this section for initial occupancy by eligible households, means: (A) the monthly rent including a reasonable utility allowance for eligible households whose income does not exceed 80 percent of area median income shall be the product of multiplying 30 percent times 60 percent of the area median income, adjusted for family size, divided by 12, and (B) the monthly rent including a reasonable utility allowance for eligible households whose incomes do not exceed 50 percent of area median income shall be the product of multiplying 30 percent times 35 percent of the area median income, adjusted for family size, divided by 12.

(2) The department shall develop an inflation index reflecting the annual anticipated changes in rental housing development operating costs from a base year. The inflation index shall be used by the sponsor to adjust the initial rent of each unit occupied by an eligible household to determine the annual rent. Any sponsor may appeal to the department for a greater adjustment in rents necessary to ensure the fiscal integrity of the housing development. If the department does not respond within 60 days, the request shall be deemed approved. A 30-day written notice shall be given to each eligible household prior to an adjustment in the amount of rent.

(3) The monthly rent including a reasonable utility allowance may be reduced by the sponsor, to make the units affordable to the lowest income household possible as long as the project remains economically feasible.

(4) (A) If a household's income exceeds the standard pursuant to which it was accepted for tenancy, that fact alone shall neither constitute cause for the household's immediate eviction nor be a violation of the owner's or sponsor's loan agreement.

(B) If, after annual income certification, an assisted unit becomes occupied by a household which does not meet the income limits specified in Section 50105, that household shall be permitted to continue to occupy that assisted unit. When there is a vacancy in an assisted unit formerly occupied by a household which meets the income limits specified in Section 50079.5, that unit shall be rented to a household which meets the income limits specified in Section 50105.

(C) If, after annual income certification, an assisted unit becomes occupied by a household which does not meet the income limits specified in Section 50079.5, that household shall be provided a six-month notice of termination. That period may be extended for an additional six-month period in high cost rental areas with low vacancy rates, as determined by the department. That household shall have first right of refusal to occupy any nonassisted unit which becomes available during both periods.

(d) (1) All state contracts and regulatory or development agreements subject to this article shall contain provisions requiring covenants of the housing sponsor to be secured by enforceable deed restrictions, which shall run with the land, notwithstanding any other provision of law, and requiring the sponsor's repayment obligation to be evidenced by a promissory note with a term of 40 years. The term of the contract and regulatory or development agreement shall be for the original term of the loan and shall be binding upon the sponsor or successors in interest in case of sale or transfer of the housing development or prepayment of the loan.

(2) All state contracts and regulatory or development agreements subject to this article shall contain provisions requiring that assisted units remain affordable to eligible households for 40 years plus any permitted extension.

(3) A nonprofit sponsor, other than a governmental agency, may maintain a debt service coverage ratio of 115 percent and distribute earnings in an amount no greater than 8 percent of the nonprofit sponsor's actual investment in the project.

(e) Where loans will be used in conjunction with federal and other state housing assistance or tax credit and a conflict exists between the other state and federal program requirements and this chapter regarding the test for determining a qualified low-income housing project, the requirements of the Rental Housing Construction Program may be waived only to the extent necessary to permit the federal or other state financial participation or eligibility for tax credits.

(f) (1) No energy standards shall be required of any housing development in excess of the energy standards required for housing developments financed by conventional funding sources.

(2) The department shall employ a licensed architect or an experienced building inspector, or both, to review plans, inspect, and monitor construction of, rental housing developments.

(g) A sponsor of a housing development may receive payments from the annuity fund pursuant to Section 50738.8 to the extent that there are unobligated moneys available in the fund.

(h) The department shall establish an emergency reserve account in the Rental Housing Construction Fund established pursuant to Section 50740 equal to 3 percent of the moneys transferred to subdivision (a) of Section 54015.

The department may expend moneys in the account to defray unanticipated cost increases or revenue shortfalls not covered by a rental housing development emergency reserve to the extent necessary to maintain the fiscal integrity of a rental housing development and maintain affordable rents for eligible households.

50771.2. (a) As an alternative to the loan provisions of paragraph (2) of subdivision (b) of Section 50771.1 and the regulatory agreement provisions of subdivision (d) of Section 50771.1, the department may permit the prepayment of a sponsor's loan anytime on the basis of net cash flow.

(b) The department shall develop a prepayment plan in conjunction with the sponsor which will ensure the maintenance of affordable rents and the fiscal integrity of the rental housing development. As an incentive to encourage the prepayment of loans, the department may permit the sponsor to retain one-half of the net cash flow. The department shall determine the method for calculating net cash flow, which may include a factor for excess debt service coverage or a return on cash investment to the sponsor.

SEC. 5. Chapter 15 (commencing with Section 50880) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 15. FAMILY HOUSING DEMONSTRATION PROGRAM

Article 1. Findings, Definitions, and General Provisions

50880. (a) The Legislature finds and declares that the traditional family structure has been altered significantly during the past four decades, resulting in a dramatic rise in single-parent households and in both parents working outside the home. The 1980 United States Census reveals that the percentage of married women with children working outside the home had risen from 30 percent in 1970 to 48 percent in 1981. The Legislature finds that the number of single-parent households has risen from 8 percent in 1960 to 19 percent in 1980. Most of these single-parent households will be poor unless environments are created to support the economic and social viability of one-parent families.

(b) The Legislature finds and declares that the lack of suitable housing, convenient and quality child care, and employment training programs, contributes to shockingly high rates of poverty

among single-parent households and very often, homelessness. One of every five children in America lives in poverty. Further, 64 percent of California families headed by women depend on Aid to Families with Dependent Children to survive.

(c) The Legislature finds and declares:

(1) Currently there are an estimated 10,000 to 30,000 homeless children in California, and additional children are in imminent danger of becoming homeless because of excessive rents, loss of family income, or deteriorating conditions in their current dwelling unit.

(2) Lack of adequate housing for homeless children exacerbates all the problems they face. A significant proportion of an entire generation will grow up without adequate health care, education, and socialization, and will be more prone to unemployment, hospitalization, and incarceration.

(d) The Legislature finds that in response to the direct link between poverty and lack of employment opportunities, it has passed legislation to establish a range of job creation, counseling, and training programs directed towards assisting persons in poverty. However, these programs often do not reach those persons most in need of them because the hardship of assembling a manageable package of work, child care, and affordable, safe housing, adds to the already burdened lives of working parents, often resulting in failure in one or more aspects of this often precarious arrangement.

(e) The Legislature finds and declares that the legislative findings and declarations set forth in Sections 1 to 5, inclusive, of both Chapters 1042 and 1043 of the Statutes of 1979, remain valid and are applicable to the program enacted by this chapter. The Legislature finds and declares that there is an urgent need to establish a demonstration program to design new living environments, part of which will include social and economic programs, so that working parents, job-seeking parents, and homeless parents can build productive lives for themselves and their children.

50881. This chapter shall be known and may be cited as the Family Housing Demonstration Program. The Family Housing Demonstration Program shall be operated as a component of the Rental Housing Construction Program of the department.

50881.5. The definitions of this section apply to all activities conducted pursuant to this chapter. Except as otherwise provided in this chapter, or unless the context requires otherwise, the definitions contained in Chapter 2 (commencing with Section 50050) of Part 1 shall also apply to this chapter.

(a) "Account" means the Family Housing Demonstration Account established by Section 50882.

(b) "Assisted unit" means a unit in a community housing development which is affordable to an eligible household as a result of a payment made by the department pursuant to this chapter. The department shall adopt regulations which establish a method for computing rents for eligible households in accordance with Section

50771.1.

(c) "Community housing development" means a development of 20 or more rental or cooperative units on one or more sites, which includes the social and economic features described in this chapter.

(d) "Congregate housing" or "congregate housing development," means a new or rehabilitated large multibedroom structure in which 2 to 10 households, inclusive, share common living areas and child care, cleaning, cooking, and other household responsibilities.

(e) "Development" means both new construction or rehabilitation.

(f) "Development or rehabilitation costs" has the same meaning as "development costs" as defined by subdivision (c) of Section 50735, paragraph (5) of subdivision (b) of Section 50668.5, and paragraph (3) of subdivision (b) of Section 50771.1, respectively.

(g) "Eligible household" means households as defined in Section 50079.5 or 50105, respectively.

(h) "Sponsor" means any nonprofit corporation, cooperative, or local public agency, or any combination thereof, including limited partnerships in which the managing general partner is an eligible nonprofit corporation.

50882. (a) The Family Housing Demonstration Account is hereby established in the Rental Housing Construction Fund. The account shall be organized into subaccounts as provided in this chapter. All of the following money shall be paid into the account:

(1) Any moneys appropriated and made available by the Legislature for the purposes of the account.

(2) Any moneys which the department receives in repayment or return of loans made from the account, including any interest on those loans.

(3) Any other moneys which may be made available to the department for the purposes of this chapter from any other source or sources.

(b) Notwithstanding Section 13340 of the Government Code, all money in the account is hereby continuously appropriated to the department and shall be utilized for the purposes of Article 1 (commencing with Section 50880) to Article 4 (commencing with Section 50893), inclusive, including administrative expenses of the department for the implementation and operation of the programs created by this chapter. All interest or other increment resulting from investment or deposit of moneys in the account shall be deposited in the account, notwithstanding Section 16305.7 of the Government Code. Moneys in the account are not subject to transfer to any other fund, except as set forth in this chapter, pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except the Surplus Money Investment Fund.

(c) With the exception of those moneys transferred to the account pursuant to Section 50645, additional moneys transferred or

deposited in the account shall be utilized and apportioned in accordance with the following percentages unless the terms of the transfers or deposit provide otherwise:

(1) Not less than 25 percent, nor more than 35 percent, shall be utilized for congregate housing developments pursuant to this chapter.

(2) The balance shall be utilized for community housing developments pursuant to this chapter.

50883.5. (a) The department may deposit an amount not to exceed 10 percent of the moneys appropriated to the account in a feasibility subaccount in the account. The moneys in that account may be utilized to provide funds, as determined necessary by the department, to ensure the economic feasibility of, and to enable the development of, community housing developments or congregate housing developments assisted under this chapter.

(b) The department may deposit an amount not to exceed 3 percent of the funds appropriated to the account in an emergency reserve subaccount established in the account. The department may expend moneys in this account to defray unanticipated cost increases or revenue shortfalls, as determined by the department, to the extent necessary to maintain the fiscal integrity of the development and maintain affordable rents for eligible households.

(c) The subaccounts established by this section shall be governed by, and be subject to, all of the provisions governing the account.

50884. The department shall implement the program enacted by this chapter after adopting rules and regulations in a manner which will ensure that the initial requests for proposals for assistance to community housing developments and congregate housing developments can be released within nine months from the effective date of this chapter.

50884.5. The department shall submit a report on or before January 1, 1990, and on or before each January 1, thereafter, to the Legislature and the Governor on the administration and implementation of the programs and account which shall include, but not be limited to, all of the following information:

(a) The number of assisted and nonassisted units in community housing developments and the number of congregate housing developments occupied by, or available to, each income group and the number of elderly and nonelderly households assisted.

(b) The average and median cost of a congregate housing development and of a unit in each community housing development, and the cost of the child care center in each community housing development.

(c) The department's administrative costs and budget for implementation and management.

(d) Details of the implementation and success of the various components of the community housing development or congregate housing development, if applicable.

(e) The department's recommendations, as needed, to improve

the operation of the program and the account.

Article 2. Community Housing Developments

50887. The department shall make awards from the fund for the purposes of assisting the development of community housing developments. To the extent feasible, the department shall award approximately one-half of the available funds to community housing developments in the southern portion of the state and the balance to community housing developments in the northern portion of the state. To the extent feasible, at least 20 percent of these developments shall be in a rural area.

50887.5. The department is encouraged as appropriate to enter into interagency agreements with the Department of Commerce or any other state department or agency to ensure close coordination and cooperation in using the funds of the other departments or agencies for the jobs component, child care component, or other components of the housing developments.

50888. Each community housing development shall consist of three components: a housing component, a supportive services component, and a jobs and economic development component.

50888.3. The housing component of a community housing development shall include the following features and criteria:

(a) At least 30 percent of the units shall be assisted units, and those assisted units shall be available on a priority basis to, or occupied by, eligible households at affordable rent.

(b) Not less than one-half of all assisted units shall, to the extent feasible, be available on a priority basis to, or occupied by, households as defined in Section 50105.

(c) Not less than 20 percent nor more than 30 percent of all assisted units shall be occupied by elderly persons or households and the balance shall be available on a priority basis to, or occupied by, families with one or more children, depending on the size of the dwelling unit.

(d) Each community housing development shall include a range of unit sizes based on the number of bedrooms, including provision of three bedroom or larger units. The assisted units shall consist of substantially the same range of unit sizes as are available in nonassisted units, as determined by the department.

(e) Each community housing development shall include specialized design criteria which implement the purposes of this chapter, including designs and appliances to facilitate child care, designs and devices to facilitate security, and design criteria to meet the needs of elderly or handicapped persons.

50888.5. The jobs and economic development component of a community housing development shall include the following features and criteria:

(a) The sponsor shall propose and implement resident selection criteria and occupancy policies which consider existing employment

at nearby facilities, the potential of employment at nearby facilities through publicly assisted or other job-training or entry-level employment programs, and employment in the management and operation of the community housing development and its child care center.

(b) The sponsor shall propose and implement a program of job placement and training for residents, which shall be implemented within three years of initial occupancy.

(c) The sponsor shall propose and implement a program of employment and job training with respect to the community housing development.

50888.7. (a) The supportive services of the community housing development shall include all of the following features and criteria:

(1) A child care center and play area adequate in size for the children of the residents which may also serve children of nonresidents.

(2) A community room, which may also be the child care center.

(3) Adequate laundry facilities.

(b) The supportive services of the community housing development may include other features as appropriate.

50889. The community housing development shall include financial and nonfinancial public assistance and, to the extent feasible, private assistance in its development costs as well as its operating costs, as determined by the department. The department shall adopt regulations governing the minimum requirements for compliance with this section. The categories of assistance shall include, but not be limited to, all of the following:

(a) Direct financial grants from public and private sources including, but not limited to, Community Development Block Grants, Urban Development Assistance Grants, redevelopment agency grants, or foundation grants.

(b) Direct loans for construction, mortgages, or operational costs from state or local issuances of revenue bonds or redevelopment bonds, or other public or private loans which result in below market rate financing.

(c) Direct nonfinancial considerations, including those required pursuant to Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(d) Indirect financial considerations such as the waiver of local fees, the reduction or elimination of land dedications and impact fees, and the provision of infrastructure costs.

(e) Direct financial assistance from private industry councils and service delivery areas under Division 8 (commencing with Section 15000) of the Unemployment Insurance Code, or Article 3.1 (commencing with Section 11315) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code or private sector investment in support of job training, job placement, or self-employment or residents or potential residents.

50889.5. The department shall accept sponsor applications at any

time. The department shall base awards of funds on a quarterly ranking of sponsor applications.

(a) In making this ranking, the department shall give priority to projects which do all of the following:

(1) Serve the greater number of eligible households with the lowest income, as defined in Section 50105, for the greatest period of time above the minimum number of years.

(2) Are located in areas where the housing need is great, as determined by the department, taking into consideration, among other factors, variations in local development costs, low vacancy rates, high market rents, and long waiting lists for subsidized housing.

(3) Complement the implementation of an existing housing program.

(4) Maximize private, local, and other funding sources.

(5) Are economically feasible given local market conditions.

(b) In making funding awards, the department also shall evaluate the capability of the sponsor to own, construct or rehabilitate, and manage the housing development.

Article 3. Congregate Housing

50890. The Legislature finds and declares that, in addition to the need for housing which is described in this chapter as community housing developments, there is an additional critical need for smaller scale congregate housing suitable to single-parent intergenerational households in which three to six families share large, multibedroom houses with common living areas and who share child care, cleaning, cooking, and other household responsibilities.

The Legislature further finds and declares that congregate housing can be constructed or converted at little more cost than conventional housing, and at less cost than conventional apartment houses. The purposes of this housing can be achieved through a combination of innovative and traditional designs, including, but not limited to, the construction of "flexibility" houses where only the exterior walls and those around the kitchen and bathroom are permanent, or the use of large rooms with interior sliding doors or screens to provide for personal or social spaces.

The Legislature further finds and declares that this type of housing can reduce reliance on public assistance; increase self-reliance and joint problem solving; assist single parents to obtain and keep employment; provide fulfilling activity for elderly or handicapped persons; provide for more economical use of housing stock; and ensure the use of scarce family resources in a manner which maximizes the health, safety, and development of children and younger single parents. Notwithstanding all of these benefits, there are no public programs which assist in the provision or financing of this housing, and private financing or provision of this housing is almost nonexistent.

50891. In implementing this article, the department shall comply

with all of the following requirements:

(a) The department shall apply the requirements and priorities of Sections 50887, 50893, and 50889.5 in the selection of congregate housing developments for funding.

(b) The procedural and substantive requirements of Article 4 (commencing with Section 50893) shall apply to congregate housing, to the maximum extent feasible, as determined by the department, given the nature of congregate housing.

50891.5. Each congregate housing development shall, to the maximum extent feasible, as determined by the department, incorporate the design, social, and economic development components of Sections 50888.5 to 50889, inclusive, considering the size, design, and purpose of these units. These selection and occupancy criteria shall, in addition, include an agreement by the residents to undertake joint responsibility for maintenance and the social and economic components of the housing. The department may require professional management and maintenance of each project to supplement that provided by the residents of the housing development.

Article 4. Program Operations

50893. The department shall make, or undertake commitments to make, construction or rehabilitation loans, including land acquisition costs, and mortgage loans of at least 20 years and no more than 30 years duration to sponsors to finance the development of community housing developments. The development cost payments may be provided as loans to be repaid at 3 percent interest and payments of principal or interest, or both, may be deferred or made payable over a period of time. For these purposes, the department shall enter into regulatory agreements and other agreements, and security documents, with the sponsors receiving funds from the fund. Upon the recordation, the regulatory agreement and all other agreements or documents included or incorporated by reference within the regulatory agreement shall constitute enforceable restrictions upon the property for the original term of the loan.

50893.3. (a) The cost of development of any common portions of the development shall be allocated to the fund in the same ratio as the ratio between assisted and nonassisted units in the community housing development.

(b) Not more than 50 percent of the cost of the child care center and related play area shall be paid for from the account, notwithstanding the ratio between assisted and nonassisted units.

(c) The department shall develop an inflation index reflecting the annual anticipated changes in rental housing development operating costs from a base year. The inflation index shall be used by the sponsor to adjust the initial rent of each unit occupied by an eligible household to determine the annual rent. Any sponsor may appeal to the department for a greater adjustment in rents necessary to ensure

the fiscal integrity of the rental housing development. If the department does not respond within 60 days, the request shall be deemed approved. A 30-day written notice shall be given to each eligible household prior to an adjustment in the amount of rent.

(d) The department annually may approve a reduction in the number of assisted units to less than the number agreed upon, or less than 30 percent, only if the department determines that it is necessary to maintain the fiscal integrity of the development. If the number of units occupied by eligible households in the community housing development ever falls below the number agreed to by the department and sponsor, then the next units which become available for occupancy shall be made available on a priority basis to eligible households, as required, until the number of units so occupied equals at least the number specified in the agreement.

50893.5. The department shall monitor the construction and operation of the community housing developments developed pursuant to this chapter in order to ensure compliance with loan conditions, contract obligations, and this chapter and any regulations adopted pursuant to this chapter.

50893.7. The regulatory agreement shall contain at least the following provisions, and any others determined necessary by the department, each of which is a binding requirement:

(a) Substantially the same provisions as are required by Sections 50766 and 50767, except that they shall be applicable to sponsors and developments assisted pursuant to this chapter and the requirements of this chapter.

(b) A description of, and requirements governing, all social and economic components of the community housing development and the sponsor's affirmative responsibilities with respect to the components.

(c) A provision making the convenants and conditions of the agreement binding upon successors in interest of the sponsor.

(d) For sponsors other than a governmental agency, a provision limiting the distribution of the sponsor's earnings to an annual amount no greater than 8 percent of the sponsor's actual investment, excluding unaccrued liabilities of the sponsor, in the assisted units of the community housing development. The sponsor, if other than a governmental agency, may elect to maintain a debt service coverage ratio of 115 percent.

(e) Provisions setting forth the terms of, and the implementation of, occupancy agreements, including provisions for eviction for "good cause." "Good cause" as used in this subdivision, means the allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the occupancy agreement which detrimentally affect the health and safety of other persons or the structure, the fiscal integrity of the development, or the purposes or special programs of the development.

(f) Provisions for grievance hearings and other resident protections which ensure reasonable security of continued

occupancy.

(g) Provisions to ensure that if an eligible household's income exceeds the standard pursuant to which it was accepted for tenancy, that fact alone shall neither constitute cause for the eviction nor be a violation of the sponsor's loan agreement.

(1) If, after annual income certification, an assisted unit becomes occupied by a household which does not meet the income limits specified in Section 50105, that household shall be permitted to continue to occupy that assisted unit. When there is a vacancy in an assisted unit formerly occupied by a household which meets the income limits specified in Section 50079.5, that unit shall be rented to a household which meets the income limits specified in Section 50105.

(2) If, after annual income certification, an assisted unit becomes occupied by a household which does not meet the income limits specified in Section 50079.5, that household shall be provided a six-month notice of termination. The period may be extended for an additional six-month period in high cost rental areas with low vacancy rates as determined by the department. That household shall have first right of refusal to occupy any nonassisted unit which becomes available during both periods.

50893.9. The regulations adopted by the department pursuant to this chapter for community housing developments shall do all of the following:

(a) Ensure that services, including child care, have costs which are based on household income and ability to pay.

(b) Ensure that there is an adequate management plan which includes an affirmative marketing plan.

(c) Ensure that all of the following apply to cooperatives and limited equity cooperatives:

(1) The down payment for an assisted unit shall not exceed 2.5 percent or the prorated development cost of the unit.

(2) Any payment prior to occupancy shall not exceed 10 percent of the income of the household for the prior calendar year.

(3) There is a limitation on the rate of appreciation on any assisted unit.

50894. Where loans will be used in conjunction with federal and other state housing assistance or tax credits, and a conflict exists between the other state and federal program requirements and this chapter, the requirements of this chapter may be waived only to the extent necessary to permit the federal or other state financial participation or eligibility for tax credits.

SEC. 6. Chapter 6.8 (commencing with Section 51341) is added to Part 3 of Division 31 of the Health and Safety Code, to read:

CHAPTER 6.8. HOME PURCHASE ASSISTANCE PROGRAM

51341. The Legislature finds and declares that:

(a) There is a continuing and urgent need to provide affordable

mortgage financing to meet the increasingly unfulfilled housing needs of citizens of this state, (b) there is a need to develop financial mechanisms to make homes affordable to first-time homebuyers, (c) the high cost of housing impedes the ability of California employers to compete in the national marketplace for employees, and (d), therefore, this chapter is enacted to make existing tax-exempt and taxable bond financing for residential mortgages more affordable to California's first-time homebuyers.

51342. This chapter shall be known and may be cited as the Roberti-Greene Home Purchase Assistance Program.

51344. There is hereby created in the State Treasury a Home Purchase Assistance Fund. "Fund," as used in this chapter, means the Home Purchase Assistance Fund. Notwithstanding the provisions of Section 13340 of the Government Code, all moneys in the fund are continuously appropriated to the agency, without regard to fiscal years, for expenditure pursuant to this chapter and defraying actual administrative costs of the agency. Notwithstanding the provisions of Section 16305.7 of the Government Code, any interest earned or other increment derived from investments made from moneys in the fund shall be deposited in the fund.

51345. (a) The agency shall administer a home purchase assistance program in accordance with this chapter. The purpose of the home purchase assistance program is to assist first-time homebuyers to utilize existing mortgage financing available pursuant to this part or Division 4 (commencing with Section 800) of the Military and Veterans Code with the additional financial resources made available pursuant to Part 8 (commencing with Section 53130).

(b) Home purchase assistance under this chapter shall include, but not be limited to: (1) an interest rate subsidy to reduce the interest rate , (2) a deferred-payment, low-interest, second-mortgage loan to reduce the principal and interest payments, and (3) downpayment assistance to make financing affordable to first-time homebuyers.

(c) The amount of home purchase assistance shall not exceed the amount necessary to make the total debt financing affordable to eligible households, but in no case shall the interest rate subsidy reduce the effective interest rate to the borrower below 3 percent per annum, nor shall the deferred-payment, low-interest, second-mortgage loan exceed 49 percent of the total debt financing necessary to purchase the home. The agency shall require periodic recertification of the household's income to determine whether home purchase assistance can be reduced or terminated.

(d) The amount of home purchase assistance shall be a second-mortgage loan secured by a deed of trust of second priority to the primary financing provided by the agency or the Department of Veterans Affairs. The term of the home purchase assistance shall not exceed the term of the primary loan.

(e) The amount of home purchase assistance shall be due and

payable at end of term or upon sale of the home or refinancing. If there are insufficient proceeds from the sale or refinancing to reimburse the borrower for the amount of the borrower's share of the original downpayment plus the cost to the borrower of any substantial improvements, the principal and interest due on the home purchase assistance shall be reduced by that amount. In no case shall the amount of principal and interest due and payable by the borrower on the primary financing be reduced for this purpose. All repayments shall be deposited in the fund.

51346. The agency may execute a contract with the Department of Veterans Affairs to provide home purchase assistance to first-time veteran homebuyers.

51347. The agency may provide mortgage insurance for the home purchase assistance provided pursuant to this chapter and may use not more than 15 percent of the moneys provided for purposes of this chapter for mortgage insurance.

51348. No more than 50 percent of the home purchase assistance provided under this chapter shall be for the purchase of homes that have not been previously occupied

51349. (a) The agency shall have all the powers conferred upon it by this part and Part 4 (commencing with Section 51600) in administering this chapter.

(b) The authority provided by this section shall be conferred upon the Department of Veterans Affairs by any contract executed pursuant to Section 51346, with respect to the assistance being provided pursuant to the contract.

SEC. 7. Part 8 (commencing with Section 53130) is added to Division 31 of the Health and Safety Code, to read:

PART 8. ALLOCATION OF HOUSING BOND REVENUES

53130. (a) Moneys deposited in the Home Building and Rehabilitation Fund from the sale of bonds pursuant to Part 9 (commencing with Section 53150), shall be allocated for expenditure in accordance with the following schedule:

(1) Two hundred million dollars ($200,000,000) shall be transferred to the Rental Housing Construction Fund to be expended for the programs authorized by Chapter 9 (commencing with Section 50735) of Part 2, except Sections 50738.5 and 50745.1.

(2) Twenty-five million dollars ($25,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the purpose of making deferred-payment loans to acquire and rehabilitate residential hotels, as authorized by Section 50670.

(3) Twenty-five million dollars ($25,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the programs authorized by Chapter 11 (commencing with Section 50800) of Part 2.

(4) Fifteen million dollars ($15,000,000) shall be transferred to the Family Housing Demonstration Account to be expended for the

programs authorized by Chapter 15 (commencing with Section 50880) of Part 2 of Division 31 of the Health and Safety Code.

(5) Ten million dollars ($10,000,000) shall be transferred to the department for expenditure for the development of migrant farm labor centers authorized by Chapter 8.5 (commencing with Section 50710) of Part 2 of Division 31 of the Health and Safety Code.

(6) Twenty-five million dollars ($25,000,000) shall be transferred to the Home Purchase Assistance Fund to be expended for programs authorized by Chapter 6.8 (commencing with Section 51341) of Part 2 of Division 31 of the Health and Safety Code.

(b) Moneys deposited in the Home Building and Rehabilitation Fund from the sale of bonds pursuant to Part 10 (commencing with Section 53190), shall be allocated for expenditure in accordance with the following schedule:

(1) One hundred million dollars ($100,000,000) shall be transferred to the Rental Housing Construction Fund to be expended for the programs authorized by Chapter 9 (commencing with Section 50735) of Part 2, except Sections 50738.5 and 50745.1.

(2) Fifteen million dollars ($15,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the purpose of making deferred-payment loans to acquire and rehabilitate residential hotels, as authorized by Section 50670

(3) Ten million dollars ($10,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the programs authorized by Chapter 11 (commencing with Section 50800) of Part 2.

(4) Twenty-five million dollars ($25,000,000) shall be transferred to the Home Purchase Assistance Fund to be expended for programs authorized by Chapter 6.8 (commencing with Section 51341) of Part 2.

No portion of any of the moneys allocated pursuant to this section may be expended for project operating costs, except that this section does not preclude expenditures for operating costs from reserves required to be maintained by or on behalf of the project sponsor.

53131. Notwithstanding other provisions of law, any money which may be repaid or rebated to any fund specified in Section 53130 in connection with a program funded pursuant to Section 53130 shall be retained in that fund and shall be utilized for the purposes permitted by that fund as amended by the act which enacts this chapter.

53133. Notwithstanding other provisions of law, moneys deposited in any fund pursuant to Section 53130 shall only be expended for housing programs or those portions of housing programs authorized by law which serve households specified in Sections 50079.5 and 50105, respectively, in accordance with program requirements.

53134. In addition to any other reports required by law, the department shall include within the annual report required by Section 50408 information on the utilization of bond proceeds

authorized by this part.

53135. In addition to any other reports required by law, the agency shall include within the annual report required by Section 51005 information on the utilization of bond proceeds authorized by this part.

53136. The agency or the department may execute, in accordance with Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, contracts and related instruments in connection with administration of any program specified in Section 53130 for activities which may include, but are not limited to, the following:

(a) Preparation of regulations and guidelines necessary to administer the programs.

(b) Evaluation, ranking, and award of funds for projects and housing developments.

(c) Preparation of contracts and contract administration.

(d) Disbursement of funds and accounting of moneys.

(e) Loan origination and servicing.

(f) Monitoring of projects and housing developments.

(g) Issuance or marketing of bonds, including procurement of financial consultants, underwriters, actuaries, bond counsel, and computer and printing services.

SEC. 8. If a ballot measure authorizing the issuance of general obligation bonds for purposes of this act is approved on June 7, 1988, or November 8, 1988, the Department of Housing and Community Development shall submit a budget change proposal to the Department of Finance requesting an augmentation of necessary operating expenses, personnel, and local assistance.

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:

This act establishes and provides funding for programs which address a crisis in housing within this state. In order to make these programs operational at the earliest possible time, it is necessary that this act take immediate effect.

CHAPTER 31

An act to amend Sections 17039, 17561, 23630, 24412, 24692, 25561, and 25562 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor March 15, 1988 Filed with Secretary of State March 15, 1988.]

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

SECTION 1. Section 17039 of the Revenue and Taxation Code is amended to read:

17039. (a) Notwithstanding any provision in this part to the contrary, for the purposes of computing tax credits, the term "net tax" means the tax imposed under either Section 17041 or 17048 plus the tax imposed under Section 17504 (relating to lump-sum distributions) less the credits allowed by Section 17054 (relating to personal exemption credits). Credits shall be allowed against "net tax" in the following order:

(1) Credits which do not contain carryover or refundable provisions, except those described in paragraphs (4), (5), and (6).

(2) Credits which contain carryover provisions but do not contain refundable provisions.

(3) Credits which contain both carryover and refundable provisions.

(4) Credits for taxes paid to other states allowed by Chapter 12 (commencing with Section 18001).

(5) The minimum tax credit allowed by Section 17063 (relating to the alternative minimum tax).

(6) The low-income tax credit allowed by Section 17069.

(7) Credits which contain refundable provisions but do not contain carryover provisions.

For the purposes of paragraphs (2), (3), and (7), the order within each paragraph shall be determined by the Franchise Tax Board.

(b) Notwithstanding the provisions of Sections 17053.5 (relating to the renter's credit), 17061 (relating to refunds pursuant to the Unemployment Insurance Code), and 18551.1 (relating to tax withholding), the credits provided in those sections shall be allowed in the order provided in paragraph (7) of subdivision (a).

(c) (1) Notwithstanding any other provision of this part, no tax credit shall reduce the tax imposed under Section 17041 or 17048 plus the tax imposed under Section 17504 (relating to lump-sum distributions) below the tentative minimum tax, as defined by Section 17062, except --

(A) The credit allowed by Section 17052.4 (relating to solar energy).

(B) The credit allowed by former Section 17052.5 (relating to solar energy).

(C) The credit allowed by Section 17053.5 (relating to the renter's credit).

(D) The credits allowed by Section 17054 (relating to personal exemption credits).

(E) The credit allowed by Section 17054.5 (relating to joint custody head of household).

(F) The credit allowed by Section 17058 (relating to low-income housing).

(G) The credit allowed by Section 17061 (relating to refunds pursuant to the Unemployment Insurance Code).

(H) Credits for taxes paid to other states allowed by Chapter 12 (commencing with Section 18001).

(I) The credit allowed by Section 18551.1 (relating to tax withholding).

(2) Any credit which is partially or totally denied under paragraph (1) shall be allowed to be carried over and applied to the net tax in succeeding taxable years, if the provisions relating to that credit include a provision to allow a carryover when that credit exceeds the net tax.

(d) This section shall be applied in the computation of taxes for taxable years beginning on and after January 1, 1987.

SEC. 2. Section 17561 of the Revenue and Taxation Code is amended to read:

17561. (a) For purposes of this part, the provisions of Section 469(d)(2) of the Internal Revenue Code, relating to passive activity credits, are modified to refer to the following credits:

(1) The credit for research expenses allowed by Section 17052.12.

(2) The credit for certain wages paid (targeted jobs) allowed by Section 17053.7.

(3) The credit for clinical testing expenses allowed by Section 17057.

(4) The credit for low-income housing allowed by Section 17058.

(b) For purposes of applying the provisions of Section 469(i) of the Internal Revenue Code, relating to the twenty-five thousand dollars ($25,000) offset for rental real estate activities, the dollar limitation for the credit allowed under Section 17058 (relating to low-income housing) shall be equal to seventy-five thousand dollars ($75,000) in lieu of the amount specified in Section 469(i)(2) of the Internal Revenue Code.

(c) Section 502 of the Tax Reform Act of 1986 (Public Law 99-514) shall apply.

(d) For taxable years beginning on or after January 1, 1987, the provisions of Section 10212 of Public Law 100-203, relating to treatment of publicly traded partnerships under Section 469 of the Internal Revenue Code, shall be applicable.

SEC. 3. Section 23630 of the Revenue and Taxation Code is amended to read:

23630. (a) Notwithstanding any provision which allows a credit against the taxes imposed by this part, no credit against the tax shall

be allowed to reduce the taxes imposed by this part below the tentative minimum tax (as defined by paragraph (1) of subdivision (a) of Section 23455), except --

(1) Carryovers from the credit allowed by former Section 23601 (relating to solar energy).

(2) The credit allowed by Section 23601.4 (relating to solar energy).

(3) The credit allowed by Section 23610.5 (relating to low-income housing).

(b) Any credit which is partially or totally denied under subdivision (a) shall be allowed to be carried over and applied to taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax) in succeeding income years, if the provisions relating to that credit include a provision to allow a carryover when that credit exceeds the taxes imposed by this part.

SEC. 3.5. Section 24412 of the Revenue and Taxation Code is amended to read:

24412. Sections 851 to 855, inclusive, of the Internal Revenue Code, relating to regulated investment companies, shall be applicable for purposes of this chapter, except that—

(a) Section 852(b)(1) of the Internal Revenue Code, relating to imposition of tax on regulated investment companies, shall not apply.

(b) Section 852(b)(2)(D) of the Internal Revenue Code, relating to investment company taxable income, is modified to allow a deduction, determined in accordance with Section 852(b)(5), relating to exempt interest dividends, to the extent that such interest is included in gross income under this part.

(c) Section 852(b)(3)(A) of the Internal Revenue Code, relating to capital gains, shall not apply.

(d) Section 852(b)(5)(B) of the Internal Revenue Code, relating to treatment of exempt interest dividends by shareholders, shall not apply.

SEC. 4. Section 24692 of the Revenue and Taxation Code is amended to read:

24692. (a) The treatment of passive activity losses and credits shall be determined in accordance with Section 469 of the Internal Revenue Code, except as otherwise provided.

(b) For purposes of this part, the provisions of Section 469(d)(2) of the Internal Revenue Code, relating to passive activity credits, are modified to refer to the following credits:

(1) The credit for research expenses allowed by Section 23609.

(2) The credit for clinical testing expenses allowed by Section 23609.5.

(3) The credit for low-income housing allowed by Section 23610.5.

(4) The credit for certain wages paid (targeted jobs) allowed by Section 24330.

(c) For purposes of applying the provisions of Section 469(i) of the Internal Revenue Code, relating to the twenty-five thousand dollars ($25,000) offset for rental real estate activities, the dollar limitation

for the credit allowed under Section 23610.5 (relating to low-income housing) shall be equal to seventy-five thousand dollars ($75,000) in lieu of the amount specified in Section 469(i)(2) of the Internal Revenue Code.

(d) Section 502 of the Tax Reform Act of 1986 (Public Law 99-514) shall apply.

(e) For income years beginning on or after January 1, 1987, the provisions of Section 10212 of Public Law 100-203, relating to treatment of publicly traded partnerships under Section 469 of the Internal Revenue Code, shall be applicable.

SEC. 5. Section 25561 of the Revenue and Taxation Code is amended to read:

25561. For purposes of this article, in the case of a corporation other than a financial corporation, the term "estimated tax" means the amount which the corporation estimates as the amount of the tax imposed by this part; but in no event shall the estimated tax of a corporation subject to the tax imposed by Article 2 of Chapter 2 be less than the minimum tax prescribed in Section 23151, 23151.1, or 23153 whichever is applicable.

SEC. 6. Section 25562 of the Revenue and Taxation Code is amended to read:

25562. (a) For purposes of this article, in the case of banks and financial corporations, the term "estimated tax" means the amount which the bank or financial corporation estimates as the amount of the tax imposed by this part at the rate determined by the Franchise Tax Board for the preceding year pursuant to Section 23186a, less the credit allowable by Section 23184, but in no event shall the estimated tax of a financial corporation be less than the minimum tax prescribed in Section 23183, 23184, or 23153 whichever is applicable.

(b) In case of an increase or decrease in the rate of tax imposed under Section 23151 (tax on general corporations), a bank or financial corporation shall be required to increase or decrease the rate determined by the Franchise Tax Board for the preceding year by the same amount as the change in the rate imposed under Section 23151 determined in accordance with Section 24251 (relating to computation of tax when law changed).

SEC. 7. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, unless otherwise specifically provided, the provisions of this act shall be applied in the computation of taxes for taxable or income years beginning on or after January 1, 1987.

CHAPTER 32

An act to amend Sections 17265 and 25108 of, to add Sections 17276.1 and 24416.1 to, and to add and repeal Sections 17252.5, 17276.2, and 24416.2 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor March 15, 1988 Filed with Secretary of State March 15, 1988]

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

SECTION 1. Section 17252.5 is added to the Revenue and Taxation Code, to read:

17252.5. (a) A taxpayer may elect to treat the cost of any Section 17252.5 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which Section 17252.5 property is placed in service.

(b) In the case of a husband or wife filing separate returns for a taxable year in which a spouse is entitled to the deduction under subdivision (a), the applicable amount shall be equal to 50 percent of the amount otherwise determined under subdivision (a).

(c) (1) An election under this section for any taxable year shall—

(A) Specify the items of Section 17252.5 property to which the election applies and the portion of the cost of each of those items which is to be taken into account under subdivision (a), and

(B) Be made on the taxpayer's return of the tax imposed by this part for the taxable year.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(d) (1) For purposes of this section, "Section 17252.5 property" means any recovery property which is Section 38 property under the terms of the Internal Revenue Code and which is acquired by purchase for exclusive use in a trade or business conducted within an enterprise zone designated pursuant to Section 7073 of the Government Code.

(2) For purposes of paragraph (1), "purchase" means any acquisition of property, but only if—

(A) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under Section 267 or 707(b) of the Internal Revenue Code (but, in applying subsections (b) and (c) of Section 267 of the Internal Revenue Code for purposes of this section, Section 267(c)(4) of the Internal Revenue Code shall be treated as providing that the family of an individual shall include only his or her spouse, ancestors, and lineal descendants),

(B) The basis of the property in the hands of the person acquiring it is not determined—

(i) In whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

(ii) Under Section 18031.

(3) For purposes of this section, the cost of property does not include so much of the basis of the property as is determined by reference to the basis of other property held at any time by the person acquiring the property.

(4) This section shall not apply to estates and trusts.

(5) This section shall not apply to any Section 17252.5 property purchased by any person described in Section 46(e)(3) of the Internal Revenue Code unless the credit under Section 38 of the Internal Revenue Code is allowable with respect to that person from that property (determined without regard to this section).

(6) In the case of a partnership, the dollar limitation contained in paragraph (1) of subdivision (b) shall apply with respect to the partnership and with respect to each partner.

(e) For purposes of this section, "taxpayer" means a taxpayer who conducts a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code.

(f) The deduction allowable under subdivision (a) for any taxable year shall not exceed the following applicable amount for the taxable year of the designation of an enterprise zone and taxable years thereafter:

	The applicable amount is:
Taxable year of designation	$ 5,000
1st taxable year thereafter	5,000
2nd taxable year thereafter	7,500
3rd taxable year thereafter	7,500
Each taxable year thereafter	10,000

(g) This section shall apply only to property which is used exclusively in a trade or business conducted within an enterprise zone.

(h) Any amounts deducted under subdivision (a) with respect to property which ceases to be used in the trade or business within an enterprise zone at any time before the close of the second taxable year after the property was placed in service shall be included in income for that year.

(i) Any taxpayer who elects to be subject to this section shall not be entitled to claim for the same property the deduction under Section 179 of the Internal Revenue Code, relating to an election to expense certain depreciable business assets.

(j) 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 17265 of the Revenue and Taxation Code is amended to read:

17265. (a) A taxpayer may elect to treat 40 percent of the cost of any Section 17265 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the Section 17265 property is placed in service.

(b) In the case of a husband and wife filing separate returns for a taxable year, the applicable amount under subdivision (a) shall be equal to 50 percent of the percentage specified in subdivision (a).

(c) (1) An election under this section for any taxable year shall—

(A) Specify the items of Section 17265 property to which the election applies and the percentage of the cost of each of those items which is to be taken into account under subdivision (a).

(B) Be made on the taxpayer's return of the tax imposed by this part for the taxable year.

This election shall be made in the time, form, and manner which the Franchise Tax Board may prescribe.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(d) (1) For purposes of this section, "Section 17265 property" means property acquired by the taxpayer which is used exclusively within a program area (as defined in Section 7082 of the Government Code) and consists of machinery and machinery parts used for fabricating, processing, assembling, and manufacturing and machinery and machinery parts used for the production of renewable energy resources or air or water pollution control mechanisms.

"Section 17265 property" also means property used as an integral part of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(2) For purposes of paragraph (1), "purchase" means any acquisition of property, but only if—

(A) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under Section 267 or Section 707(b) of the Internal Revenue Code (but, in applying Sections 267(b) and 267(c) for purposes of this section, Section 267(c)(4) shall be treated as providing that the family of an individual shall include only the individual's spouse, ancestors, and lineal descendants),

(B) The basis of the property in the hands of the person acquiring it is not determined in whole or in part by reference to the adjusted basis of that property in the hands of the person from whom it is acquired.

(3) For purposes of this section, the cost of property does not include so much of the basis of the property as is determined by reference to the basis of other property held at any time by the person acquiring the property.

(4) This section shall not apply to estates and trusts.

(5) This section shall not apply to any Section 17265 property

purchased by any person described in Section 46(e)(3) of the Internal Revenue Code unless the credit under Section 38 of the Internal Revenue Code is allowable with respect to that person for that property (determined without regard to this section).

(6) In the case of a partnership, the percentage limitation specified in subdivision (a) shall apply with respect to the partnership and with respect to each partner.

(e) For purposes of this section, "taxpayer" means a taxpayer who conducts a qualified business within a program area (as defined in Section 7082 of the Government Code).

(f) Any taxpayer who elects to be subject to this section shall not be entitled to claim for the same property the deduction under Section 179 of the Internal Revenue Code, relating to an election to expense certain depreciable business assets; however, the taxpayer may claim depreciation by any method permitted by Section 17250, commencing with the taxable year following the taxable year in which the Section 17265 property is placed in service.

(g) The aggregate cost which may be taken into account under subdivision (a) for any taxable year shall not exceed the following applicable amount for the taxable year of the designation of a program area and taxable years thereafter:

	The applicable amount is:
Taxable year of designation	$100,000
1st taxable year thereafter	100,000
2nd taxable year thereafter	75,000
3rd taxable year thereafter	75,000
Each taxable year thereafter	50,000

(h) Any amounts deducted under subdivision (a) with respect to property which ceases to be qualified property at any time before the close of the second taxable year after the property is placed in service shall be included in income for that year.

(i) 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. 3. Section 17276.1 is added to the Revenue and Taxation Code, to read:

17276.1. (a) A qualified taxpayer, as defined in Section 17276.2, may elect to take the deduction provided by Section 172 of the Internal Revenue Code, relating to the net operating loss deduction with the following exceptions:

(1) Net operating losses attributable to years beginning before January 1, 1984, shall not be allowed.

(2) Net operating loss carrybacks shall not be allowed.

(3) For purposes of computing the net operating loss deduction under Section 172(a) of the Internal Revenue Code, as modified by this section, the amount of a net operating loss sustained in any

taxable year during any part of which the taxpayer was not a resident of this state shall be limited to the sum of the following:

(A) The portion of the net operating loss attributable to the part of the year in which the taxpayer is a resident.

(B) The portion of the net operating loss which, during the part of the year the taxpayer is not a resident, is attributable to California source income and deductions.

(b) The election to compute the net operating loss under this section shall be made in a statement attached to the original return, timely filed for the year in which the net operating is incurred and shall be irrevocable.

SEC. 4. Section 17276.2 is added to the Revenue and Taxation Code, to read:

17276.2. The term "qualified taxpayer" as used in Section 17276.1 means either of the following:

(a) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year beginning on or after the date that the taxpayer becomes a qualified business shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of loss.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276.1, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(b) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following taxable year that ends before the expiration or revocation of the designation of the enterprise zone under Section 7073 of the Government Code or to

each of 15 taxable years following the taxable year of loss, if longer.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276.1, attributable to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(c) A taxpayer who qualifies as a "qualified taxpayer" shall, for the taxable year of the net operating loss and any taxable year to which that net operating loss may be carried, designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section, the designation is to be made after taking into account the election required by subdivision (d) and shall be consistent with that election.

(d) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to a net operating loss in a taxable year, the taxpayer shall elect which subdivision of this section is to apply to the taxpayer. The election is to be made in a statement attached to the original return, timely filed, for the year the net operating loss is incurred and shall be irrevocable.

(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 enacted before January 1, 1989, deletes or extends that date.

SEC. 5. Section 24416.1 is added to the Revenue and Taxation Code, to read:

24416.1. (a) A qualified taxpayer, as defined in Section 24416.2, may elect to take the deduction provided to Section 172 of the Internal Revenue Code, relating to the net operating loss deduction in computing net income under Section 24341 with the following exceptions:

(1) Net operating losses attributable to years beginning before January 1, 1984, shall not be allowed.

(2) Net operating loss carrybacks shall not be allowed.

(3) The provisions of Section 172(b)(1)(E), (H), and (J) of the Internal Revenue Code shall not apply. To the extent applicable to California law, net operating losses attributable to entities with losses described by Section 172(b)(1)(J) shall be applied in accordance

with Section 172(b)(1)(A) and (B) of the Internal Revenue Code.

(b) Corporations whose income is subject to the provisions of Section 25101 or 25101.15 shall make the computations required by Section 25108.

(c) The election to compute the net operating loss under this section shall be made in a statement attached to the original return, timely filed for the year in which the net operating loss is incurred and shall be irrevocable.

SEC. 6. Section 24416.2 is added to the Revenue and Taxation Code, to read:

24416.2. The term "qualified taxpayer" as used in Section 24416.1 means either of the following:

(a) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) A net operating loss shall not be a net operating loss carryback for any income year and, except as provided in subparagraph (B), a net operating loss for any income year beginning on or after the date that the taxpayer becomes a qualified business shall be a net operating loss carryover to each of the 15 income years following the income year of loss.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416.1, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(b) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) (A) A net operating loss shall not be a net operating loss carryback to any income year and, except as provided in subparagraph (B), a net operating loss for any income year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following income year that ends before the expiration or revocation of the designation of the enterprise zone under Section 7073 of the Government Code or to each of 15 income years following the income year of loss, if longer.

(B) In the case of a financial institution to which Section 585, 586, or 593 of the Internal Revenue Code applies, a net operating loss for any income year beginning on or after January 1, 1984, shall be a net operating loss carryover to each of the five income years following the income year of the loss. Subdivision (d) of Section 24416.1 and Section 172 (b) (1) (F) and (G) of the Internal Revenue Code shall not apply.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416.1, attributable to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(c) A taxpayer who qualifies as a "qualified taxpayer" shall, for the income year of the net operating loss and any income year to which that net operating loss may be carried, designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section, the designation is to be made after taking into account the election required by subdivision (d) and shall be consistent with that election.

(d) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to a net operating loss in an income year, the taxpayer shall elect which subdivision of this section is to apply to the taxpayer. The election is to be made in a statement attached to the original return, timely filed, for the year the net operating loss is incurred and shall be irrevocable.

(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 enacted before January 1, 1989, deletes or extends that date.

SEC. 7. Section 25108 of the Revenue and Taxation Code is amended to read:

25108. (a) For corporations whose income is subject to the provisions of Section 25101 or 25101.15, the net operating loss determined in accordance with Section 172 of the Internal Revenue Code, as modified by Sections 24416, 24416.1, and 24416.2, for a particular income year (taxable year of corporations subject to the tax imposed by Chapter 3) shall be the corporation's "net loss for

state purposes" as defined in subdivision (c).

(b) The net operating loss deduction allowed by Sections 24416, 24416.1, and 24416.2, for an income year (taxable year of corporations subject to the tax imposed by Chapter 3) shall be deducted from "net income for state purposes" (as defined in subdivision (c)) for that income year (taxable year of corporations subject to the tax imposed by Chapter 3).

(c) "Net income (loss) for state purposes" means the sum of the net income or loss of that corporation apportionable to this state and the income or loss allocable to this state as nonbusiness income, as provided by Chapter 17 (commencing with Section 25101).

SEC. 8. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, unless otherwise specified, the provisions of this act shall be applied in computation of taxes for taxable or income years beginning on or after January 1, 1987.

CHAPTER 33

An act to amend Sections 679.02 and 3043 of the Penal Code, relating to crimes.

[Approved by Governor March 16, 1988. Filed with Secretary of State March 17, 1988]

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

SECTION 1. Section 679.02 of the Penal Code is amended to read:

679.02. (a) The following are hereby established as the statutory rights of victims and witnesses of crimes:

(1) To be notified as soon as feasible that a court proceeding to which he or she has been subpoenaed as a witness will not proceed as scheduled, provided the prosecuting attorney determines that the witness' attendance is not required.

(2) Upon request of the victim or a witness, to be informed by the prosecuting attorney of the final disposition of the case, as provided by Section 11116.10.

(3) For the victim, the victim's parents or guardian if the victim is a minor, or the next of kin of the victim if the victim has died, to be notified of all sentencing proceedings, and of the right to appear, to reasonably express his or her views, and to have the court consider his or her statements, as provided by Section 1191.1.

(4) For the victim, the victim's parents or guardian if the victim is a minor, or the next of kin of the victim if the victim has died, to be notified of all juvenile disposition hearings in which the alleged act would have been a felony if committed by an adult, and of the right to attend and to express his or her views, as provided by Section 656.2 of the Welfare and Institutions Code.

(5) Upon request by the victim or the next of kin of the victim if the victim has died, to be notified of any parole suitability hearing and of the right to appear, to reasonably express his or her views, and to have his or her statements considered, as provided by Section 3043 of this code and by Section 1767 of the Welfare and Institutions Code.

(6) Upon request by the victim or the next of kin of the victim if the crime was a homicide, to be notified of an inmate's placement in a reentry or work furlough program, or notified of the inmate's escape as provided by Section 11155.

(7) To be notified that he or she may be entitled to witness fees and mileage, as provided by Section 1329.1.

(8) For the victim, to be provided with information concerning the victim's right to civil recovery and the opportunity to be compensated from the Restitution Fund pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code and Section 1191.2 of this code.

(9) To the expeditious return of his or her property which has allegedly been stolen or embezzled, when it is no longer needed as evidence, as provided by Chapter 12 (commencing with Section 1407) and Chapter 13 (commencing with Section 1417) of Title 10 of Part 2.

(10) To an expeditious disposition of the criminal action.

Nothing in this paragraph is intended to affect the right of the people and the defendant to an expeditious disposition as provided in Section 1050.

(b) The rights set forth in subdivision (a) shall be set forth in the information and educational materials prepared pursuant to Section 13897.1. The information and educational materials shall be distributed to local law enforcement agencies and local victims' programs by the Victims' Legal Resource Center established pursuant to Chapter 11 (commencing with Section 13897) of Title 6 of Part 4.

(c) Local law enforcement agencies shall make available copies of the materials described in subdivision (b) to victims and witnesses.

(d) Nothing in this section is intended to affect the rights and services provided to victims and witnesses by the local assistance centers for victims and witnesses.

SEC. 2. Section 3043 of the Penal Code is amended to read:

3043. Upon request, notice of any hearing to review or consider the parole suitability or the setting of a parole date for any prisoner in a state prison shall be sent by the Board of Prison Terms at least 30 days before the hearing to any victim of a crime committed by the prisoner, or to the next of kin of the victim if the victim has died. The requesting party shall keep the board apprised of his or her current mailing address.

The victim or next of kin has the right to appear, personally or by counsel, at the hearing and to adequately and reasonably express his or her views concerning the crime and the person responsible. The board, in deciding whether to release the person on parole, shall

consider the statements of victims and next of kin made pursuant to this section and shall include in its report a statement of whether the person would pose a threat to public safety if released on parole.

The provisions of this section shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

CHAPTER 34

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

[Approved by Governor March 17, 1988 Filed with Secretary of State March 17, 1988]

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

SECTION 1. The Legislature finds and declares that:

(a) The Hollywood Roosevelt Swimming Pool is of unique artistic significance, and its underwater mural, painted by world famous artist David Hockney, is an important cultural landmark which should be preserved.

(b) The Hollywood Roosevelt Hotel is the cornerstone of Hollywood's redevelopment program and is the historic site of the first academy awards presentation. The hotel pool's unique underwater mural is an example of Hollywood's creative forces coming together to achieve grandeur and grace. It underscores Hollywood's role as home of the movie industry and so many great Hollywood stars of past and present.

(c) To allow needless destruction of this unique work of art would be a great tragedy and inconsistent with the intent of the California Art Preservation Act, which establishes "a public interest in preserving the integrity of cultural and artistic creations."

SEC. 2. No administrative regulation shall require the destruction or alteration of the Hollywood Roosevelt Hotel swimming pool mural, provided the mural is not altered. Any touch-up or repair to the swimming pool mural shall be performed with slip-resistant, cleanable, nonglare and durable standard swimming pool paint and materials.

SEC. 3. Due to the unique circumstances concerning the Hollywood Roosevelt swimming pool, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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 preserve the Hollywood Roosevelt swimming pool, and to thereby preserve a work of major artistic significance, and to thereby prevent the elimination of a unique and beautiful California art form, it is necessary that this act take effect immediately.

CHAPTER 35

An act to amend Sections 56026, 56440, and 56728 of the Education Code, and to amend Item 6100-161-001 of Section 2.00 of the Budget Act of 1987, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 17, 1988. Filed with Secretary of State March 17, 1988]

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

SECTION 1. 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 to five years, 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. 2. Section 56440 of the Education Code is amended to read:

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.

(g) This chapter applies to all individuals with exceptional needs between the ages of three and five, inclusive.

SEC. 3. Section 56728 of the Education Code is amended to read:

56728. Notwithstanding subdivision (d) of Section 56760, state aid for instructional personnel service units operated during the regular school year and during extended year programs shall not exceed the number of units actually in operation for the then current fiscal year. Districts and county offices shall be entitled to the full unit rates computed pursuant to subdivisions (b), (c), (e), (g), and (h) of Section 56722 in regular year and extended year programs only if the appropriate number of instructional aides are actually used.

For the purposes of computing funding for aides other than those in classes for the severely handicapped, a full-time equivalent aide shall be equivalent to 1.00 times a full-time equivalent aide entitlement for those aides in the 1980–81 fiscal year.

SEC. 4. Item 6100-161-001 of Section 2.00 of the Budget Act of 1987 is amended to read:

6100-161-001—For local assistance, Department of Education, Program 10.60—Special Education Programs for Exceptional Children 1,022,492,000

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.

5. Of the amount appropriated in this item, $3,610,194 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 aid 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 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.

16. By October 1, 1987, the Superintendent of Pub-

lic 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 Department 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.

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 the Education Code to Provision 8 of Item 6100-161-001 of Section 2.00 of the Budget Act of 1987, relative to instructional aide entitlements for classes for the nonseverely handicapped, and in order to prevent the services to handicapped infants from being reduced in the 1987–88 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 36

An act to amend Sections 305 and 315 of the Elections Code, relating to elections.

[Approved by Governor March 17, 1988. Filed with Secretary of State March 17, 1988.]

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

SECTION 1. Section 305 of the Elections Code is amended to read:

305. (a) Except as provided in subdivision (b), the county clerk shall accept affidavits of registration at all times except during the 28 days immediately preceding any election, when registration shall

cease for that election as to electors residing in the territory within which the election is to be held. Transfers of registration for an election may be made from one precinct to another precinct in the same county at any time when registration is in progress in the precinct to which the elector seeks to transfer.

(b) The county clerk or his or her deputy shall accept an affidavit of registration executed as part of a voter registration card in the forthcoming election if (1) the affidavit is executed on or before the 29th day prior to the election, and (2) the affidavit is received by the county clerk or his or her deputy by mail after the 29th day and by the fourth day after such 29th day.

(c) Upon request, the registrar of voters may accept an affidavit of registration that was not received by the county clerk in accordance with subdivision (a) or (b) or a newly executed affidavit of registration when evidence supports that the affidavit was executed on or before the 29th day prior to the election and that the affidavit was mishandled by a third party, including the postal service. Evidence is limited to the postmark on the affidavit.

SEC. 2. Section 315 of the Elections Code is amended to read:

315. (a) In lieu of executing a new affidavit of registration for a change of address within the county the county clerk shall accept a notice or letter of the change of address signed by a voter as he or she is registered.

(b) The county clerk shall accept notifications received by mail by the fourth day after the 29th day before an election, if the notice or letter is dated on or before the 29th day prior to the election, and shall change the address on the voter's affidavit of registration accordingly. Any requests for change of address received prior to an election, but after the day specified herein shall not be applicable to that election but shall apply to all subsequent elections.

(c) Upon request, the registrar of voters may accept a change of address notice that was not received by the county clerk in accordance with this section when evidence supports that the change of address notice was executed on or before the 29th day prior to the election and that the change of address notice was mishandled by a third party, including the postal service. Evidence is limited to the postmark on the notice.

CHAPTER 37

An act to amend Sections 1615, 1617, 1618, and 1619 of the Penal Code, relating to mentally disordered offenders.

[Approved by Governor March 17, 1988 Filed with Secretary of State March 17, 1988.]

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

SECTION 1. Section 1615 of the Penal Code is amended to read:

1615. Pursuant to Section 5709.8 of the Welfare and Institutions Code, the State Department of Mental Health shall be responsible for the community treatment and supervision of judicially committed patients. These services shall be available on a county or regional basis. The department may provide these services directly or through contract with private providers or counties. The program or programs through which these services are provided shall be known as the Forensic Conditional Release Program.

The department shall contact all county mental health programs by January 1, 1986, to determine their interest in providing an appropriate level of supervision and treatment of judicially committed patients at reasonable cost. County mental health agencies may agree or refuse to operate such a program.

The State Department of Mental Health shall ensure consistent data gathering and program standards for use statewide by the Forensic Conditional Release Program.

SEC. 2. Section 1617 of the Penal Code is amended to read:

1617. The State Department of Mental Health shall research the demographic profiles and other related information pertaining to persons receiving supervision and treatment in the Forensic Conditional Release Program. An evaluation of the program shall determine its effectiveness in successfully reintegrating these persons into society after release from state institutions. This evaluation of program effectiveness shall include, but not be limited to, a determination of the rates of reoffense while these persons are served by the program and after their discharge. This evaluation shall also address the effectiveness of the various treatment components of the program and their intensity.

The State Department of Mental Health may contract with an independent research agency to perform this research and evaluation project. Any independent research agency conducting this research shall consult with the Forensic Mental Health Association concerning the development of the research and evaluation design.

SEC. 3. Section 1618 of the Penal Code is amended to read:

1618. The administrators and the supervision and treatment staff of the Forensic Conditional Release Program shall not be held criminally or civilly liable for any criminal acts committed by the

persons on parole or judicial commitment status who receive supervision or treatment. This waiver of liability shall apply to employees of the State Department of Mental Health and the agencies or persons under contract to this department to provide supervision or treatment to mentally ill parolees or persons under judicial commitment.

SEC. 4. Section 1619 of the Penal Code is amended to read:

1619. The Department of Justice shall automate the criminal histories of all persons treated in the Forensic Conditional Release Program, as well as all persons committed as not guilty by reason of insanity pursuant to Section 1026, incompetent to stand trial pursuant to Section 1370 or 1370.2, any person currently under commitment as a mentally disordered sex offender, and persons treated pursuant to Section 1364 or 2684 or Article 4 (commencing with Section 2960) of Chapter 7 of Title 1 of Part 3.

CHAPTER 38

An act to amend Section 594 of the Penal Code, relating to crimes.

[Approved by Governor March 18, 1988 Filed with Secretary of State March 18, 1988]

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

SECTION 1. Section 594 of the Penal Code is amended to read:

594. (a) Every person who maliciously (1) defaces with paint or any other liquid, (2) damages, or (3) destroys any real or personal property not his or her own, in cases otherwise than those specified by state law, is guilty of vandalism.

(b) (1) If the amount of defacement, damage, or destruction is fifty thousand dollars ($50,000) or more, vandalism is punishable by imprisonment in the state prison or in a county jail not exceeding one year, or by a fine of not more than fifty thousand dollars ($50,000), or by both that fine and imprisonment.

(2) If the amount of defacement, damage, or destruction is five thousand dollars ($5,000) or more but less than fifty thousand dollars ($50,000), vandalism is punishable by imprisonment in the state prison, or in a county jail not exceeding one year, or by a fine of not more than ten thousand dollars ($10,000), or by both that fine and imprisonment.

(3) If the amount of defacement, damage, or destruction is one thousand dollars ($1,000) or more but less than five thousand dollars ($5,000), vandalism is punishable by imprisonment in the county jail not exceeding one year, or by a fine of five thousand dollars ($5,000), or by both that fine and imprisonment.

(4) If the amount of defacement, damage, or destruction is less than one thousand dollars ($1,000), vandalism is punishable by

imprisonment in the county jail for not more than six months, or by a fine of not more than one thousand dollars ($1,000), or by both that fine and imprisonment.

CHAPTER 39

An act to amend Sections 11165.4, 11165.5, and 11165.6 of the Penal Code, relating to crime.

[Approved by Governor March 18, 1988. Filed with Secretary of State March 18, 1988]

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

SECTION 1. Section 11165.4 of the Penal Code is amended to read:

11165.4. As used in this article, "unlawful corporal punishment or injury" means a situation where any person willfully inflicts upon any child any cruel or inhuman corporal punishment or injury resulting in a traumatic condition. It does not include an amount of force that is reasonable and necessary for a person employed by or engaged in a public school to quell a disturbance threatening physical injury to person or damage to property, for purposes of self-defense, or to obtain possession of weapons or other dangerous objects within the control of the pupil, as authorized by Section 49001 of the Education Code. It also does not include the exercise of the degree of physical control authorized by Section 44807 of the Education Code. It also does not include an amount of force that is reasonable and necessary for a peace officer to quell a disturbance threatening physical injury to person or damage to property to prevent physical injury to person or damage to property, for purposes of self-defense, to obtain possession of weapons or other dangerous objects within the control of the child, or to apprehend an escapee.

SEC. 2. Section 11165.5 of the Penal Code is amended to read:

11165.5. As used in this article, "abuse in out-of-home care" means a situation of physical injury on a child which is inflicted by other than accidental means, or of sexual abuse or neglect, or unlawful corporal punishment or injury, or the willful cruelty or unjustifiable punishment of a child, as defined in this article, where the person responsible for the child's welfare is a licensee, administrator, or employee of any facility licensed to care for children, or an administrator or employee of a public or private school or other institution or agency. "Abuse in out-of-home care" does not include an injury caused by reasonable and necessary force used by a peace officer to quell a disturbance threatening physical injury to person or damage to property, to prevent physical injury to person or damage to property, for purposes of self-defense, to obtain possession of weapons or other dangerous objects within the control

of a child, or to apprehend an escapee.

SEC. 3. Section 11165.6 of the Penal Code is amended to read:

11165.6. As used in this article, "child abuse" means a physical injury which is inflicted by other than accidental means on a child by another person. "Child abuse" also means the sexual abuse of a child or any act or omission proscribed by Section 273a (willful cruelty or unjustifiable punishment of a child) or 273d (unlawful corporal punishment or injury). "Child abuse" also means the neglect of a child or abuse in out-of-home care, as defined in this article. "Child abuse" does not mean a mutual affray between minors. "Child abuse" does not include an injury caused by reasonable and necessary force used by a peace officer to quell a disturbance threatening physical injury to person or damage to property, to prevent physical injury to person or damage to property, for purposes of self-defense, to obtain possession of weapons or other dangerous objects within the control of a child, or to apprehend an escapee.

CHAPTER 40

An act to repeal Article 3 (commencing with Section 12570) of Chapter 6 of Title 2 of Part 4 of the Penal Code, relating to firearms.

[Approved by Governor March 18, 1988 Filed with Secretary of State March 18, 1988]

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

SECTION 1. Article 3 (commencing with Section 12570) of Chapter 6 of Title 2 of Part 4 of the Penal Code is repealed.

CHAPTER 41

An act to amend Section 22356 of the Vehicle Code, relating to highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988. Filed with Secretary of State March 18, 1988]

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

SECTION 1. 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 freeway segments, or upon the basis of appropriate design standards and projected traffic volumes in the case of newly constructed 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 a 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. 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 implementation of higher speed limits on noninterstate freeways as proposed by this bill will 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 42

An act to add Chapter 21.9 (commencing with Section 17698) to Part 10 of the Education Code, relating to providing for the preparation, issuance, and sale of bonds of the State of California to fund school construction, and providing for the submission of the measure to a vote of the people, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988 Filed with Secretary of State March 18, 1988]

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

SECTION 1. Chapter 21.9 (commencing with Section 17698) is added to Part 10 of the Education Code, to read:

CHAPTER 21.9. 1988 SCHOOL FACILITIES BOND ACT

17698. This chapter may be cited as the 1988 School Facilities Bond Act.

17698.10. The State General Obligation Bond Law (Chapter 4

(commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter. All references in this chapter to "herein" shall be deemed to refer both to this chapter and that law.

17698.15. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

(a) "Committee" means the State School Building Finance Committee created by Section 15909.

(b) "Board" means the State Allocation Board.

(c) "Fund" means the State School Building Lease-Purchase Fund.

17698.20. For the purpose of creating a fund to provide aid to school districts of the state in accordance with the provisions of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)), the purposes authorized under Section 17698.96, and of all acts amendatory thereof and supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code, the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of eight hundred million dollars ($800,000,000), not including the amount of any refunding bonds issued in accordance with Section 17698.93, in the manner provided herein, but not in excess thereof.

17698.25. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

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

On the several dates of maturity of the principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, all of the money in the fund exclusive of funds transferred pursuant to subdivision (f) of Section 6217 of the Public Resources Code, not in excess of the principal of and interest on the

bonds then due and payable, except as herein provided for the prior redemption of the bonds, and, in the event the money so returned on the dates of maturity is less than the principal and interest then due and payable, then the balance remaining unpaid shall be returned to the General Fund in the State Treasury out of the fund as soon thereafter as it shall become available.

17698.30. All money deposited in the fund under Section 17732 and pursuant to Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code shall be available only for transfer to the General Fund, as provided in Section 17698.25. When transferred to the General Fund, the money shall be applied as a reimbursement of the General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by the transfer of funds.

17698.35. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, an amount that will equal the following:

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

(b) The sum as is necessary to carry out Section 17698.40, which sum is appropriated without regard to fiscal years.

17698.40. For the purposes of carrying out the provisions of this chapter, the Director of Finance may, by written order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund, together with interest at the rate paid on moneys in the Pooled Money Investment Account, for moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

17698.50. Upon request of the board from time to time, supported by a statement of the apportionments made and to be made under Chapter 22 (commencing with Section 17700), the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to fund the apportionments, and, if so, the amount of bonds to be issued and sold. The entire amount authorized by this chapter shall become available for apportionment on December 1, 1988. The Treasurer shall sell the bonds so determined at such different times as necessary to service expenditures required by the apportionments.

17698.55. The board may request the Pooled Money Investment Board for a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, and may

execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. The loan shall be deposited in the fund for the purpose of carrying out the provisions of this chapter. The amount of the loan shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purposes of this chapter.

17698.60. In computing the net interest cost under Section 16754 of the Government Code, interest shall be computed from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, the computation to be made on a 360-day-year basis.

17698.70. The committee may authorize the Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

17698.80. All proceeds from the sale of the bonds herein authorized deposited in the fund, as provided in Section 16757 of the Government Code, except those derived from premium and accrued interest, shall be available for the purpose herein provided, but shall not be available for transfer to the General Fund pursuant to Section 17698.25 to pay principal and interest on bonds.

17698.90. With respect to the proceeds of bonds authorized by this chapter, all provisions of Chapter 22 (commencing with Section 17700) shall apply.

17698.93. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance and sale or exchange of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. The approval by the electors of this state of the issuance and sale of bonds under this chapter includes approval of the issuance and sale or exchange of any bonds issued to refund either those bonds or any previously issued refunding bonds.

17698.95. Out of the first money realized from the sale of bonds under this chapter, there shall be repaid any moneys advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act.

17698.96. (a) Of the proceeds from the sale of bonds pursuant to this chapter:

(1) Not more than one hundred million dollars ($100,000,000) may be used for the reconstruction or modernization of facilities within the meaning of Chapter 22 (commencing with Section 17700).

(2) Not more than twenty million dollars ($20,000,000) may be used for the purchase and installation of air-conditioning equipment and insulation materials pursuant to Section 42250.1.

(3) Not more than one hundred million dollars ($100,000,000) may be used for the identification, assessment, and abatement of hazardous asbestos in school facilities.

(b) Notwithstanding subdivision (a), in the event the board determines at any time that the maximum amount made available

pursuant to any of the paragraphs in that subdivision exceeds the amount necessary to fund the qualified recipients of the apportionment authorized under that paragraph, the board may expend any portion of that excess for the construction of new school facilities pursuant to Chapter 22 (commencing with Section 17700) or for any one or more of the purposes described in subdivision (a).

SEC. 2. Section 1 of this act shall become operative upon the adoption by the people of the 1988 School Facilities Bond Act, as set forth in Section 1 of this act. Sections 3 to 5, inclusive, of this act contain provisions relating to and necessary for the submission of the 1988 School Facilities Bond Act to the people, and for returning, canvassing, and proclaiming the votes thereon, and shall become operative immediately.

SEC. 3. (a) Notwithstanding Sections 3525 and 10218 of the Elections Code or any other provision of law, the 1988 School Facilities Bond Act, as set forth in Section 1 of this act, shall be submitted to the people of the State of California for their ratification at the general election to be held November 8, 1988, and shall appear as the first proposition on the ballot.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the November 8, 1988, statewide ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) Notwithstanding Section 3531 of the Elections Code, the Attorney General shall prepare and return to the Secretary of State a ballot title for the bond act contained in Section 1 of this act as expeditiously as possible, but no later than two days after the effective date of this act.

(d) Notwithstanding Section 3572 of the Elections Code, the Legislative Analyst shall prepare an impartial analysis of the bond act contained in Section 1 of this act as expeditiously as possible, but no later than five days after the effective date of this act, and the analysis shall not be submitted to a review committee.

(e) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the bond act contained in Section 1 of this act.

If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the bond act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall, notwithstanding Section 3578 of the Elections Code, be mailed at least 14 days before the election.

SEC. 4. All ballots at the election shall have printed thereon and in a square thereof, the words: "1988 School Facilities Bond Act," and in the same square under the words the following in 8-point type: "This act provides for a bond issue of eight hundred million dollars ($800,000,000) to provide capital outlay for construction or

improvement of public schools." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act. However, where the voting of the election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, the use of the voting machines, and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section.

SEC. 5. The votes cast for or against the 1988 School Facilities Bond Act shall be counted, returned, and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appears that the act shall have received a majority of all the votes cast for and against it at the election, then the act shall take effect as provided by this section, and shall not be repealed until the principal and interest of the liabilities created pursuant to this act shall be paid and discharged; but if a majority of the votes cast at the election are against this act, then the act shall not take effect.

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

In order that the 1988 School Facilities Bond Act contained in Section 1 of this act be included on the November 1988 statewide ballot, it is necessary that this act take effect immediately.

CHAPTER 43

An act to add Chapter 15 (commencing with Section 7400) to Title 7 of Part 3 of the Penal Code, and to amend Section 13 of Chapter 1056 of the Statutes of 1987, relating to financing a prison construction 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988 Filed with Secretary of State March 18, 1988]

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

SECTION 1. The Legislature finds and declares that it is necessary to continue with the expansion of California's prison system by the swiftest means possible. To this end, the Legislature finds that it is in the public interest, and for the public benefit, to finance the women's facility in Madera County using lease-purchase arrangements as authorized by Section 15819.21 of the Government Code to enable the state to deal with this crisis.

SEC. 2. Chapter 15 (commencing with Section 7400) is added to

Title 7 of Part 3 of the Penal Code, to read:

CHAPTER 15. NEW PRISON CONSTRUCTION BOND ACT OF 1988

7400. This chapter shall be known and may be cited as the New Prison Construction Bond Act of 1988.

7401. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter except that, notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of the bonds shall not exceed 20 years from the date of each respective series. The maturity of each respective series shall be calculated from the date of that series.

7402. There is in the State Treasury the 1988 Prison Construction Fund, which fund is hereby created. The proceeds of the sale of bonds authorized by this act shall be deposited in the fund.

7403. The 1988 Prison Construction Committee is hereby created. The committee shall consist of the Controller, the Treasurer, and the Director of Finance. That committee shall be the "committee," as that term is used in the State General Obligation Bond Law.

The Department of Corrections is the "board" for the purpose of the State General Obligation Bond Law and this chapter.

7404. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate principal amount of eight hundred seventeen million dollars ($817,000,000), exclusive of refunding bonds, in the manner provided in this chapter. That debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the object and work specified in Section 7406.

7405. The committee may determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter, and if so, the amount of bonds then to be issued and sold. The committee may authorize the Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

7406. (a) Except as provided in subdivision (b), the moneys in the fund shall be used for the acquisition, construction, renovation, remodeling, and deferred maintenance of state youth and adult correctional facilities.

(b) Of the moneys in the fund, forty million dollars ($40,000,000) is hereby appropriated to the Board of Corrections to fund 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 and for any costs associated with the sale of bonds and any administrative costs incurred by the Board of Corrections in the administration of the

County Jail Capital Expenditure Bond Acts of 1981 and 1984 and the County Correctional Facility Capital Expenditure Bond Act of 1986.

(c) Notwithstanding subdivision (b) of Section 11 of Chapter 1519 of the Statutes of 1986 or any other provision of law to the contrary, and subject to the annual Budget Act appropriations by the Legislature, administrative costs shall not exceed 1½ percent of the amount allocated for any costs incurred by the Board of Corrections in the administration of the County Jail Capital Expenditure Bond Acts of 1981 and 1984 and the County Correctional Facility Capital Expenditure Bond Act of 1986.

7407. (a) All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal thereof and interest thereon.

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

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

(d) All money deposited in the fund pursuant to any provision of law requiring repayments to the state which are financed by the proceeds of the bonds authorized by this chapter shall be available for transfer to the General Fund. When transferred to the General Fund that money shall be applied as a reimbursement to the General Fund on account of the principal of and interest on the bonds which has been paid from the General Fund.

7408. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter such an amount as will equal the following:

(a) That sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to this chapter.

(b) That sum as is necessary to carry out the provisions of Section 7409, which sum is appropriated without regard to fiscal years.

7409. For the purpose of carrying out this chapter, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund and shall be

disbursed by the committee in accordance with this chapter. Any money made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter. Those withdrawals from the General Fund shall be returned to the General Fund with interest at the rate which would otherwise have been earned by those sums in the Pooled Money Investment Account.

7410. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out the provisions of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

7411. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of bonds shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

7412. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 7406 but shall not be available for transfer to the General Fund to pay the principal of and interest on bonds. The money in the fund may be expended only as herein provided.

7413. Money in the fund may only be expended pursuant to appropriations by the Legislature.

7414. 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.

SEC. 3. Section 13 of Chapter 1056 of the Statutes of 1987 is amended to read:

13. The sum of eight million eighty-nine thousand dollars ($8,089,000) is appropriated as follows:

(a) The sum of six million three hundred forty-seven thousand dollars ($6,347,000) is hereby appropriated to the Department of Corrections from the 1986 Prison Construction Fund.

Funds appropriated by this subdivision shall be available for purposes, as necessary, of site studies and suitability reports, environmental studies, master planning, architectural programming, and schematics for new correctional facilities. These

funds may also be expended for preliminary plans for a reception center and for a medium or maximum security facility or combination thereof.

(b) The sum of one million seven hundred forty-two thousand dollars ($1,742,000) is hereby appropriated from the 1986 Prison Construction Fund to the Department of the Youth Authority in augmentation, to be allocated as follows:

(1) The sum of six hundred sixty-one thousand dollars ($661,000) for the renovation of the infirmary building at the Preston School of Industry in augmentation of Item 5460-301-7461 of the Budget Act of 1986.

(2) The sum of one million eighty-one thousand dollars ($1,081,000) for construction for the Fred C. Nelles Living Unit and Education facility construction in augmentation of Item 5460-301-746(5) of the Budget Act of 1986.

SEC. 4. Section 2 of this act shall take effect upon the adoption by the voters of the New Prison Construction Bond Act of 1988, as set forth in Section 2 of this act.

SEC. 5. Section 2 of this act shall be submitted to the voters at the next statewide election in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 6. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "New Prison Construction Bond Act of 1988," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of eight hundred seventeen million dollars ($817,000,000) to provide urgently needed funds to relieve overcrowding in the state's prisons, county jails, and Youth Authority facilities through new construction." 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. 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 bond act proposed by this bill may be acted upon by the electors at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 44

An act to add Chapter 14.3 (commencing with Section 67330) to Part 40 of the Education Code, relating to financing higher education costs 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988. Filed with Secretary of State March 18, 1988]

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

SECTION 1. Chapter 14.3 (commencing with Section 67330) is added to Part 40 of the Education Code, to read:

CHAPTER 14.3. HIGHER EDUCATION FACILITIES BOND ACT OF 1988

Article 1. General Provisions

67330. This chapter shall be known and may be cited as the Higher Education Facilities Bond Act of 1988.

67331. The Legislature finds and declares all of the following:

(a) California's economic and social prosperity relies on a higher education system that keeps pace with California's growth. In the coming decades, the state's economic prosperity will depend on increasing the productivity of the work force and on the ability to compete successfully in the world marketplace.

(b) The system of public higher education in this state includes the University of California, the California State University, the California community colleges, and the California Maritime Academy. Each of these institutions plays a vital role in maintaining California's dominance in higher education in the United States.

(c) Over the last several years, studies have been completed by the University of California, the California State University, and the California community colleges to assess their long-term and short-term capital needs, which studies demonstrate that these needs total, in the aggregate, several billion dollars.

(d) The purpose of the Higher Education Facilities Bond Act of 1988 is to assist in meeting the capital outlay financing needs of California's public higher education system.

67332. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Higher Education Facilities Finance Committee created pursuant to Section 67353.

(b) "Fund" means the 1988 Higher Education Capital Outlay Bond Fund created pursuant to Section 67333.

Article 2. Higher Education Facilities Bond Act Program

67333. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 1988 Higher Education Capital Outlay Bond Fund, which is hereby created.

67334. (a) The committee shall be and is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of funding aid to the University of California, the California State University, the California community colleges, and the California Maritime Academy for the construction, including the construction of buildings and the acquisition of related fixtures, renovation, and reconstruction of facilities, for the acquisition of sites upon which these facilities are to be constructed, for the equipping of new, renovated, or reconstructed facilities, and to provide funds for payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings.

(b) Moneys made available under Section 67340 or 67342 may be used to provide short-term loans to community colleges for the purchase of instructional equipment. Those loans shall be repaid from the first moneys available in the Capital Outlay Fund for Public Higher Education beginning in the 1989–90 fiscal year, or from proceeds of the bonds.

Article 3. Fiscal Provisions

67335. (a) Bonds in the total amount of six hundred million dollars ($600,000,000), not including the amount of any refunding bonds issued in accordance with Section 67343, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the committee at such different times as necessary to service expenditures required by the apportionments.

67336. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter. For purposes of the State General Obligation Bond Law, the State Public Works Board is designated

the "board."

67337. The committee shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine 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 67334 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.

67338. 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.

67339. 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 67340, appropriated without regard to fiscal years.

67340. For the purposes of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which 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, together with interest at the rate paid on moneys in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this chapter.

67341. All money deposited in the fund that 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.

67342. The board may request the Pooled Money Investment Board for a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, and may execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. The loan shall be deposited in the fund for the purpose of carrying out the provisions of this chapter. The amount of the loan shall not exceed the amount of the

unsold bonds that the committee, by resolution, has authorized to be sold for the purposes of this chapter.

67343. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance and sale or exchange of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. The approval by the electors of this state of the issuance and sale of bonds under this chapter includes approval of the issuance and sale or exchange of any bonds issued to refund either those bonds or any previously issued refunding bonds.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the Higher Education Facilities Bond Act of 1988, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the next statewide general election, to be held November 8, 1988, in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters, and shall appear as the first proposition on the ballot.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "Higher Education Facilities Bond Act of 1988," and in the same square under those words, the following in eight-point type: "This act provides for a bond issue of six hundred million dollars ($600,000,000) to provide funds for the construction or improvement of facilities of California's public higher education institutions, including the University of California's nine campuses, the California State University's 19 campuses, the 70 districts of the California community colleges, and the California Maritime Academy. The use of funds authorized under this act includes, but is not necessarily limited to, the construction or improvement of classrooms, laboratories, and libraries, and the implementation of earthquake and other health or safety improvements." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

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

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

In order that the measure proposed by this act may be considered and become operative at an appropriate time, it is necessary that this act take effect immediately.

CHAPTER 45

An act to add Chapter 16 (commencing with Section 14000) to Division 7 of the Water Code, relating to financing a program of aid in the planning, design, and construction of facilities for the protection of domestic water supplies 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988 Filed with Secretary of State March 18, 1988.]

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

SECTION 1. Chapter 16 (commencing with Section 14000) is added to Division 7 of the Water Code, to read:

CHAPTER 16. CALIFORNIA SAFE DRINKING WATER BOND LAW OF 1988

Article 1. General Provisions

14000. This chapter shall be known and may be cited as the California Safe Drinking Water Bond Law of 1988.

14001. The Legislature hereby finds and declares all of the following:

(a) The State Department of Health Services has discovered toxic chemicals in 126 of California's large public drinking water systems.

(b) Many of the chemical contaminants in California's drinking water supplies are known or suspected of causing cancer, birth defects, and other serious illnesses.

(c) New monitoring programs for small public water systems are expected to identify many new toxic contamination problems. It is unlikely that these problems can be solved without financial assistance from the State of California.

14002. The Legislature further finds and declares that the protection of the health, safety, and welfare of the people of California requires that water supplied for domestic purposes be at all times pure, wholesome, and potable, and that it is in the interest of the people that the State of California provide technical and financial assistance to the end that the people of California are assured a safe, dependable, and potable supply of water for domestic purposes and that water is available in adequate quantity at sufficient pressure for health, cleanliness, and other domestic purposes.

14003. The Legislature further finds and declares that it is the intent of the Legislature to provide for the upgrading of domestic water supply systems to assure that all domestic water supplies at

least meet minimum domestic water supply standards established under Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code.

14004. As used in this chapter, the following terms shall have the following meanings:

(a) "Committee" means the Safe Drinking Water Finance Committee created by Section 14032.

(b) "Cost-per-connection" means the total amount of funds in grants or loans, or combination thereof, to be provided by the department to a supplier for any project, divided by the number of service connections in the water system.

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

(d) "Domestic water system" means a system for the provision to the public of piped water for human consumption, if the system has at least five service connections or regularly supplies water to at least 25 individuals. The term includes any water supply, treatment, storage, and distribution facilities under the control of the operator of the system.

(e) "Fund" means the California Safe Drinking Water Fund created pursuant to Section 14010.

(f) "Supplier" or "supplier of water" means any person, partnership, corporation, association, or other entity or political subdivision of the state which owns or operates a domestic water system.

(g) "Federal assistance" means funds available, or which may become available, to a supplier either directly or through allocation by the state from the federal government as grants or loans for the improvement of domestic water systems.

(h) "Treatment works" means any devices or systems used in the treatment of water supplies, including necessary lands, which render water supplies pure, wholesome, and potable for domestic purposes.

(i) "Project" means proposed facilities for the construction, improvement, or rehabilitation of the domestic water system, and may include water supply, treatment works, and all or part of a water distribution system, if necessary to carry out the purpose of this chapter.

(j) "Public agency" means any city, county, city and county, district, joint powers authority, or other political subdivision of the state which owns or operates a domestic water system. For purposes of this chapter, Chapter 10.2 (commencing with Section 13810), Chapter 10.5 (commencing with Section 13850), Chapter 10.6 (commencing with Section 13880), and Chapter 10.7 (commencing with Section 13895) a political subdivision of the state may be any public agency.

Article 2. California Safe Drinking Water Program

14010. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Safe Drinking Water

Fund, which is hereby created.

14011. (a) Notwithstanding Section 13340 of the Government Code, an aggregate amount of seventy-five million dollars ($75,000,000) of the moneys in the fund are hereby continuously appropriated and shall be used for the purposes set forth in this section and Section 14029.

(b) The department may enter into contracts with suppliers having authority to construct, operate, and maintain domestic water systems, for loans to suppliers to aid in the construction of projects which will enable the supplier to meet, at a minimum, safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code.

(c) Any contract entered into pursuant to this section may include provisions as agreed by the parties thereto, and the contract shall include, in substance, all of the following provisions:

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

(2) An agreement by the department to loan to the supplier, during the progress of construction or following completion of construction as agreed by the parties, an amount which equals the portion of construction costs found by the department to be eligible for a state loan.

(3) An agreement by the supplier to repay the state over a period not to exceed 50 years, (A) the amount of the loan, (B) the administrative fee as described in Section 14022, and (C) interest on the principal, which is the amount of the loan plus the administrative fee.

(4) An agreement by the supplier, (A) to proceed expeditiously with, and complete, the project, (B) to commence operation of the project upon completion thereof, and to properly operate and maintain the project in accordance with the applicable provisions of law, (C) to apply for, and make reasonable efforts to secure, federal assistance for the project, (D) to secure approval of the department and of the State Department of Health Services before applying for federal assistance in order to maximize and best utilize the amounts of that assistance available, and (E) to provide for payment of the supplier's share of the cost of the project, if any.

(d) Bond proceeds may be used for a grant program in accordance with this chapter, with grants provided to suppliers that are political subdivisions of the state that are otherwise unable to meet minimum safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code. The total amount of grants made pursuant to this chapter shall not exceed twenty-five million dollars ($25,000,000).

(e) Notwithstanding any other provision, the proceeds of any bonds authorized to be issued under the California Safe Drinking Water Bond Law of 1976 (Chapter 10.5 (commencing with Section 13850)), the California Safe Drinking Water Bond Law of 1984

(Chapter 10.2 (commencing with Section 13810)), and the California Safe Drinking Water Bond Law of 1986 (Chapter 10.7 (commencing with Section 13895)) which are unissued and uncommitted on the effective date of this chapter, shall be used for loans and grants to suppliers in accordance with the terms, conditions, and purposes of this chapter.

(f) The Treasurer shall determine the interest rate to be paid on loans issued under the Safe Drinking Water Bond Law of 1976 (Chapter 10.5 (commencing with Section 13850)), as required under Section 13867, equal to the average interest rate, computed by the true interest cost method, paid by the state on general obligation bonds sold pursuant to that chapter up to the effective date of this chapter.

14012. (a) The department may make state grants to suppliers that are political subdivisions of the state, from moneys in the fund available for that purpose pursuant to subdivision (d) of Section 14011, to aid in the construction of projects which will enable the public agency to meet, at a minimum, safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code. A grant may be made by the department only upon the specific approval of the Legislature.

(b) Any contract for a grant entered into pursuant to this chapter may include provisions as agreed by the parties thereto, and the contract shall include, in substance, all of the following provisions:

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

(2) An agreement by the department to grant to the public agency, during the progress of construction or following completion of construction as agreed by the parties, an amount which equals the portion of construction costs found by the department to be eligible for a state grant.

(3) An agreement by the public agency, (A) to proceed expeditiously with, and complete, the project, (B) to commence operation of the project upon completion thereof, and to properly operate and maintain the project in accordance with the applicable provisions of law, (C) to apply for, and make reasonable efforts to secure, federal assistance for the project, (D) to secure approval of the department and of the State Department of Health Services before applying for federal assistance in order to maximize and best utilize the amounts of that assistance available, and (E) to provide for payment of the public agency's share of the cost of the project, if any.

14013. Applications for loans and grants under this chapter shall be made to the department in the form and with the supporting material as prescribed by the department.

14014. The department shall prepare an annual report on all grant commitments made, or grant contracts entered into, pursuant to this chapter. The report shall be filed with the Legislature, if it is in session or, if it is not in session, with the Joint Rules Committee.

The report shall be filed on or before January 31 of each year for grant commitments made, or grant contracts entered into, by the department during the previous calendar year.

14015. (a) Loans and grants may be made only for projects for domestic water systems. The State Department of Health Services may make reasonable allowance for future water supply needs and may provide for additional capacity when excessive costs would be incurred by later enlargement. The loans and grants may be made for all, or any part, of the cost of constructing, improving, or rehabilitating any system when, in the judgment of the State Department of Health Services, improvement or rehabilitation is necessary to provide pure, wholesome, and potable water in adequate quantity at sufficient pressure for health, cleanliness, and other domestic purposes. The State Department of Health Services shall determine and notify applicants of eligibility of components requested to be included in the proposed project. The department shall use this determination as a basis for disbursing funds. No single public agency shall receive grants pursuant to this chapter totaling more than four hundred thousand dollars ($400,000). Loans may be made to provide for the purchase of a water system or the purchase of watershed lands. No loan to an individual supplier shall exceed the sum of five million dollars ($5,000,000), unless the Legislature by an act raises the limit specified in this section.

(b) Upon receipt of an application for a grant or loan pursuant to this chapter, the department shall propose to the applicant improvements to the applicant's water development, distribution, and utilization system which will conserve water in a cost-effective manner. These improvements may include, but need not be limited to, leak detection and repair programs, valve repair and replacement, meter calibration and replacement, physical improvements to achieve corrosion control, distribution and installation of water conservation devices and fixtures, and other capital improvements which can be demonstrated to conserve water in a cost-effective manner. The department and applicant may agree to include these capital improvements in the grant or loan. Failure by the applicant to include water conservation capital improvements in the grant or loan application shall not be sufficient cause for the department to refuse to make the grant or loan.

14016. An application for a grant pursuant to this chapter shall not be approved by the department, unless the State Department of Health Services determines that the public agency is otherwise unable to meet minimum safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code.

No grant shall be made by the department except upon approval by the State Department of Health Services of project plans submitted by the applicant and upon written approval by the State Department of Health Services that the proposed project is consistent with Chapter 7 (commencing with Section 4010) of Part

1 of Division 5 of the Health and Safety Code.

14017. First priority for grants shall be granted to public agencies having immediate health related problems, as certified by the State Department of Health Services. Additional high priority shall be granted to projects to correct immediate problems, as opposed to grants for construction of projects to meet future growth needs.

14018. First priority for loans shall be given to suppliers with the most critical public health problems. Priority for loans shall also be given to suppliers which have a lesser capability to reasonably finance system improvements.

14019. Preliminary design work, including a cost estimate for the project, shall be completed before a loan or grant is awarded. Operation and maintenance costs shall be the responsibility of the supplier and may not be considered as part of the project cost. Costs for planning and preliminary engineering studies may be reimbursed following the receipt of a loan or grant, subject to approval by the department and the State Department of Health Services.

14020. No application for a grant may be made pursuant to this chapter unless the public agency has also applied for a loan pursuant to this chapter. A public agency shall be eligible for a grant only to the extent that the department finds that the agency is found unable to repay the full costs of a loan.

If the department has determined that the applicant is unable to repay the full costs of a loan, the applicant may also file for a grant. Upon receipt of a grant application, the department shall determine that portion of the full costs that the applicant is capable of repaying. Grant funds shall only be provided for that portion that the applicant is not capable of repaying.

14021. Grant funds shall be expended by the public agency within three years of the making of the grant. No grant funds may be expended by the public agency unless the public agency is able to demonstrate to the department, within one year of the making of the grant, supported by an acceptable bid, that the amount to be expended for the project will be within 20 percent of the public agency's cost estimate for the project.

14022. For the purpose of administering this chapter, the total expenditures of the department and the State Department of Health Services may not exceed 5 percent of the total amount of the bonds authorized to be issued under this chapter. The department shall establish a reasonable schedule of administrative fees for loans, which fees shall be paid by the supplier pursuant to Section 14011, to reimburse the state for the costs of state administration of this chapter.

Charges incurred by the Attorney General in protecting the state's interests in the use and repayment of grant and loan funds under this chapter shall be paid from the proceeds of bond sales under this chapter. These charges shall not be paid from funds allocated for administrative purposes, but shall be treated as a program expense

not to exceed 1.5 percent of the total amount of the bonds authorized to be sold under this chapter.

14023. Repayment of all or part of the principal, which is the loan plus the administrative fee, may be deferred during a development period not exceeding 10 years within the maximum 50-year repayment period, when, in the department's judgment, the development period is justified under the circumstances. Interest on the principal shall not be deferred. Repayment of principal which is deferred during a development period may, at the option of the supplier, be paid in annual installments during the remainder of the loan repayment period.

14024. The department shall establish the interest rate for loans made pursuant to this chapter at 50 percent of the true interest cost to the state of general obligation bonds issued most recently prior to the loan being executed. All loans made pursuant to this chapter shall carry the established interest rate for the calendar year in which the funds are committed to the loan, as of the date of the letter of commitment from the department, and shall remain at that interest rate for the duration of the loan.

14025. (a) The department, after public notice and hearing and with the concurrence of the State Department of Health Services, shall adopt rules and regulations necessary to carry out the purposes of this chapter. The regulations shall include, but not be limited to, criteria and procedures for establishing the eligibility of a supplier.

(b) The department shall adopt rules and regulations that, in its judgment, will most effectively carry out this chapter in the public interest, to the end that the people of California are most efficiently and most economically provided supplies of pure, wholesome, and potable domestic water. The rules and regulations may provide for the denial of funds when the purposes of this chapter may most economically and efficiently be attained by means other than the construction of the proposed project.

(c) Notwithstanding subdivision (a) or any other provision of law, existing rules and regulations adopted by the department pursuant to the California Safe Drinking Water Bond Law of 1984 (Chapter 10.2 (commencing with Section 13810)) which are in effect on the effective date of this chapter, may, at the option of the department, be utilized upon voter approval of this chapter for purposes of implementing this chapter. The department, with the concurrence of the State Department of Health Services, may subsequently revise those rules and regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code as necessary to implement provisions of this chapter which differ from Chapter 10.2 (commencing with Section 13810) or Chapter 10.7 (commencing with Section 13895) or for any other reason to carry out the purposes of this chapter.

14026. The State Department of Health Services shall notify suppliers that may be eligible for loans pursuant to this chapter of (a) the purposes of this chapter and (b) the rules and regulations

adopted by the department.

14027. (a) The State Department of Health Services, after public notice and hearing and with the advice of the department, shall, from time to time, establish a priority list of projects to be considered for financing.

(b) Notwithstanding subdivision (a) or any other provision of law, the priority list established by the State Department of Health Services pursuant to the California Safe Drinking Water Bond Law of 1986 (Chapter 10.7 (commencing with Section 13895)) in effect on the effective date of this chapter may, at the option of the State Department of Health Services, be utilized upon voter approval of this chapter until the State Department of Health Services adopts a new priority list.

14028. Not more than twenty-five million dollars ($25,000,000) of state loans for projects shall be authorized by the department in a single calendar quarter. No contract shall be approved by the department, unless the department finds that the supplier has the capacity to repay the loan amounts specified in the contract.

At the request of the department, the Public Utilities Commission shall furnish comments concerning the ability of suppliers subject to its jurisdiction to finance the project from other sources and the ability to repay the loan.

14029. (a) As approved annually by the Legislature in the Budget Act, the department may expend money repaid to the state pursuant to any contract executed under Section 14011 as necessary for the administration of contracts entered into by the department under this chapter, but those expenditures may not in any year exceed 1.5 percent of the amount repaid to the state in that year. Charges incurred by the Attorney General in protecting the state's interest in the use and repayment of grant and loan funds under this chapter may be paid by the department from these funds, but those charges may not exceed one-half of 1 percent of the amount repaid to the state in that year. Any of the above sums approved by the Legislature but unexpended by the department at the end of any year shall automatically revert to the General Fund.

(b) Except as provided in subdivision (a), all money repaid to the state pursuant to any contract executed under Section 14011 shall be deposited in the General Fund and, when so deposited, shall be applied as a reimbursement to the General Fund on account of principal and interest on bonds issued pursuant to this chapter which has been paid from the General Fund.

(c) The department may enter into contracts with suppliers of water for grants or short-term loans for the purpose of investigating and identifying alternatives for system improvements. Any loans or grants pursuant to this section shall be made from the fund. No supplier may receive for a single investigation more than twenty-five thousand dollars ($25,000) in the form of a loan or grant pursuant to this section. The State Department of Health Services shall review all proposed investigations and shall determine if they are necessary

and appropriate.

(d) Any contract entered into pursuant to this section shall include terms and conditions consistent with this chapter, and any loan contract shall provide for a repayment period not to exceed 24 months.

(e) Not more than six million dollars ($6,000,000) may be expended for the purposes of this section, of which not more than two million dollars ($2,000,000) may be used for grants to public agencies. A loan or grant made for the purposes of this section shall not decrease the maximum amount of any other loan or grant which may be made under this chapter, Chapter 10.2 (commencing with Section 13810), Chapter 10.5 (commencing with Section 13850), Chapter 10.6 (commencing with Section 13880), or Chapter 10.7 (commencing with Section 13895).

Article 3. Fiscal Provisions

14030. Bonds in the total amount of seventy-five million dollars ($75,000,000), exclusive of refunding bonds issued pursuant to Section 14039, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California are hereby pledged for the punctual payment of both principal and interest thereof.

14031. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

14032. (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 California Safe Drinking Water Finance Committee is hereby created. For purposes of this chapter, the California Safe Drinking Water Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Governor, the Treasurer, the Director of Finance, the Director of Water Resources, and the State Director of Health Services, or their designated representatives. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Department of Water Resources is designated the "board."

14033. 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 14011, 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 time.

14034. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of the revenue, to do and perform each and every act which shall be necessary to collect the additional sum.

14035. 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 14036, appropriated without regard to fiscal years.

14036. For the purposes of carrying out this chapter, the Director of Finance may, by written order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any money made available under this section shall be returned by the board to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account from money received from the sale of bonds for the purpose of carrying out this chapter.

14037. 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.

14038. 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 disbursement of these proceeds is not subject to the limitations imposed by that article.

14039. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the

electors of the state for the issuance of these bonds shall include the approval of any bonds issued to refund any bonds originally issued or previously issued refunding bonds.

14040. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out the provisions of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute such documents as are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the California Safe Drinking Water Bond Law of 1988, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the statewide election held on November 8, 1988, in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "California Safe Drinking Water Bond Law of 1988," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of seventy-five million dollars ($75,000,000) to provide funds for improvement of domestic water systems to meet minimum drinking water standards." Opposite the square there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

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

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

In order to ensure that this act is submitted to the voters in a timely manner and ensure that water supplied for domestic purposes is pure, wholesome, and potable at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 46

An act to amend Sections 13459, 13999.3, 13999.5, and 13999.10 of, to add Section 13999.17 to, and to add Chapter 4.7 (commencing with Section 12879) to Part 6 of Division 6 of, the Water Code, relating to financing a water conservation 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988. Filed with Secretary of State March 18, 1988.]

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

SECTION 1. Chapter 4.7 (commencing with Section 12879) is added to Part 6 of Division 6 of the Water Code, to read:

CHAPTER 4.7. WATER CONSERVATION BOND LAW OF 1988

Article 1. General Provisions

12879. This chapter shall be known and may be cited as the Water Conservation Bond Law of 1988.

12879.1. The Legislature finds and declares as follows:

(a) There is a lack of local water projects in certain areas of the state where the demands of a growing population could exceed water supplies which could threaten the public health and impede economic and social growth.

(b) It is in the interest of the state to provide financial assistance to local agencies for the development of local water resources necessary to meet requirements for domestic, agricultural, and other uses.

(c) The participation of the state and the State Water Resources Development System in the construction and operation of local water projects in those areas is desirable to further the development, control, and conservation of the water resources of the state.

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

(e) Recharging groundwater basins is an effective way to maximize the availability of scarce water supplies throughout the state through the efficient management of recharge and extraction activities in groundwater basins, and by reversing the effects of historical overdraft.

12879.2. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Water Conservation Finance

Committee created pursuant to 12879.9.

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

(c) "Fund" means the 1988 Water Conservation Fund created pursuant to 12879.3.

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

(e) "Eligible project" means any dam, reservoir, or other construction or improvement by a local agency for the diversion, storage, or primary distribution of water, or facilities for groundwater extraction, primarily for domestic, municipal, agricultural, industrial, recreation, fish and wildlife enhancement, flood control, or power production purposes. An eligible project also means any reservoir, pipeline, or other construction or improvement by a local agency for the storage or distribution of reclaimed water for reuse.

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

Groundwater recharge facilities may include any of the following:

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

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

(3) Water reclamation facilities.

Any part or all of the project facilities, including land under the facilities, may consist of separable features, or an appropriate share of multipurpose features of a larger system, or both.

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

(h) "Voluntary cost-effective capital outlay water conservation programs" means those feasible capital outlay measures to improve the efficiency of water use through benefits which exceed their costs. The programs include, but are not limited to, lining or piping of ditches; improvements in water distribution system controls such as automated canal control, construction of small reservoirs within distribution systems which conserve water that already has been captured for reuse, and related physical improvements; tailwater

pumpback recovery systems to reduce leakage; facilities to reclaim water for reuse; and capital changes in onfarm irrigation systems which improve irrigation efficiency, such as sprinkler or subsurface drip systems. In each case, the department shall determine that there is a net savings of water as a result of each proposed project and that the project is cost effective.

Article 2. Water Conservation Program

12879.3. (a) The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 1988 Water Conservation Fund, which is hereby created. A Local Water Projects Assistance Account shall be established in the fund for the purpose of implementing Section 12879.5, and a Water Conservation and Groundwater Recharge Account shall be established in the fund for the purposes of implementing Section 12879.6.

(b) From time to time, the department may modify existing accounts in the fund, or may establish other accounts in the fund, and in all other bond funds administered by the department, which the department determines are appropriate or necessary for proper administration.

12879.4. (a) The department may make loans to local agencies, upon approval of the Legislature by statute, to aid in the construction of eligible projects and to aid in the funding of voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities, and may adopt rules and regulations necessary to carry out this chapter.

Notwithstanding any provision of law, existing rules and regulations adopted by the department pursuant to Chapter 5 (commencing with Section 12880) and Chapter 6.1 (commencing with Section 13450) that are in effect on the effective date of this chapter may be utilized to carry out this chapter. The department may subsequently revise those rules and regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code as necessary to carry out this chapter.

(b) For the purpose of administering this chapter, the total expenditures of the department through the making of any loans may not exceed 5 percent of the total amount of the bonds authorized to be issued under this chapter. The department shall establish a reasonable schedule of administrative fees for loans, which fees shall be paid by the local agency pursuant to subdivision (c) of Section 12879.4 to reimburse the state for the costs of state administration of this chapter.

Charges incurred by the Attorney General in protecting the interests of the state in the use and repayment of funds under this chapter shall be paid from the proceeds of bonds authorized to be issued under this chapter. These charges shall not be paid from funds allocated for administrative purposes, but shall be treated as a

program expense, not to exceed 1.5 percent of the total amount of the bonds authorized to be issued under this chapter.

(c) Any contract entered into pursuant to this section may include such provisions as may be determined by the department, provided that any contract concerning an eligible project shall include, in substance, all of the following provisions:

(1) A finding by the department that the local agency has the ability to repay the loan, that the eligible project is economically justified, and that the eligible project is feasible from an engineering and geologic standpoint.

(2) An estimate of the reasonable cost and benefit of the eligible project, program, or facility.

(3) An agreement by the local agency to proceed expeditiously with, and complete, the eligible project.

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

(5) Local agencies seeking a loan shall demonstrate, to the satisfaction of the department, that an adequate opportunity for public participation regarding the loan has been provided.

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

(7) Annual principal and interest payments shall commence not later than one year after completion of any project and all loans shall be fully amortized not later than 50 years after project completion.

(8) The recipient of a loan shall establish a dedicated source of revenue for repayment of the loan.

(9) Any loans made pursuant to this chapter may be for a period of up to 20 years. The interest rate for the loans shall be set at a rate equal to the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. When the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent. The interest rate set for each contract shall be applied throughout the repayment period of the contract. There shall be a level annual repayment of principal and interest on the loans. The amount of the principal shall include the administrative fee described in subdivision (b).

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

purpose.

(e) All loans made pursuant to this chapter shall be subject to the approval of the Legislature by statute and the California Water Commission.

(f) Applications for loans or financial participation by the state under this chapter shall be made to the department in the form and with the supporting material as may be prescribed by the department.

(g) All money repaid to the state pursuant to any contract executed under this chapter, or under Section 13999.11, shall be deposited in the General Fund as reimbursement for payment of principal and interest on bonds authorized to be issued under this chapter or Chapter 15 (commencing with Section 13999) that have been paid from the General Fund.

12879.5. (a) The sum of twenty million dollars ($20,000,000) of the money in the fund shall be deposited in the Local Water Projects Assistance Account and shall be available for loans to local agencies to aid in the construction of eligible projects.

(b) No eligible project may receive more than five million dollars ($5,000,000) in loans from the department.

(c) In the administration of this chapter, the department and the California Water Commission shall give preference to projects involving the development of new basic water supplies which may include the enlargement of existing dams and reservoirs, and for projects that will remedy existing water supply problems. The department and the California Water Commission shall set priority for loans under this chapter on the basis of the cost effectiveness of the proposed project, with the most cost-effective projects receiving highest priority.

(d) If the water supply function of a dam and reservoir facility is operationally limited or eliminated for dam safety purposes, pursuant to Part 1 (commencing with Section 6000) of Division 3, the department and the California Water Commission may give consideration to projects which would rehabilitate the dam and reservoir for water supply purposes. The rehabilitation of facilities may include comparable replacement facilities.

(e) A copy of each application for a loan under this chapter shall be transmitted by the department to the Department of Fish and Game, the Department of Parks and Recreation, and the State Water Resources Control Board. A report on each application shall be prepared by the department and submitted to the Legislature, together with the comments of those agencies to which the application was transmitted. In the report, the department shall make findings as to the nature and extent of the statewide interest in the project, the urgency of the need, and the engineering feasibility, economic justification, and financial feasibility of the project.

(f) Not later than January 31, 1990, and each year thereafter, the department shall submit to the Legislature an annual report on all

loans made pursuant to this chapter. The report shall cover loans made by the department during the previous calendar year.

(g) The department shall not make loans pursuant to this chapter for otherwise eligible projects whose benefits are more than 50 percent derived from hydroelectric generation, as determined by the department.

12879.6. (a) The sum of forty million dollars ($40,000,000) of the money in the fund shall be deposited in the Water Conservation and Groundwater Recharge Account and shall be available for appropriation by the Legislature for loans to local agencies to aid in the acquisition and construction of voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities.

(b) No eligible project may receive more than five million dollars ($5,000,000) in loans from the department.

(c) The department shall set priority for loans under this section for voluntary, cost-effective capital outlay water conservation programs on the basis of the cost effectiveness of the proposed project, with the most cost-effective projects receiving the highest priority.

(d) The department shall set priority for loans under this section for groundwater recharge facilities for projects in overdrafted groundwater basins and those projects in critical need, for projects whose feasibility studies show the greatest economic justification and the greatest engineering and hydrogeologic feasibility, as determined by the department, and for projects located in areas which have existing water management programs.

Article 3. Fiscal Provisions

12879.7. Bonds in the total amount of sixty million dollars ($60,000,000), exclusive of refunding bonds issued pursuant to Section 12879.15, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. All bonds herein authorized, which have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

12879.8. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

12879.9. (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 Water Conservation Finance Committee is hereby created. For purposes of this chapter, the Water Conservation Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Governor, the Controller, the Treasurer, the Director of Finance, the Director of Water Resources, and the Chairperson of the California Water Commission, or their designated representatives. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Department of Water Resources is designated the "board."

12879.10. 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 Sections 12879.5 and 12879.6, 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.

12879.11. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and all officers required by law to perform any duty in regard to the collection of state revenues shall collect that additional sum.

12879.12. 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 12879.13, appropriated without regard to fiscal years.

12879.13. For the purposes of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any money made available under this section to the board from money received from the sale of bonds for the purpose of carrying out this chapter shall be returned to the General Fund plus the interest that the amount would have earned in the Pooled Money Investment Account.

12879.14. 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.

12879.15. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of these bonds shall include the approval of any bonds issued to refund any bonds originally issued or previously issued refunding bonds.

12879.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute such documents as are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

12879.17. 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.

SEC. 2. Section 13459 of the Water Code is amended to read:

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

(b) Any contract for an eligible project entered into pursuant to this section may include such provisions as determined by the board and shall include, in substance, all of the following provisions:

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

(2) An agreement by the agency to proceed expeditiously with, and complete, the eligible project; commence operation of the containment structures or treatment works upon completion and to properly operate and maintain the works in accordance with

applicable provisions of law; provide for payment of the agency's share of the cost of the project, including principal and interest on any state loan made pursuant to this section; and, if appropriate, apply for and make reasonable efforts to secure federal assistance for the state-assisted project.

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

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

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

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

(4) Loans shall be for a period of up to 20 years. The interest rate for the loans shall be set at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. When the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent. The interest rate set for each contract shall be applied throughout the contract's repayment period. There shall be a level annual repayment of principal and interest on loans.

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

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

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

SEC. 3. Section 13999.3 of the Water Code is amended to read:

13999.3. (a) There is in the State Treasury the 1984 State Clean Water Bond Fund, which fund is hereby created. There shall be established in the fund a Clean Water Construction Grant Account for the purpose of implementing Section 13999.8, a Small

Communities Assistance Account for the purpose of implementing Section 13999.9, a Water Reclamation Account for the purpose of implementing Section 13999.10 and a Water Conservation Account for the purpose of implementing Section 13999.11.

(b) From time to time, the board may modify existing accounts in the fund, or may establish other accounts in the fund, and in all other bond funds administered by the board, which the board determines are appropriate or necessary for proper administration.

SEC. 4. Section 13999.5 of the Water Code is amended to read:

13999.5. (a) The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of three hundred twenty-five million dollars ($325,000,000), in the manner provided in this chapter. The debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the object and work specified in this section and in Sections 13999.6, 13999.8, 13999.9, 13999.10, 13999.11, and 13999.14.

(b) The board is authorized to enter into contracts with municipalities having authority to construct, operate, and maintain treatment works and reclamation projects, for grants and loans to the municipalities to aid in the construction of eligible projects and eligible water reclamation projects and may adopt rules and regulations necessary to carry out the provisions of this chapter.

(c) As approved by the Legislature annually in the Budget Act, the board may, by contract or otherwise, undertake plans, surveys, research, development, and studies necessary, convenient, or desirable to carry out the purposes of this division, and may prepare recommendations with regard thereto, including the preparation of comprehensive statewide or areawide studies and reports on the collection, treatment, and disposal of waste under a comprehensive cooperative plan.

(d) As approved by the Legislature annually in the Budget Act, the board may expend bond funds necessary for administration of this chapter.

(e) Not more than 5 percent of the total amount of the bonds authorized to be issued under this chapter may be used for purposes of subdivisions (c) and (d).

(f) As approved by the Legislature annually in the Budget Act, the department may direct grants and loans to any public agency or, by contract or otherwise, undertake plans, surveys, research, development, and studies necessary, convenient, or desirable to carry out voluntary, cost-effective capital outlay water conservation programs.

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

SEC. 5. Section 13999.10 of the Water Code is amended to read:

13999.10. (a) The sum of twenty-five million dollars ($25,000,000) of the money in the fund shall be deposited in the

Water Reclamation Account and is appropriated for loans to municipalities for eligible water reclamation projects which will provide water for beneficial uses.

The board may loan a municipality up to 100 percent of the total eligible costs of design and construction of a reclamation project.

(b) Any contract for an eligible water reclamation project entered into pursuant to this section may include such provisions as determined by the board and shall include both of the following provisions:

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

(2) An agreement by the municipality to proceed expeditiously with, and complete, the eligible water reclamation project; commence operation of the project in accordance with applicable provisions of law; provide for payment of the municipality's share of the cost of the project, including principal and interest on any state loan made pursuant to this section; and, if appropriate, apply for and make reasonable efforts to secure federal assistance, other than that available pursuant to the federal Clean Water Act, for the state-assisted project.

(c) Loan contracts may not provide for a moratorium on payments of principal or interest.

(d) (1) Any loans made from the Water Reclamation Account shall be for a period of up to 25 years . The interest rate for the loans shall be set at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. When the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent.

(2) All principal and interest from loans shall be returned to the Water Reclamation Account for new loans.

(e) Funds available under this section may be used for loans pursuant to subdivisions (f), (g), and (h) of Section 13999.8 if the Clean Water Construction Grant Account is depleted. All principal and interest on any such loans shall be repaid to the Water Reclamation Account.

(f) No single project may receive more than ten million dollars ($10,000,000) from the board.

SEC. 6. Section 13999.17 is added to the Water Code, to read:

13999.17. (a) Notwithstanding any other provision of this chapter and to the extent permitted by federal and state law, the money in the fund may be used to rebate to the federal government all arbitrage profits required by the Federal Tax Reform Act of 1986 or any amendment thereof or supplement thereto. To the extent that the money in the fund may not be used for that purpose due to restraints of federal or state law, any rebates required shall be paid from the General Fund or from other sources as required by the Legislature.

(b) Notwithstanding any other provision of law, rule, or regulation, the board may enter into contracts, or procure those services and equipment, which may be necessary to ensure prompt and complete compliance with any provisions relating to the fund imposed by either the Federal Tax Reform Act of 1986 or the federal act.

SEC. 7. Sections 1 to 6, inclusive, of this act shall take effect upon the adoption by the voters of the Water Conservation Bond Law of 1988, as set forth in Section 1 of this act.

SEC. 8. Sections 1 to 6, inclusive, of this act shall be submitted to the voters at the next statewide general election in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 9. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "Water Conservation Bond Law of 1988," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of sixty million dollars ($60,000,000) to provide funds for a local water projects assistance program, water conservation programs, and groundwater recharge facilities." 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. 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 for the Water Conservation Bond Law of 1988 to be submitted to the voters at the 1988 general election so that vitally needed eligible projects may be provided at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 47

An act to amend Sections 13459, 13999.3, 13999.5, and 13999.10 of, to add Sections 13999.17 and 13999.18 to, to add Article 2.5 (commencing with Section 13425) to Chapter 6 of Division 7 of, and to add Chapter 17 (commencing with Section 14050) to Division 7 of, the Water Code, relating to water and to financing a water pollution control and water reclamation 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988. Filed with Secretary of State March 18, 1988]

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

SECTION 1. Article 2.5 (commencing with Section 13425) is added to Chapter 6 of Division 7 of the Water Code, to read:

Article 2.5. Guarantees for Local Agency Bonds

13425. Applications for guarantees for local agency bonds under this chapter shall include:

(a) A description of the proposed facilities.

(b) A financing plan for the proposed facilities, including the amount of debt and maximum term to maturity of the proposed local agency bond issue and identification of sources of revenue that will be dedicated to payment of principal and interest on the bonds.

(c) Other information as required by the state board.

The state board may provide that the application may be combined with applications for any other source of funds administered by the state board.

13426. The state board, subject to approval by the Director of Finance, may agree to provide a guarantee pursuant to this article for all or a specified part of the proposed local agency bond issue upon making, after consultation with the State Department of Health Services, all of the following determinations:

(a) The facilities proposed by an applicant are necessary to the health or welfare of the inhabitants of the state and are consistent with water quality control plans adopted by regional boards.

(b) The proposed facilities meet the needs of the applicant.

(c) The proposed bond issue and plan repayment are sound and feasible.

(d) In the case of facilities proposed under paragraph (2) of subdivision (c) of Section 13400, the facilities will produce reclaimed water and the applicant has adopted a feasible program for the use of the facilities. The state board may adopt criteria for ranking and

setting priorities among applicants for those guarantees.

13427. No guarantee shall be extended to any applicant unless it executes an agreement with the state board under which the applicant agrees to the following provisions:

(a) To proceed expeditiously with, and complete, the proposed project.

(b) To commence operation of the project on completion, and to properly operate and maintain the work in accordance with applicable provisions of law.

(c) To issue bonds and to levy fines, charges, assessments, or taxes to pay the principal of, and interest on, the bonds as described in the application.

(d) To diligently and expeditiously collect those levies, including timely exercise of available legal remedies in the event of delinquency or default.

(e) To act in accordance with such other provisions as the state board may require.

13428. Notwithstanding Section 13340 of the Government Code, the money in the Clean Water Bond Guarantee Fund, which is hereby created, is continuously appropriated to the state board without regard to fiscal years for the purposes of this chapter.

13429. Money in the Clean Water Bond Guarantee Fund not needed for making payments on guaranteed bonds pursuant to this chapter shall be invested pursuant to law. All proceeds of the investment shall be deposited in that fund to the extent permitted by federal law.

13430. The state board's authorization to guarantee bonds under this article shall be limited to bonds with a total principal amount of not more than 10 times the amount in the Clean Water Bond Guarantee Fund at the time the state board determines to extend each guarantee pursuant to Section 13426.

13431. Under no circumstances shall the amount paid out as a result of bond guarantees extended pursuant to this article exceed the amount in the Clean Water Bond Guarantee Fund. This article does not express or imply any commitment by the state board or any other agency of the state to pay any money or levy any charge or tax or otherwise exercise its faith and credit on behalf of any local agency or bondholder beyond the funds in the Clean Water Bond Guarantee Fund.

13432. The state board may charge an annual fee not to exceed one-tenth of 1 percent of the principal amount of each bond issue that it guarantees for guarantee coverage. The state board may charge a lesser amount. The proceeds of any fee shall be paid into the Clean Water Bond Guarantee Fund.

13433. The state board shall, by regulation, prescribe rules and procedures for all of the following:

(a) To pay money from the Clean Water Bond Guarantee Fund to an insured local agency or bondholder in the event that the amount in the local agency's bond reserve fund falls below a

minimum amount, or in the event of failure by the local agency to pay the principal of, or interest on, an insured bond issue on time, as the state board may require.

(b) To require, by court action if necessary, a local agency to raise sewer service charges, levy additional assessments, collect charges or assessments, or foreclose or otherwise sell property as needed to prevent a reduction in the local agency's bond reserve fund, or to prevent default, or to collect funds to repay to the fund any payments made pursuant to subdivision (a).

SEC. 2. Chapter 17 (commencing with Section 14050) is added to Division 7 of the Water Code, to read:

CHAPTER 17. CLEAN WATER AND WATER RECLAMATION BOND LAW OF 1988

Article 1. General Provisions

14050. This chapter shall be known and may be cited as the Clean Water and Water Reclamation Bond Law of 1988.

14051. The Legislature finds and declares as follows:

(a) Clean water is essential to the public health, safety, and welfare.

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

(c) California's abundant lakes and ponds, streams and rivers, coastline, and groundwater are threatened with pollution, which could threaten public health and impede economic and social growth if left unchecked.

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

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

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

(g) Local agencies have the primary responsibility for construction, operation, and maintenance of facilities to cleanse our waters.

(h) Rising costs of construction and technological changes have pushed the cost of constructing treatment facilities beyond the reach of many small communities.

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

(j) The people of California have a primary interest in the development of facilities to reclaim waste water to supplement

existing water supplies and to assist in meeting the future water needs of the state.

(k) A significant portion of the future water needs of California may be met by the use of reclaimed water.

(*l*) Local public agencies have the primary responsibility for the construction, operation, and maintenance of water reclamation facilities.

(m) Local public agencies need financial assistance to make cost-effective reclamation projects financially feasible.

(n) (1) It is also the intent of this chapter to provide special assistance to small communities to construct facilities necessary to eliminate water pollution and public health hazards.

(2) It is also the intent of this chapter to provide funds for the design and construction of eligible water reclamation projects and for the development and implementation of programs and activities that lead to increased use of reclaimed water in California.

14052. As used in this chapter, the following words have the following meanings:

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

(b) "Committee" means the Clean Water and Water Reclamation Finance Committee created by Section 14067.

(c) "Construction" has the same meaning as in the Federal Clean Water Act.

(d) "Eligible project" means a project for a small community for the construction of treatment works which is all of the following:

(1) Necessary to prevent pollution.

(2) Eligible for federal assistance pursuant to Title VI of the Federal Clean Water Act.

(3) Certified by the board as entitled to priority over other treatment works, and complies with applicable water quality standards, policies, and plans.

(e) "Eligible reclamation project" means a water reclamation project which is cost-effective when compared with the cost of alternative new freshwater supplies, and for which no federal assistance is currently available. These projects shall comply with applicable water quality standards, policies, and plans.

(f) "Federal assistance" means funds available to a local agency pursuant to the Federal Clean Water Act.

(g) "Federal Clean Water Act" or "federal act" means the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.) and any acts amendatory thereof or supplementary thereto.

(h) "Fund" means the 1988 Clean Water and Water Reclamation Fund created pursuant to Section 14055.

(i) "Local public agency" means any city, county, district, joint powers authority, or any other local public body or political subdivision of the state created by or pursuant to state law and involved with water or waste water management.

(j) "Municipality" has the same meaning as in the Federal Clean Water Act and also includes the state or any agency, department, or

political subdivision thereof.

(k) "Small community" means a municipality with a population of 3,500 persons or less, or a reasonably isolated and divisible segment of a larger municipality encompassing 3,500 persons or less, with a financial hardship as defined by the board.

(*l*) "State grant" means a grant given to a qualifying small community eligible for federal assistance under Title VI of the Federal Clean Water Act.

(m) "State Water Pollution Control Revolving Fund" means a revolving fund created under state law for the purpose of issuing loans for the construction of eligible treatment works in accordance with the federal act.

(n) "Treatment works" has the same meaning as in the Federal Clean Water Act.

Article 2. Clean Water and Water Reclamation Bond Program

14055. (a) The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the State Treasury to the credit of the 1988 Clean Water and Water Reclamation Fund, which is hereby created. There shall be established in the fund a Small Communities Grant Account for the purpose of implementing Section 14056 and a Water Reclamation Account for the purpose of implementing Section 14058.

(b) From time to time, the board may modify existing accounts in the fund, or may establish other accounts in the fund, and in all other bond funds administered by the board, which the board determines are appropriate or necessary for proper administration.

14056. (a) The sum of twenty-five million dollars ($25,000,000) of the money in the fund shall be deposited in the Small Communities Grant Account and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated for state grants to small communities for construction of treatment works eligible for assistance under Title VI of the federal act.

(b) The board may enter into grant contracts in accordance with this section with qualifying small communities having authority to construct, operate, and maintain treatment works to aid in the construction of eligible projects.

(c) The board may make grants to small communities in an amount on a sliding scale, based on a community's ability to pay, not to exceed 97½ percent of the total estimated cost of pollution studies, planning, design, and construction determined in accordance with applicable state laws and regulations. Total state assistance under this section shall not exceed two million dollars ($2,000,000) for any single eligible project.

(d) Any contract entered into pursuant to this section may include such provisions as may be determined by the board, provided that any contract shall include the following provisions:

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

(2) An agreement by the small community to proceed expeditiously with, and complete, the proposed eligible project, commence operation of the treatment works upon completion, and to properly operate and maintain the works in accordance with applicable provisions of law.

(e) Small communities eligible for a state grant may also apply for a loan from the State Water Pollution Control Revolving Fund for costs not covered by the grant.

14057. The sum of ten million dollars ($10,000,000) of the money in the fund shall be available for transfer by the board to the Clean Water Bond Guarantee Fund and shall be available to the board to guarantee local agency bond issues pursuant to Article 2.5 (commencing with Section 13425) of Chapter 6. After January 1, 1990, the board may transfer any funds in the Clean Water Bond Guarantee Fund which have not been committed to guaranteeing local agency bond issues to the 1988 Clean Water and Water Reclamation Fund.

14058. (a) The sum of thirty million dollars ($30,000,000) of the money in the fund shall be deposited in the Water Reclamation Account and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the board for the purposes of this section.

(b) The board may enter into contracts with local public agencies having authority to construct, operate, and maintain water reclamation projects, for loans to aid in the design and construction of eligible water reclamation projects. The board may loan up to 100 percent of the total eligible cost of design and construction of an eligible reclamation project.

(c) Any contract for an eligible water reclamation project entered into pursuant to this section may include such provisions as determined by the board and shall include both of the following provisions:

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

(2) An agreement by the local public agency to proceed expeditiously with, and complete, the eligible water reclamation project; commence operation of the project in accordance with applicable provisions of law, and provide for the payment of the local public agency's share of the cost of the project, including principal and interest on any state loan made pursuant to this section.

(d) Loan contracts may not provide for a moratorium on payments of principal or interest.

(e) Any loans made from the fund may be for a period of up to 20 years. The interest rate for the loans shall be set at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. When the interest rate so determined, is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of

1 percent.

(f) All money repaid to the state pursuant to any contract executed under this chapter shall be deposited in the General Fund as reimbursement for the payment of principal and interest on bonds authorized to be issued under this chapter.

14059. As approved by the Legislature annually in the Budget Act, the board may expend for the administration of this chapter not more than 5 percent of the amount of the bonds authorized to be issued under this chapter.

14060. As approved by the Legislature annually in the Budget Act, the board may, by contract or otherwise, undertake plans, surveys, research, development, and studies necessary, convenient, or desirable to carry out the purposes of this division, and may prepare recommendations with regard thereto, including the preparation of comprehensive statewide or areawide studies and reports on water reclamation and the collection, treatment, and disposal of waste under a comprehensive cooperative plan.

14061. The board may adopt rules, regulations, and guidelines necessary or appropriate to carry out this chapter.

Article 3. Fiscal Provisions

14065. Bonds in the total amount of sixty-five million dollars ($65,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

14066. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

14067. (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 Clean Water and Water Reclamation Finance Committee is hereby created. For purposes of this chapter, the Clean Water and Water Reclamation Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Governor, the Controller, the Treasurer, the Director of Finance, and the Executive Director of the State Water Resources Control

Board, or their designated representatives. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the State Water Resources Control Board is designated the "board."

14068. Consistent with Section 602 of the federal act, 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 Sections 14056, 14057, 14058, 14059, and 14060, 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.

14069. 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.

14070. 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 14071, appropriated without regard to fiscal years.

14071. 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 by the committee 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 plus the interest that the amounts would have earned in the Pooled Money Investment Account from money received from the sale of bonds for the purpose of carrying out this chapter.

14071.5. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying this chapter. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

14072. 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.

14073. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law.

14074. (a) Notwithstanding any other provision of this chapter and to the extent permitted by federal and state law, the money in the fund may be used to rebate to the federal government all arbitrage profits required by the Federal Tax Reform Act of 1986 or any amendment thereof or supplement thereto. To the extent that the money in the fund may not be used for that purpose due to restraints of federal or state law, any rebates required shall be paid from the General Fund or other sources as the Legislature may require.

(b) Notwithstanding any other provision of law, or rule or regulation, the board may enter into contracts, or procure those services and equipment, which may be necessary to ensure prompt and complete compliance with any provisions relating to the fund imposed by either the Federal Tax Reform Act of 1986 or the federal act.

14075. 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.

SEC. 3. Section 13459 of the Water Code is amended to read:

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

(b) Any contract for an eligible project entered into pursuant to this section may include such provisions as determined by the board and shall include, in substance, all of the following provisions:

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

(2) An agreement by the agency to proceed expeditiously with, and complete, the eligible project; commence operation of the containment structures or treatment works upon completion and to

properly operate and maintain the works in accordance with applicable provisions of law; provide for payment of the agency's share of the cost of the project, including principal and interest on any state loan made pursuant to this section; and, if appropriate, apply for and make reasonable efforts to secure federal assistance for the state-assisted project.

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

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

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

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

(4) Loans shall be for a period of up to 20 years. The interest rate for the loans shall be set at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. When the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent. The interest rate set for each contract shall be applied throughout the contract's repayment period. There shall be a level annual repayment of principal and interest on loans.

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

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

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

SEC. 4. Section 13999.3 of the Water Code is amended to read:

13999.3. (a) There is in the State Treasury the 1984 State Clean Water Bond Fund, which fund is hereby created. There shall be established in the fund a Clean Water Construction Grant Account

for the purpose of implementing Section 13999.8, a Small Communities Assistance Account for the purpose of implementing Section 13999.9, a Water Reclamation Account for the purpose of implementing Section 13999.10 and a Water Conservation Account for the purpose of implementing Section 13999.11.

(b) From time to time, the board may modify existing accounts in the fund, or may establish other accounts in the fund, and in all other bond funds administered by the board, which the board determines are appropriate or necessary for proper administration.

SEC. 5. Section 13999.5 of the Water Code is amended to read:

13999.5. (a) The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of three hundred twenty-five million dollars ($325,000,000), in the manner provided in this chapter. The debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the object and work specified in this section and in Sections 13999.6, 13999.8, 13999.9, 13999.10, 13999.11, and 13999.14.

(b) The board is authorized to enter into contracts with municipalities having authority to construct, operate, and maintain treatment works and reclamation projects, for grants and loans to the municipalities to aid in the construction of eligible projects and eligible water reclamation projects and may adopt rules and regulations necessary to carry out the provisions of this chapter.

(c) As approved by the Legislature annually in the Budget Act, the board may, by contract or otherwise, undertake plans, surveys, research, development, and studies necessary, convenient, or desirable to carry out the purposes of this division, and may prepare recommendations with regard thereto, including the preparation of comprehensive statewide or areawide studies and reports on the collection, treatment, and disposal of waste under a comprehensive cooperative plan.

(d) As approved by the Legislature annually in the Budget Act, the board may expend bond funds necessary for administration of this chapter.

(e) Not more than 5 percent of the total amount of the bonds authorized to be issued under this chapter may be used for purposes of subdivisions (c) and (d).

(f) As approved by the Legislature annually in the Budget Act, the department may direct grants and loans to any public agency or, by contract or otherwise, undertake plans, surveys, research, development, and studies necessary, convenient, or desirable to carry out voluntary, cost-effective capital outlay water conservation programs.

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

SEC. 6. Section 13999.10 of the Water Code is amended to read:

13999.10. (a) The sum of twenty-five million dollars

($25,000,000) of the money in the fund shall be deposited in the Water Reclamation Account and is appropriated for loans to municipalities for eligible water reclamation projects which will provide water for beneficial uses.

The board may loan a municipality up to 100 percent of the total eligible costs of design and construction of a reclamation project.

(b) Any contract for an eligible water reclamation project entered into pursuant to this section may include such provisions as determined by the board and shall include both of the following provisions:

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

(2) An agreement by the municipality to proceed expeditiously with, and complete, the eligible water reclamation project; commence operation of the project in accordance with applicable provisions of law; provide for payment of the municipality's share of the cost of the project, including principal and interest on any state loan made pursuant to this section; and, if appropriate, apply for and make reasonable efforts to secure federal assistance, other than that available pursuant to the federal Clean Water Act, for the state-assisted project.

(c) Loan contracts may not provide for a moratorium on payments of principal or interest.

(d) (1) Any loans made from the Water Reclamation Account shall be for a period of up to 25 years . The interest rate for the loans shall be set at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. When the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent.

(2) All principal and interest from loans shall be returned to the Water Reclamation Account for new loans.

(e) Funds available under this section may be used for loans pursuant to subdivisions (f), (g), and (h) of Section 13999.8 if the Clean Water Construction Grant Account is depleted. All principal and interest on any such loans shall be repaid to the Water Reclamation Account.

(f) No single project may receive more than ten million dollars ($10,000,000) from the board.

SEC. 7. Section 13999.17 is added to the Water Code, to read:

13999.17. (a) Notwithstanding any other provision of this chapter and to the extent permitted by federal and state law, the money in the fund may be used to rebate to the federal government all arbitrage profits required by the Federal Tax Reform Act of 1986 or any amendment thereof or supplement thereto. To the extent that the money in the fund may not be used for that purpose due to restraints of federal or state law, any rebates required shall be paid from the General Fund or from other sources as required by the

Legislature.

(b) Notwithstanding any other provision of law, or rule or regulation, the board may enter into contracts, or procure those services and equipment, which may be necessary to ensure prompt and complete compliance with any provisions relating to the fund imposed by either the Federal Tax Reform Act of 1986 or the federal act.

SEC. 8. Section 13999.18 is added to the Water Code, to read:

13999.18. Notwithstanding any other provision of this chapter, and as approved by the Legislature, the board may share in the cost of the construction of treatment works under subdivision (b) of Section 510 of the Federal Water Quality Act of 1987. That participation may be approved only if the board determines that treatment works in Mexico, in conjunction with any defensive treatment works constructed under the Federal Water Pollution Control Act, are not sufficient to protect the residents of the City of San Diego and surrounding areas, including Imperial County, from water pollution originating in Mexico. No project in which the board participates shall receive more than ten million dollars ($10,000,000) in loan proceeds from the board.

SEC. 9. Sections 2 to 8, inclusive, of this act shall take effect upon the adoption by the voters of the amendment to the Water Conservation and Water Quality Bond Law of 1986 set forth in Section 3 of this act, the amendments to the Clean Water Bond Law of 1984 set forth in Sections 4, 5, 6, 7, and 8 of this act and the Clean Water and Water Reclamation Bond Law of 1988, as set forth in Section 2 of this act.

SEC. 10. Sections 2 to 8, inclusive, of this act shall be submitted to the voters at the November 8, 1988, general election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 11. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: " Clean Water and Water Reclamation Bond Law of 1988," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of sixty-five million dollars ($65,000,000) to provide funds for water pollution control and water reclamation projects and makes changes in the Water Conservation and Water Quality Bond Law of 1986 relating to loans and the Clean Water Bond Law of 1984 relating to accounts, funding for specified purposes, loans, and compliance with federal requirements." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in a manner 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. 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 that the measure proposed by this act may be considered and become operative at an appropriate time, it is necessary that this act take effect immediately.

CHAPTER 48

An act to add Part 9 (commencing with Section 53150) and Part 10 (commencing with Section 53180) to Division 31 of the Health and Safety Code, relating to financing a housing 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988 Filed with Secretary of State March 18, 1988.]

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

SECTION 1. Part 9 (commencing with Section 53150) is added to Division 31 of the Health and Safety Code, to read:

PART 9. HOUSING AND HOMELESS BOND ACT OF 1988

CHAPTER 1. GENERAL PROVISIONS

53150. This part shall be known and may be cited as the Housing and Homeless Bond Act of 1988.

53151. As used in this part, the following terms have the following meanings:

(a) "Committee" means the Housing Committee created pursuant to Section 53172.

(b) "Fund" means the Home Building and Rehabilitation Fund created pursuant to Section 53160.

CHAPTER 2. HOME BUILDING AND REHABILITATION FUND

53160. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the Home Building and Rehabilitation Fund, which is hereby created. Moneys in the fund shall be allocated and utilized in accordance with Part 8 (commencing with Section 53130), as added by Senate Bill No. 1692 of the 1987–88 Regular Session.

CHAPTER 3. FISCAL PROVISIONS

53170. Bonds in the total amount of three hundred million dollars ($300,000,000), exclusive of refunding bonds issued pursuant to Section 53170.5, 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 part and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

53170.5. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of these bonds shall include the approval of any bonds issued to refund any bonds originally issued or previously issued refunding bonds.

53171. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this part and are hereby incorporated in this part as though set forth in full in this part.

53172. (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 part, the Housing Committee is hereby created. For purposes of this part, the Housing Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Treasurer, the Director of Finance, the Director of the Department of Housing and Community Development, and the Executive Director of the California Housing Finance Agency, or their designated representatives. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated as the "board" for programs administered by the department and the California Housing Finance Agency is designated as the "board" for programs administered by the agency.

53173. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this part in order to carry out the actions specified in Part 8 (commencing with Section 53130) as added by Senate Bill No. 1692 of the 1987–88 Regular Session, 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.

53174. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

53175. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, 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 part, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of Section 53176, appropriated without regard to fiscal years.

53176. For the purposes of carrying out this part, 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 part. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this part.

53176.5. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of carrying out the provisions of this chapter. The amount of the request shall not exceed the amount of unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents which are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated to the board in accordance with this chapter.

53177. 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.

53178. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part 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.

SEC. 2. Part 10 (commencing with Section 53180) is added to Division 31 of the Health and Safety Code, to read:

PART 10. HOUSING AND HOMELESS BOND ACT OF 1990

CHAPTER 1. GENERAL PROVISIONS

53180. This part shall be known and may be cited as the Housing and Homeless Bond Act of 1990.

53181. As used in this part, the following terms have the following meanings:

(a) "Committee" means the Housing Committee created pursuant to Section 53202.

(b) "Fund" means the Home Building and Rehabilitation Fund created pursuant to Section 53190.

CHAPTER 2. HOME BUILDING AND REHABILITATION FUND

53190. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the Home Building and Rehabilitation Fund. Moneys in the fund shall be allocated and utilized in accordance with Part 8 (commencing with Section 53130), as added by Senate Bill 1692 of the 1987–88 Regular Session.

CHAPTER 3. FISCAL PROVISIONS

53200. Bonds in the total amount of one hundred fifty million dollars ($150,000,000), exclusive of refunding bonds issued pursuant to Section 53201, 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 part and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

53201. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of these bonds shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

53202. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this part and are hereby incorporated in this part as though set forth in full in this part.

53203. (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 part, the Housing Committee is hereby created. For purposes of this part, the Housing Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Treasurer, the Director of Finance, the Director of the Department of Housing and Community Development, and the Executive Director of the California Housing Finance Agency, or their designated representatives. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated as the "board" for programs administered by the department and the California Housing Finance Agency is designated as the "board" for programs administered by the agency.

53204. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this part in order to carry out the actions specified in Part 8 (commencing with Section 53130) as added by Senate Bill 1692 of the 1987–88 Regular Session, 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.

53205. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

53206. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, 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 part, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of Section 53207, appropriated without regard to fiscal years.

53207. For the purposes of carrying out this part, 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 part. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this part.

53208. The board may request the Pooled Money Investment

Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out the provisions of this chapter. The amount of the request shall not exceed the amount of unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute such documents as are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

53209. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part 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.

SEC. 3. Section 1 of this act shall take effect upon the adoption by the voters of the Housing and Homeless Bond Act of 1988, as set forth in Section 1 of this act.

SEC. 4. Notwithstanding Sections 3525 and 10218 of the Elections Code or any other provision of law, Section 1 of this act shall be submitted to the voters at the next statewide election to be held on November 8, 1988, substantially in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 5. Notwithstanding any other provision of law, all ballots of the election on Section 1 shall have printed thereon and in a square thereof, the words: "Housing and Homeless Bond Act of 1988," and in the same square under those words, the following in eight-point type: "This act provides for a bond issue of three hundred million dollars ($300,000,000) to provide funds for a housing program that includes: (1) emergency shelters and transitional housing for homeless families and individuals, (2) new rental housing for families and individuals including rental housing which meets the special needs of the elderly, disabled, and farmworkers, (3) rehabilitation and preservation of older homes and rental housing, and (4) home purchase assistance for first-time homebuyers. Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

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

SEC. 6. Section 2 of this act shall take effect upon the adoption by the voters of the Housing and Homeless Bond Act of 1990, as set forth in Section 2 of this act.

SEC. 7. Notwithstanding Sections 3525 and 10218 of the Elections Code or any other provision of law, Section 2 of this act shall be submitted to the voters at the next statewide election to be held on

November 6, 1990, substantially in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 8. Notwithstanding any other provision of law, all ballots of the election on Section 2 shall have printed thereon and in a square thereof, the words: "Housing and Homeless Bond Act of 1990," and in the same square under those words, the following in eight-point type: "This act provides for a bond issue of one hundred fifty million dollars ($150,000,000) to provide funds for a housing program that includes: (1) emergency shelters and transitional housing for homeless families and individuals, (2) new rental housing for families and individuals including rental housing which meets the special needs of the elderly, disabled, and farmworkers, (3) rehabilitation and preservation of older homes and rental housing, and (4) home purchase assistance for first-time homebuyers. 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. 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:

This bill would provide the people of California with an opportunity to provide funding in 1988 to address a serious housing crisis within the state, and at that time to address this ongoing crisis with the knowledge that additional funding will be on the ballot for their consideration in 1990. In order to provide the opportunity for this funding at the earliest possible time, it is necessary that this act take immediate effect.

CHAPTER 49

An act to add Chapter 11 (commencing with Section 19950) to Part 11 of the Education Code, relating to financing a library construction and renovation 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 1988. Filed with Secretary of State March 18, 1988.]

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

SECTION 1. Chapter 11 (commencing with Section 19950) is added to Part 11 of the Education Code, to read:

CHAPTER 11. CALIFORNIA LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 1988

Article 1. General Provisions

19950. This chapter shall be known and may be cited as the California Library Construction and Renovation Bond Act of 1988.

19951. The Legislature finds and declares all of the following:

(a) The public library is a supplement to the formal system of free public education, a source of information and inspiration to persons of all ages, cultural backgrounds, and economic statuses, and a resource for continuing education and reeducation beyond the years of formal education, and therefore deserves adequate financial support from government at all levels.

(b) It is in the interest of the people and of the state that there be a general diffusion of information and knowledge through the continued operation of free public libraries. This diffusion is a matter of general concern inasmuch as it is the duty of the state to provide encouragement to the voluntary lifelong learning of the people of the state.

(c) Many existing public library facilities are not safe, efficient, or accessible for use, adequate for the size of the communities they serve, or otherwise capable of providing the public library services needed by the communities they serve.

(d) Many communities that are populous enough to require a public library facility do not have one.

(e) Local public library authorities do not have sufficient funds to construct or rehabilitate necessary public library facilities.

(f) Funding to meet the need for public library facilities, which is beyond the ability of local government to supply, is most appropriately met by a partnership of state and local governments.

19952. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the California Library Construction and Renovation Finance Committee created pursuant to Section 19972.

(b) "Fund" means the California Library Construction and Restoration Fund created pursuant to Section 19955.

(c) "Board" means the California Library Construction and Renovation Board. The board includes the State Librarian, the Treasurer, the Director of Finance, the Assembly Member appointed by the Speaker of the Assembly, and the Senator

appointed by the Senate Rules Committee.

Legislative members of the board shall meet with, and participate in, the work of the board to the extent that their participation is not incompatible with their duties as Members of the Legislature. For the purposes of this chapter, Members of the Legislature who are members of the board shall constitute a joint legislative committee on the subject matter of this chapter.

Article 2. California Library Construction and Renovation Program

19955. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Library Construction and Renovation Fund, which is hereby created. Notwithstanding Section 13340 of the Government Code, the fund shall be continuously appropriated without regard to fiscal year.

19956. All moneys deposited in the fund shall be available for grants to any city, county, city and county, or district that is empowered at the time of the project application to own and maintain a facility for the acquisition, construction, remodeling, or rehabilitation of facilities for public library services.

19957. The grant funds authorized pursuant to Section 19956 and the matching funds provided pursuant to Section 19962 shall be used by the recipient for any of the following purposes:

(a) Acquisition or construction of new facilities or additions to existing facilities.

(b) Acquisition of land necessary for purposes of subdivision (a).

(c) Remodeling of existing facilities for energy conservation purposes.

(d) Remodeling of existing facilities to provide access for the disabled.

(e) Rehabilitation of existing facilities to bring them into compliance with current health and safety requirements for public facilities.

(f) Procurement and installation of shelving fastened to the structure, and built-in equipment required to make a facility fully operable.

(g) Payment of fees charged by architects, engineers, and other design professionals whose services are required to plan and execute a project authorized pursuant to this chapter.

19958. No grant funds authorized pursuant to Section 19956 or matching funds provided pursuant to Section 19962 shall be used by a recipient for any of the following purposes:

(a) Books and other library materials.

(b) Administration costs of the project, including, but not limited to, the costs of all of the following:

(1) Preparation of the grant application.

(2) Procurement of matching funds.

(3) Conducting an election for obtaining voter approval of the

project.

(4) Plan checking and code compliance inspections.

(c) Interest or other carrying charges for financing the project, including, but not limited to, costs of loans or lease-purchase agreements in excess of the direct costs of any of the authorized purposes specified in Section 19957.

(d) Any ongoing operating expenses for the facility, its personnel, supplies, or any other library operations.

19959. All construction contracts for projects funded in part through grants awarded pursuant to this chapter shall be awarded through competitive bidding pursuant to Part 3 (commencing with Section 20100) of the Public Contract Code.

19960. This chapter shall be administered by the State Librarian, who shall adopt rules, regulations, and policies for the implementation of this chapter.

19961. A city, county, city and county, or district may apply to the State Librarian for a grant pursuant to this chapter, as follows:

(a) Each application shall be for a project for a purpose authorized by Section 19957.

(b) The applicant shall request not less than thirty-five thousand dollars ($35,000) per project.

(c) No application shall be submitted for a project for which construction bids already have been advertised.

19962. (a) Each grant recipient shall provide matching funds from any available source in an amount equal to 35 percent of the costs of the project. The remaining 65 percent of the costs of the project shall be provided through allocations from the fund.

(b) Qualifying matching funds shall be cash expenditures in the categories specified in Section 19957 which are made no earlier than three years prior to the submission of the application to the State Librarian. Except as otherwise provided in subdivision (c), in-kind expenditures shall not qualify as matching funds.

(c) Land donated or otherwise acquired for use as a site for the facility, including, but not limited to, land purchased more than three years prior to the submission of the application to the State Librarian, may be credited towards the 35 percent matching funds requirement at its appraised value as of the date of the application.

(d) Cash expenditures not to exceed 10 percent for furnishings required to make the facility fully operable may be credited towards the 35 percent matching funds requirement. The recipient shall certify to the board that these furnishings have an estimated useful life of not less than 10 years.

(e) Architect fees for plans and drawings for library renovation and new construction, including plans and drawings purchased more than three years prior to the submission of the application to the State Librarian, may be credited towards the 35 percent matching funds requirement.

19963. An amount not to exceed 1 percent of the cost of construction of the project may be used for appropriate works of art

to enhance the facility.

19964. (a) The estimated costs of a project for which an application is submitted shall be consistent with normal public construction costs in the applicant's area.

(b) An applicant wishing to construct a project with costs which exceed normal public construction costs in the applicant's area may apply for a grant in an amount not to exceed 65 percent of the normal costs if the applicant certifies that it is capable of financing the remainder of the project costs from other sources.

19965. Once an application has been approved by the board and included in the State Librarian's request to the committee, the amount of funding to be provided to the applicant shall not be increased. Any actual changes in project costs shall be the full responsibility of the applicant. In the event that the amount of funding which is provided is greater than the cost of the project, the applicant shall return that portion of the funding which exceeds the cost of the project to the State Librarian.

19966. In reviewing applications, the board shall consider all of the following factors:

(a) Needs of urban and rural areas.

(b) Projected population growth.

(c) Changing concepts of public library service.

(d) Distance of the proposed project from other existing and proposed facilities.

(e) Age and condition of the facility.

19967. (a) A facility, or the part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter shall be dedicated to public library direct service use for a period of not less than 20 years following completion of the project, or the useful life of the building, whichever is longer.

(b) If the facility, or part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter ceases to be used for public library direct service prior to the expiration of the period specified in subdivision (a), the board shall be entitled to recover from the grant recipient or the recipient's successor in the maintenance of the facility, an amount which bears the same ratio to the value of the facility, or the appropriate part thereof, at the time it ceased to be used from public library direct service as the amount of the grant bore to the cost of the facility or appropriate part thereof. For purposes of this subdivision, the value of the facility, or the appropriate part thereof, shall be determined by the mutual agreement of the parties, or through an action brought for that purpose in the superior court.

(c) The board may release the grant recipient or the recipient's successor in the maintenance of the facility from its obligation under subdivision (a), and waive the requirements of subdivision (b), if the board determines that so doing would not diminish the quality of public library service in the community served by the facility.

(d) Notwithstanding subdivision (f) of Section 16724 of the

Government Code, moneys recovered pursuant to subdivision (b) shall be deposited in the fund, and shall be available for the purpose of awarding grants for other projects.

Article 3. Fiscal Provisions

19970. Bonds in the total amount of seventy-five million dollars ($75,000,000) (exclusive of refunding bonds), or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

19971. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

19972. (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 California Library Construction and Renovation Finance Committee is hereby created. For purposes of this chapter, the California Library Construction and Renovation Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the State Librarian, the Director of Finance, 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 California Library Construction and Renovation Board is designated the "board."

19973. 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 Article 2 (commencing with Section 19955), 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.

19974. 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.

19975. 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 19976, appropriated without regard to fiscal years.

19976. 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, with interest at the rate earned by the money in the Pooled Money Investment Account during the time the money was withdrawn from the General Fund pursuant to this section from money received from the sale of bonds for the purpose of carrying out this chapter.

19977. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

19978. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of bonds shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

19979. 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.

19980. The Legislature hereby finds and declares that, inasmuch as the procee ds 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.

19981. An amount not to exceed 1 percent of the fund may be used by the State Librarian for costs of administering this chapter.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the California Library Construction and Renovation Bond Act of 1988, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the statewide general election in November 1988, in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "Library Construction and Renovation Bond Act of 1988," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of seventy-five million dollars ($75,000,000) to provide funds for a library construction and renovation 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. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the measure proposed by this act may be considered and become operative at an appropriate time, it is necessary that this act take effect immediately.

CHAPTER 50

An act to add Section 48916.5 to the Education Code, relating to pupil rights and responsibilities.

[Approved by Governor March 22, 1988. Filed with Secretary of State March 22, 1988]

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

SECTION 1. Section 48916.5 is added to the Education Code, to read:

48916.5. The governing board may require a pupil who is expelled from school for reasons relating to controlled substances, as defined in Sections 11054 to 11058, inclusive, of the Health and Safety Code, or alcohol, prior to returning to school to enroll in a county-supported drug rehabilitation program. No pupil shall be

required to enroll in a rehabilitation program pursuant to this section without the consent of his or her parent or guardian.

CHAPTER 51

An act to amend Sections 26274 and 26284 of the Government Code, relating to justice facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 23, 1988. Filed with Secretary of State March 23, 1988]

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

SECTION 1. Section 26274 of the Government Code is amended to read:

26274. (a) Any transactions and use tax ordinance adopted pursuant to this article shall become 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 agency shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance.

(c) At the request of the agency, the Board of Equalization shall terminate collection of the transactions and use tax prior to the end of the term during which such tax is imposed. The agency shall make such a request in the event the county receives state funds to finance needed justice facilities pursuant to any constitutional amendment or statute enacted after voter approval of a transactions and use tax. This request shall be made, and the tax terminated, in accordance with the following procedure:

(1) The county shall certify to the agency the amount of any state funds received by the county to finance construction of needed justice facilities subsequent to the imposition of the tax.

(2) The agency shall project the number of calendar quarters required to generate transactions and use tax revenues approximately equal to but not greater than the amount of state funds received by the county and shall shorten the period of imposition of the tax by that number of calendar quarters. At least 120 days prior to the revised termination date, which shall be the last day of a calendar quarter, the authority shall adopt an ordinance, which shall become operative on the day following the revised termination date, to repeal the transactions and use tax ordinance.

SEC. 2. Section 26284 of the Government Code is amended to read:

26284. It is the intent of the Legislature in enacting this chapter to ensure that the county is not deprived of state funds which might

be made available to finance needed justice system facilities subsequent to the enactment of this chapter, whether those funds be provided by statute or constitutional amendment. To that end, any ballot measure seeking voter approval for a local transactions and use tax to finance justice system facilities pursuant to this chapter shall contain language which will result in a reduction in the amount of revenue generated by that tax equivalent to the amount of state funding made available to the county pursuant to a subsequently enacted state program to fund the acquisition or development of required justice facilities.

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

In order for the provisions of this act to apply to a measure to be placed on the June 1988 ballot, it is necessary that this act take effect immediately.

CHAPTER 52

An act to amend Section 18029.6 of the Health and Safety Code, relating to housing.

[Approved by Governor March 23, 1988. Filed with Secretary of State March 24, 1988]

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

SECTION 1. Section 18029.6 of the Health and Safety Code, as added by Chapter 1390 of the Statutes of 1984, is amended to read:

18029.6. All used manufactured homes and used mobilehomes which are sold shall have a smoke detector which is operable on the date of transfer of title. The department may promulgate regulations to carry out the provisions of this section.

CHAPTER 53

An act to add Chapter 13.7 (commencing with Section 54999) to Part 1 of Division 2 of Title 5 of the Government Code, relating to public agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 24, 1988 Filed with Secretary of State March 24, 1988.]

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

SECTION 1. Chapter 13.7 (commencing with Section 54999) is added to Part 1 of Division 2 of Title 5 of the Government Code, to read:

CHAPTER 13.7. LIABILITY OF PUBLIC ENTITIES FOR PUBLIC UTILITY CAPITAL FACILITIES FEES

54999. (a) The Legislature finds and declares that many public entities that provide public utility service have imposed capital facilities fees applicable to users of public utility facilities in order to equitably apportion the cost of capital facilities construction or expansion required by all public and private users of the facilities. In the recent decision in San Marcos Water Dist. v. San Marcos Unified School Dist., 42 Cal. 3d 154, the California Supreme Court held that public entities cannot be made subject to these fees without statutory authorization. As a result, the fiscal stability and service capabilities of the affected public utility service agencies which have in good faith collected and spent these fees for capital improvements are seriously impaired as is the ability to finance essential future facilities.

(b) The Legislature further finds that the holding in the San Marcos Water Dist. v. San Marcos Unified School Dist., 42 Cal. 3d 154, should be revised to authorize payment and collection of capital facilities fees subject to the limitations set forth in this chapter, and in furtherance of this finding the Legislature hereby enacts the following provisions.

54999.1. For purposes of this chapter:

(a) "Actual construction costs" includes the cost of all activities necessary or incidental to the construction of a public utility facility, such as financing, planning, designing, acquisition of property or interests in property, construction, reconstruction, and rehabilitation.

(b) "Capital facilities fee" or "capacity charge" means any nondiscriminatory charge to pay the capital cost of a public utility facility.

(c) "Public agency" means the United States or any of its agencies, the state or any of its agencies, the Regents of the University of California, a county, a city, a district, a public authority, or any other political subdivision or public corporation of this state.

(d) "Public utility facility" means a facility for the provision of water, light, heat, communications, power, or garbage service, for flood control, drainage or sanitary purposes, or for sewage collection, treatment, or disposal.

(e) "Public utility service" means service provided from a public utilities facility.

(f) "Nondiscriminatory" means that the capital facilities fee does not exceed an amount determined on the basis of the same objective criteria and methodology applicable to comparable nonpublic users, and is not in excess of the proportionate share of the cost of the public utility facilities of benefit to the person or property being charged, based upon the proportionate share of use of those facilities.

(g) A capital facilities fee is imposed on the date on which the statement of charges for a public utility service is mailed or otherwise transmitted to the public agency that is receiving or will receive the public utility's service.

54999.2. Any public agency providing public utility service on or after July 21, 1986, may continue to charge, or may increase, an existing capital facilities fee, or may impose a new capital facilities fee after that date, and any public agency receiving a public utility's service shall pay those fees so imposed, except as provided in Section 54999.3.

54999.3. However, the imposition of a capital facilities fee on any school district, county office of education, community college district, the California State University, the University of California, or state agency shall be subject to the following:

(a) Where necessary to defray the actual construction costs of that portion of a public utility facility actually serving a public agency, any public agency providing public utility service on or after July 21, 1986, may continue to charge any capital facilities fee which was imposed prior to that date on the public agency using the public utility service and was not protested or challenged pursuant to law prior to January 1, 1987, or increase that capital facility fee in an amount not to exceed the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance and any public agency shall pay any capital facilities fees authorized by this subdivision.

(b) On and after July 21, 1986, any public agency proposing to initially impose a capital facilities fee or to increase an existing capital facilities fee in excess of the amount set forth in subdivision (a), may do so after agreement has been reached between the two agencies through negotiations entered into by both parties.

(c) Upon request of the affected public agency or upon increase pursuant to subdivision (a), the public agency imposing or increasing the fee shall identify the amount of the capital facilities fee. The public agency imposing or increasing the capital facilities fee has the burden of producing evidence to establish that the capital facilities fee is nondiscriminatory and that the amount of the capital facilities fee does not exceed the amount necessary to provide capital facilities for which the fee is charged.

54999.4. Any capital facilities fees paid prior to the effective date of this chapter and not protested or challenged pursuant to law on or before January 1, 1987, shall not be subject to refund, except for capital facilities fees paid after July 21, 1986, by a public agency subject to Section 54999.3 which are in excess of the maximum

amount authorized by Section 54999.3. Agreements entered into prior to or after the effective date of this chapter for the payment of capital facilities fees or capacity charges shall be effective.

54999.5. Capital facilities fees paid by school districts for public utility facilities to serve school facilities for which an application for funding is filed on or after the effective date of this chapter may, for purposes of Chapter 22 (commencing with Section 17700) of Part 10 of Division 1 of Title 1 of the Education Code, be included by the State Allocation Board as a "cost of project" within the meaning of subdivision (b) of Section 17702 of the Education Code.

54999.6. Should any provision or clause of this chapter or application thereof to any person or circumstance be held invalid or unconstitutional, that invalidity or unconstitutionality shall not affect other provisions or applications thereof which can be given effect without the invalid provision or application and, to this end, the provisions of this chapter are declared severable. By adopting this chapter, the Legislature hereby declares that it would have adopted this chapter without that provision or provisions.

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 assure adequate revenue resources for publicly provided utility services and to provide the means for appropriate apportionment of capital facilities fees therefor, it is necessary that this act go into effect immediately.

CHAPTER 54

An act to amend Section 1710.20 of the Code of Civil Procedure, relating to courts.

[Approved by Governor March 24, 1988. Filed with Secretary of State March 25, 1988.]

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

SECTION 1. Section 1710.20 of the Code of Civil Procedure is amended to read:

1710.20. (a) The application shall be filed in a municipal or justice court in all cases in which the sister state judgment amounts to twenty-five thousand dollars ($25,000) or less and in a superior court in all other cases.

(b) Subject to the power of the court to transfer proceedings under this chapter pursuant to Title 4 (commencing with Section 392) of Part 2, the proper county for the filing of an application is any of the following:

(1) The county in which any judgment debtor resides; or

(2) If no judgment debtor is a resident, any county in this state.

CHAPTER 55

An act to add Section 54957.8 to the Government Code, relating to meetings.

[Approved by Governor March 24, 1988. Filed with Secretary of State March 25, 1988.]

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

SECTION 1. Section 54957.8 is added to the Government Code, to read:

54957.8. Nothing contained in this chapter shall be construed to prevent the legislative body of a multijurisdictional drug law enforcement agency, or an advisory body of a multijurisdictional drug law enforcement agency, from holding closed sessions to discuss the case records of any ongoing criminal investigation of the multijurisdictional drug law enforcement agency or of any party to the joint powers agreement, to hear testimony from persons involved in the investigation, and to discuss courses of action in particular cases.

"Multijurisdictional drug law enforcement agency," for purposes of this section, means a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, which provides drug law enforcement services for the parties to the joint powers agreement.

The Legislature finds and declares that this section is within the public interest, in that its provisions are necessary to prevent the impairment of ongoing law enforcement investigations, to protect witnesses and informants, and to permit the discussion of effective courses of action in particular cases.

CHAPTER 56

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 March 28, 1988. Filed with Secretary of State March 28, 1988.]

I am reducing the General Fund appropriation contained in Section 1 (c) of Assembly Bill No. 436 from $7,255,381.89 to $7,217,155.89 by removing the funding for Claim No. G101064 relating to watermelon crop losses incurred during the summer of 1985.

The claim in question was previously rejected by the Board of Control. The claimant was given every opportunity to file a proper claim but declined to do so.

With this reduction, I approve Assembly Bill No. 436.

GEORGE DEUKMEJIAN, Governor

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

SECTION 1. The sum of eight million one hundred twenty eight thousand seven hundred thirty-five dollars and fifty cents ($8,128,735.50) is hereby appropriated, in accordance with the following schedule, to the Secretary of the State Board of Control to pay claims accepted by the State Board of Control:

(a) One hundred eighty-nine dollars and thirty cents ($189.30) from the Bank and Corporation Tax Fund.

(b) Two hundred ninety-eight dollars and six cents ($298.06) from the Driver Training Penalty Assessment Fund.

(c) Seven million two hundred fifty-five thousand three hundred eighty-one dollars and eighty-nine cents ($7,255,381.89) from the General Fund.

(d) Four hundred twelve dollars and sixty-nine cents ($412.69) from the General Services Service Revolving Fund.

(e) One thousand forty-two dollars and thirty-two cents ($1,042.32) from the Retail Sales and Use Tax Fund.

(f) Three hundred seventy-five dollars and eighty-five cents ($375.85) from the Retail Sales Tax Fund.

(g) Twenty thousand five hundred ninety-seven dollars and seventy-four cents ($20,597.74) from the Tax Relief and Refund Account Fund.

(h) Twenty-five thousand three hundred sixteen dollars ($25,316) from the Motor Vehicle Account in the State Transportation Fund.

(i) One thousand two hundred nineteen dollars and thirty-eight cents ($1,219.38) from the State Highway Account in the State Transportation Fund.

(j) Four thousand three hundred eighty-two dollars and eighty-one cents ($4,382.81) from the Unclaimed Property Fund.

(k) Eight hundred ninety-nine dollars and forty-nine cents ($899.49) from the Unemployment Compensation Disability Fund.

(*l*) One hundred ninety-eight thousand dollars ($198,000) from the Agriculture Fund.

(m) Three thousand seven hundred eight dollars and ten cents ($3,708.10) from the Federal Trust Fund.

(n) Fifty thousand dollars ($50,000) from the Lottery Prize Fund.

(o) Five hundred sixty-eight thousand one hundred seventy-nine dollars and eighty-six cents ($568,179.86) from the unencumbered balance of funds appropriated in the Budget Act of 1987, as follows:

(1) One thousand twenty-eight dollars and six cents ($1,028.06) from category (c) of Item 0250-001-001.

(2) Ten thousand seven hundred forty-two dollars and seventy-eight cents ($10,742.78) from Item 0820-001-001, including both of the following:

(A) Three thousand eighty-six dollars and fifty-seven cents

($3,086.57) from category (a).

(B) Two thousand six hundred sixty-seven dollars and fifty cents ($2,667.50) from category (e).

(3) One hundred sixty-four dollars and twenty-three cents ($164.23) from category (b) of Item 0860-001-001.

(4) One hundred eleven thousand seven hundred seventy dollars ($111,770) from category (b) of Item 0890-001-001.

(5) One thousand nine hundred eighty-two dollars and seventy-one cents ($1,982.71) from Item 1655-090-702, including both of the following:

(A) Eighty-one dollars and twenty-five cents ($81.25) from category (a).

(B) Six hundred seventy-four dollars and ninety-six cents ($674.96) from category (b).

(6) One thousand one hundred sixty-nine dollars and twenty-eight cents ($1,169.28) from Item 1710-001-001, including both of the following:

(A) One thousand dollars ($1,000) from category (a).

(B) One hundred sixty-nine dollars and twenty-eight cents ($169.28) from category (b).

(6.5) Twenty-nine thousand four hundred thirteen dollars ($29,413) from Item 1760-001-001.

(7) Sixty dollars ($60) from Item 1760-001-397.

(8) Three thousand one hundred two dollars and ninety-six cents ($3,102.96) from category (a) of Item 1760-001-666.

(9) Four thousand eight hundred forty-eight dollars and forty-four cents ($4,848.44) from Item 1960-001-001.

(10) Four thousand five hundred seventy-five dollars and thirty-two cents ($4,575.32) from Item 1970-011-001.

(11) One thousand five hundred twelve dollars and thirty-three cents ($1,512.33) from Item 2100-001-001, including both of the following:

(A) One thousand one hundred ninety-seven dollars and thirty-three cents ($1,197.33) from category (a).

(B) Three hundred fifteen dollars ($315) from category (c).

(12) Eleven thousand eight hundred twenty dollars and twelve cents ($11,820.12) from Item 2240-001-001, including both of the following:

(A) Five hundred thirty-four dollars and twenty cents ($534.20) from category (a).

(B) Eleven thousand two hundred eighty-five dollars and ninety-two cents ($11,285.92) from category (d).

(13) One hundred sixty-five dollars ($165) from category (a) of Item 2320-001-317.

(14) One hundred twenty-six thousand five hundred eighty-two dollars and thirty-six cents ($126,582.36), from Item 2660-001-042, including all of the following:

(A) Twenty-three thousand eight hundred thirty-four dollars and twenty-two cents ($23,834.22) from category (a).

(B) One thousand six hundred sixty-seven dollars and thirty-two cents ($1,667.32) from category (b).

(C) Twenty-two dollars and forty-four cents ($22.44) from category (c).

(15) Seven thousand sixty-one dollars and twenty-four cents ($7,061.24) from Item 2720-001-044, including both of the following:

(A) Seven thousand two dollars and eighty-four cents ($7,002.84) from category (a).

(B) Fifty-eight dollars and forty cents ($58.40) from category (d).

(16) Two thousand nine hundred forty-nine dollars and sixty-seven cents ($2,949.67) from Item 2740-001-044, including both of the following:

(A) Eight hundred thirty-one dollars and thirty-five cents ($831.35) from category (a).

(B) Two thousand one hundred eighteen dollars and thirty-two cents ($2,118.32) from category (b).

(17) Three hundred eighty-one dollars and thirteen cents ($381.13) from Item 3340-001-001, including both of the following:

(A) Seventy-six dollars and forty cents ($76.40) from category (a).

(B) Three hundred four dollars and seventy-three cents ($304.73) from category (b).

(18) Twenty-eight dollars and sixty-nine cents ($28.69) from category (a) of Item 3360-001-465.

(19) Five thousand seven hundred eighty-three dollars and two cents ($5,783.02) from Item 3540-001-001, including both of the following:

(A) Four thousand two hundred eight dollars and thirty-six cents ($4,208.36) from category (a).

(B) One thousand five hundred seventy-four dollars and sixty-six cents ($1,574.66) from category (b).

(20) Three hundred fifty-six dollars and sixty-six cents ($356.66) from Item 3540-001-140.

(21) Three thousand five hundred eighty-nine dollars and ninety-six cents ($3,589.96) from Item 3790-001-001, including both of the following:

(A) One thousand fifteen dollars and thirty-five cents ($1,015.35) from category (a).

(B) Two thousand five hundred seventy-four dollars and sixty-one cents ($2,574.61) from category (b).

(22) Twenty-eight dollars and forty-five cents ($28.45) from category (b) of Item 3940-001-001.

(23) Three thousand nine hundred twenty-six dollars and forty-five cents ($3,926.45) from category (c) of Item 4200-001-001.

(24) Sixty-four thousand four hundred twenty dollars and seventy cents ($64,420.70) from Item 4260-001-001, including both of the following:

(A) Sixty-three thousand eight hundred seventy-four dollars and eighty-eight cents ($63,874.88) from category (a).

(B) Five hundred forty-five dollars and eighty-two cents

($545.82) from category (b).

(25) Five thousand seven hundred ninety-seven dollars and ninety-nine cents ($5,797.99) from category (b) of Item 4260-101-001.

(26) Fifty-two thousand one hundred nineteen dollars and forty-three cents ($52,119.43) from Item 4300-001-001, including both of the following:

(A) Five hundred seven dollars and forty-one cents ($507.41) from category (b).

(B) Three hundred fifty dollars ($350) from category (c).

(27) One thousand eight hundred seventy-four dollars and forty-three cents ($1,874.43) from Item 4300-101-001, including all of the following:

(A) One thousand two hundred twenty-six dollars and sixty-eight cents ($1,226.68) from category (a).

(B) Six hundred forty-seven dollars and seventy-five cents ($647.75) from category (b).

(28) Twenty-three thousand two hundred seventy-five dollars and ninety-seven cents ($23,275.97) from category (a) of Item 4300-111-001.

(29) Eight thousand nine hundred nineteen dollars and sixty-five cents ($8,919.65) from Item 4440-001-001, including both of the following:

(A) Eighty-four dollars and twelve cents ($84.12) from category (b).

(B) Eight thousand three hundred thirty-four dollars ($8,334) from category (c).

(30) One thousand four hundred seventy-eight dollars and twenty-four cents ($1,478.24) from Item 4440-011-001, including both of the following:

(A) Forty-five dollars and thirty-one cents ($45.31) from category (a).

(B) One hundred sixteen dollars and forty cents ($116.40) from category (c).

(31) Twenty-four thousand four hundred thirty dollars and ninety-one cents ($24,430.91) from Item 5100-001-870, including both of the following:

(A) Eighteen thousand one hundred sixty-nine dollars and thirty-nine cents ($18,169.39) from category (a).

(B) Two hundred five dollars and twenty-five cents ($205.25) from category (c).

(32) Five hundred seventy-five dollars and eighty-two cents ($575.82) from Item 5160-001-001, including both of the following:

(A) Two hundred seventy-five dollars ($275) from category (a).

(B) One hundred fifty-nine dollars ($159) from category (d).

(33) Three thousand one hundred sixty-seven dollars and sixty cents ($3,167.60) from Item 5180-001-001, including both of the following:

(A) One thousand three hundred eighty-eight dollars and ten cents ($1,388.10) from category (a).

(B) One thousand seven hundred seventy-nine dollars and fifty cents ($1,779.50) from category (f).

(34) Thirty-one thousand seven hundred ninety-two dollars and four cents ($31,792.04) from Item 5240-001-001, including all of the following:

(A) Twenty-five thousand nine hundred eighty-nine dollars and nine cents ($25,989.09) from category (a).

(B) Three thousand two hundred three dollars and seventy-three cents ($3,203.73) from category (b).

(C) Two thousand five hundred ninety-nine dollars and twenty-two cents ($2,599.22) from category (c).

(35) Five hundred thirty-five dollars and twenty cents ($535.20) from Item 5440-001-001.

(36) Five thousand six hundred eighty-two dollars and twenty-three cents ($5,682.23) from Item 5460-001-001, including all of the following:

(A) Two thousand seven hundred seventeen dollars and eleven cents ($2,717.11) from category (a).

(B) Two thousand six hundred thirty-seven dollars and seven cents ($2,637.07) from category (b).

(C) Two hundred dollars ($200) from category (c).

(D) One hundred twenty-eight dollars and five cents ($128.05) from category (d).

(37) Twenty-five dollars ($25) from Item 6100-001-001.

(38) Six thousand three hundred fifty-six dollars and seventy cents ($6,356.70) from Item 6610-001-001, including all of the following:

(A) Two thousand three hundred twenty-nine dollars and eighty-two cents ($2,329.82) from category (a).

(B) Fifteen dollars ($15) from category (d).

(C) Four thousand eleven dollars and eighty-eight cents ($4,011.88) from category (e).

(39) One thousand two hundred fifty-three dollars ($1,253) from category (a) of Item 6870-001-001.

(40) One thousand four hundred forty-three dollars and seventy-three cents ($1,443.73) from Item 8350-001-001.

(41) One hundred sixty dollars ($160) from category (b) of Item 8550-001-191.

(42) One hundred twenty-eight dollars and twenty-four cents ($128.24) from Item 8570-001-001.

(43) Four hundred thirty-three dollars and thirteen cents ($433.13) from category (a) of Item 8700-001-001.

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

In order to settle claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 57

An act to add Section 24004.3 to the Government Code, relating to sheriffs.

[Approved by Governor March 28, 1988. Filed with Secretary of State March 28, 1988]

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

SECTION 1. Section 24004.3 is added to the Government Code, to read:

24004.3. (a) No person is eligible to become a candidate for the office of sheriff in any county unless, at the time of the final filing date for election, he or she meets one of the following criteria:

(1) An active or inactive advanced certificate issued by the Commission on Peace Officer Standards and Training.

(2) One year of full-time, salaried law enforcement experience within the provisions of Section 830.1 or 830.2 of the Penal Code at least a portion of which shall have been accomplished within five years prior to the date of filing, and possesses a master's degree from an accredited college or university.

(3) Two years of full-time, salaried law enforcement experience within the provisions of Section 830.1 or 830.2 of the Penal Code at least a portion of which shall have been accomplished within five years prior to the date of filing, and possesses a bachelor's degree from an accredited college or university.

(4) Three years of full-time, salaried law enforcement experience within the provisions of Section 830.1 or 830.2 of the Penal Code at least a portion of which shall have been accomplished within five years prior to the date of filing, and possesses an associate in arts or associate in science degree, or the equivalent, from an accredited college.

(5) Four years of full-time, salaried law enforcement experience within the provisions of Section 830.1 or 830.2 of the Penal Code at least a portion of which shall have been accomplished within five years prior to the date of filing, and possesses a high school diploma or the equivalent.

(b) All persons holding the office of sheriff on January 1, 1989 shall be deemed to have met all qualifications required for candidates seeking election or appointment to the office of sheriff.

CHAPTER 58

An act to amend Section 21650 of, and to add Section 21650.1 to, the Vehicle Code, relating to vehicles.

[Approved by Governor March 29, 1988. Filed with Secretary of State March 30, 1988.]

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

SECTION 1. Section 21650 of the Vehicle Code is amended to read:

21650. Upon all highways, a vehicle shall be driven upon the right half of the roadway, except as follows:

(a) When overtaking and passing another vehicle proceeding in the same direction under the rules governing that movement.

(b) When placing a vehicle in a lawful position for, and when the vehicle is lawfully making, a left turn.

(c) When the right half of a roadway is closed to traffic under construction or repair.

(d) Upon a roadway restricted to one-way traffic.

(e) When the roadway is not of sufficient width.

(f) When the vehicle is necessarily traveling so slowly as to impede the normal movement of traffic, that portion of the highway adjacent to the right edge of the roadway may be utilized temporarily when in a condition permitting safe operation.

(g) This section does not prohibit the operation of bicycles on any shoulder of a highway, where the operation is not otherwise prohibited by this code or local ordinance.

SEC. 2. Section 21650.1 is added to the Vehicle Code, to read:

21650.1. A bicycle operated on a roadway, or the shoulder of a highway, shall be operated in the same direction as vehicles are required to be driven upon the roadway.

CHAPTER 59

An act to add Section 798.39 to the Civil Code, relating to mobilehomes.

[Approved by Governor March 29, 1988. Filed with Secretary of State March 30, 1988.]

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

SECTION 1. Section 798.39 is added to the Civil Code, to read:

798.39. (a) The management may only demand a security deposit on or before initial occupancy and the security deposit may not be in an amount or value in excess of an amount equal to two

months' rent that is charged at the inception of the occupancy, in addition to any rent for the first month. In no event shall additional security deposits be demanded of a homeowner following the initial occupancy.

(b) After the homeowner has promptly paid to the management within five days of the date the amount is due, all of the rent, utilities, and reasonable service charges for any 12 consecutive month period subsequent to the collection of the security deposit by management, or upon resale of the mobilehome, whichever occurs earlier, management shall, upon the receipt of a written request from the homeowner, refund to the homeowner the amount of the security deposit within 30 days following the end of the 12 consecutive month period of the prompt payment or the date of the resale of the mobilehome.

(c) In the event that the interest in the mobilehome park is transferred to any other party or entity, the successor in interest shall have the same obligations of management contained in this section with respect to the security deposit.

(d) The management shall not be required to place any security deposit collected in an interest-bearing account or to provide a homeowner with any interest on the security deposit collected.

(e) This section applies to all security deposits collected on or after January 1, 1989. However, any security deposit collected on other than initial occupancy from a homeowner between January 1, 1988, and the effective date of this section shall be refunded on or before January 31, 1989.

CHAPTER 60

An act to amend Section 6203 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 29, 1988. Filed with Secretary of State March 30, 1988.]

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

SECTION 1. Section 6203 of the Revenue and Taxation Code is amended to read:

6203. Except as provided by Sections 6292 and 6293, every retailer engaged in business in this state and making sales of tangible personal property for storage, use, or other consumption in this state, not exempted under Chapter 3.5 (commencing with Section 6271) or Chapter 4 (commencing with Section 6351), shall, at the time of making the sales or, if the storage, use, or other consumption of the tangible personal property is not then taxable hereunder, at the time the storage, use, or other consumption becomes taxable, collect the

tax from the purchaser and give to the purchaser a receipt therefor in the manner and form prescribed by the board.

As respects leases constituting sales of tangible personal property, the tax shall be collected from the lessee at the time amounts are paid by the lessee under the lease.

"Retailer engaged in business in this state" as used in this and the preceding section means and includes any of the following:

(a) Any retailer maintaining, occupying, or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business.

(b) Any retailer having any representative, agent, salesman, canvasser, or solicitor operating in this state under the authority of the retailer or its subsidiary for the purpose of selling, delivering, or the taking of orders for any tangible personal property.

(c) As respects a lease, any retailer deriving rentals from a lease of tangible personal property situated in this state.

(d) Any retailer soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this state.

(e) Any retailer who, pursuant to a contract with a broadcaster or publisher located in this state, solicits orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this state and only secondarily to bordering jurisdictions.

(f) Any retailer soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this state or benefits from the location in this state of authorized installation, servicing, or repair facilities.

(g) Any retailer owned or controlled by the same interests which own or control any retailer engaged in business in the same or a similar line of business in this state.

(h) Any retailer having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this section.

(i) Any retailer who, pursuant to a contract with a cable television operator located in this state, solicits orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this state.

(j) Notwithstanding Section 7262, a retailer specified in subdivision (d), (e), (f), (g), (h), or (i) above, and not specified in subdivision (a), (b), or (c) above, is a "retailer engaged in business in this state" for the purposes of this part and Part 1.5 (commencing with Section 7200) only.

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 conform a newly enacted law to another section of existing law, to minimize any obstacles to the implementation of the newly enacted law, and to prevent any possible conflict with federal laws, it is necessary that this act take immediate effect.

CHAPTER 61

An act to add Chapter 6 (commencing with Section 16850) to Part 3 of Division 4 of Title 2 of the Government Code, and to amend Section 10108.5 of, and to add Article 1.5 (commencing with Section 10115) to Chapter 1 of Part 2 of Division 2 of, the Public Contract Code, relating to state contracts.

[Approved by Governor March 29, 1988 Filed with Secretary of State March 30, 1988]

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

SECTION 1. Chapter 6 (commencing with Section 16850) is added to Part 3 of Division 4 of Title 2 of the Government Code, to read:

CHAPTER 6. MINORITY AND WOMEN BUSINESS PARTICIPATION GOALS FOR PROFESSIONAL BOND SERVICES

16850. (a) Notwithstanding any other provision of law, 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. This section shall not apply if a contract for professional bond services of an underwriter is to be obtained by competitive bid. However, each awarding department shall establish goals for contracts to be obtained by competitive bid for professional bond services, as defined in Section 16851.

These goals shall apply to the overall dollar amount expended by the awarding department 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 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.

16851. As used in this chapter, the following definitions apply:

(a) "Awarding department" means any agency, department, constitutional officer, governmental entity, or other officer or entity of the state 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 that 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 that 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 advisers, 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 that is all of the following:

(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.

(j) "Minority business enterprise" and "women business enterprise," include an enterprise of which 50 percent is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women or, in the case of a publicly owned business, 50 percent of the stock of which is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women. Any business enterprise so defined may be counted as either a minority business enterprise or a women business enterprise for purposes of meeting the participation goals, but no one such business enterprise shall be counted as meeting the participation goals in both categories.

16852. Notwithstanding Section 16850, 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 that have listed their names with the awarding department for the purpose of this notice and 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 chapter.

16853. (a) The awarding department shall establish a method of monitoring adherence to the goals specified in Section 16850, 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.

16854. In implementing this chapter, the awarding department shall utilize existing resources such as the Office of Small and Minority Business.

16855. Beginning July 1, 1989, and on January 1, 1990, 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 chapter. 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.

16856. (a) Notwithstanding anything in this chapter to the contrary, the validity or enforceability of any bonds to which this chapter applies shall not be affected in any way by the failure of an

awarding department to meet the goals established under this chapter.

(b) No action may be maintained to enjoin the issuance of any bonds to which this chapter applies or the enforcement of any contract for professional bond services based on an awarding department's failure to meet the goals set forth in Section 16850.

SEC. 2. Section 10108.5 of the Public Contract Code is amended to read:

10108.5. (a) Contracts let by the Department of Corrections for the construction, erection, alteration, repair, or improvement of state prison facilities shall have as statewide participation goals 15 percent minority business enterprise and 5 percent women business enterprise exclusive of inmate day labor contracts. These goals shall apply to the overall dollar amount expended each year by the department for these purposes.

The term "minority business enterprise" means a business concern (1) that is 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; and (2) whose management and daily business operations are controlled by one or more such individuals.

The term "women business enterprise" means a business concern (1) that is 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; and (2) whose management and daily business operations are controlled by one or more such individuals.

"Minority business enterprise" and "women business enterprise" include an enterprise of which 50 percent is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women or, in the case of a publicly owned business, 50 percent of the stock of which is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women. Any business enterprise so defined may be counted as either a minority business enterprise or a women business enterprise for purposes of meeting the participation goals, but no one such business enterprise shall be counted as meeting the participation goals in both categories.

The term "goal" means a numerically expressed objective that contractors are required to make efforts to achieve.

(b) In awarding contracts to the lowest responsible bidder, the department shall consider the responsiveness of a bidder to minority business enterprise and women business enterprise goals set forth in subdivision (a). If the bidder fails to show a good faith effort, the department shall award the contract to the next lowest responsive and responsible bidder.

(c) The department shall establish a method of monitoring adherence to the goals specified in subdivision (a).

(d) The 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 act.

(e) Beginning July 1, 1986, and on July 1 of each year thereafter, the 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 subdivision (a). If the established goals are not being met, the department shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

(f) In implementing this section, the department shall utilize existing resources such as the Office of Small and Minority Business, the Minority Business Development Agency, and the Small Business Administration.

SEC. 3. Article 1.5 (commencing with Section 10115) is added to Chapter 1 of Part 2 of Division 2 of the Public Contract Code, to read:

Article 1.5. Minority and Women Business Participation Goals for State Contracts

10115. Notwithstanding any other provision of law, all contracts awarded by any state agency, department, officer, or other state governmental entity for construction, professional services (except those subject to Chapter 6 (commencing with Section 16850) of Part 3 of Division 4 of Title 2 of the Government Code), 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 10115.1, pursuant to this article. This article shall not apply to any contract that is subject to Section 10108.5.

10115.1. 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 that 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 that 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) "Minority business enterprise" and "women business enterprise," include an enterprise of which 50 percent is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women or, in the case of a publicly owned business, 50 percent of the stock of which is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women. Any business enterprise so defined may be counted as either a minority business enterprise or a women business enterprise for purposes of meeting the participation goals, but no one such business enterprise shall be counted as meeting the participation goals in both categories.

(h) "Goal" means a numerically expressed objective that awarding departments and contractors are required to make efforts to achieve.

10115.2. 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.

10115.3. (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.

10115.4. 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.

10115.5. Beginning July 1, 1989, and on January 1, 1990, 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.

10115.6. 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.

CHAPTER 62

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

[Approved by Governor March 29, 1988. Filed with Secretary of State March 30, 1988.]

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

SECTION 1. (a) The Legislature finds and declares that, due to the recent failure of one leach field at the Ready Springs Elementary School and the imminent failure of the only remaining leach field at the school, the Ready Springs Union School District is in critical need of emergency funding for waste disposal purposes. The Legislature also finds and declares that the State Allocation Board has approved funding for repair of the sewage system at the Ready Springs Elementary School, but will be unable to allocate funds to the Ready Springs Union School District until July 1988.

(b) Due to the unique circumstances specified in subdivision (a) concerning the Ready Springs Union School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 2. The sum of three hundred thousand dollars ($300,000) is hereby appropriated from the State School Deferred Maintenance Fund to the Controller, for payment to the Ready Springs Union School District to fund the project approved by the State Allocation Board under Section 39619.5 of the Education Code, for the repair of the sewage system of the Ready Springs Elementary School in that district, as described in Section 1 of this act. This appropriation shall

constitute an advance hardship apportionment.

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 funds may be allocated to immediately repair and restore the sewage system at the Ready Springs Elementary School, so as to ensure the continued operation of that school through the remainder of the 1987–88 school year, it is necessary that this act take effect immediately.

CHAPTER 63

An act to amend Section 31616 of, and to add Section 31616.5 to, the Vehicle Code, relating to regulations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 29, 1988. Filed with Secretary of State March 30, 1988]

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

SECTION 1. Section 31616 of the Vehicle Code is amended to read:

31616. The Department of the California Highway Patrol, after consultation with the officials having the responsibility for the prevention and suppression of fire in communities through which routes for the transporting of explosives pass, representatives of transportation companies concerned, explosives manufacturers, and the State Fire Marshal shall, by regulation, designate the routes in this state which are to be used for the transportation of explosives. The Department of the California Highway Patrol shall prepare for distribution to persons engaged in the transportation of explosives, maps which clearly indicate the routes, as established in regulations, which are to be used for the transportation of explosives. The Department of the California Highway Patrol shall prepare for distribution to persons engaged in the transportation of explosives a list of locations of required inspection stops, safe parking places, and safe stopping places and shall revise the list to keep it current. Notwithstanding any other provision of law, regulations adopted pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, except that, for the purposes of subdivision (a) of Section 11346.4 of the Government Code, the public comment period shall be 30 days, and the regulations shall become effective upon filing with the Secretary of State.

SEC. 2. Section 31616.5 is added to the Vehicle Code, to read:

31616.5. Notwithstanding Section 11349.3 of the Government

Code, the review by the Office of Administrative Law of regulations adopted pursuant to Section 31616 shall be completed within 15 days after the regulations have been submitted to the Office of Administrative Law for review.

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 reduce the period of time required for the consideration and adoption of regulations, it is necessary that this act take effect immediately.

CHAPTER 64

An act to add Section 16071 to the Education Code, relating to school facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 29, 1988. Filed with Secretary of State March 30, 1988.]

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

SECTION 1. Section 16071 is added to the Education Code, to read:

16071. This section applies only to a unified school district that filed an application on or after April 30, 1977, for an apportionment for a grade level consisting of kindergarten, if any, and grades 1 to 12, inclusive, and the repayments required for apportionments made under those applications.

The following definitions apply to the computation and determinations required to be made under Sections 16072, 16074, and 16075, and they apply with respect to the grade level of a unified school district for which grade level an apportionment has become final during any preceding fiscal year:

(a) "Forty-cent tax amount" means the amount that would be produced by a tax of 0.20 percent of full valuation for the current fiscal year within the district.

(b) "Thirty-cent tax amount" means the amount that would be produced by a tax of 0.15 percent of full valuation for the current fiscal year within the district.

(c) "Ten-cent tax amount" means the amount that would be produced by a tax of 0.05 percent of full valuation for the current fiscal year within the district.

(d) "Eligible bonded debt service" means the amount raised and to be raised by the district during the current fiscal year for the repayment of principal and interest on the portion of the bonded indebtedness of the district that was incurred for each such grade

level prior to the making of the first apportionment for the grade level to the unified school district under this chapter computed as provided in Section 16072 plus the amount of the annual repayment under Chapter 6 (commencing with Section 15700) of this part.

If the unified school district's first apportionment under this chapter was for a grade level consisting of kindergarten, if any, and grades 1 to 6, inclusive, grades 1 to 8, inclusive, grades 7 to 12, inclusive, grades 9 to 12, inclusive, or grades 7 to 10, inclusive, "eligible bonded debt service" means the amount raised and to be raised by the district during the current fiscal year for the repayment of principal and interest on the portion of the indebtedness that was incurred for elementary and high school purposes prior to the making of such first apportionment under this chapter computed as provided in Section 16072 together with the amount of the annual repayment under Chapter 6 (commencing with Section 15700) of this part.

SEC. 2. The Legislature finds and declares as follows:

(a) The Simi Valley School District is a recipient of state school construction funding under the State School Building Aid Law of 1952. The Simi Valley School District is required, accordingly, under statute, to make specified repayments to the state on the basis of a designated property tax rate to be applied to property within the district.

(b) The school facilities funding program currently employed by this state is the Leroy F. Greene State School Building Lease-Purchase Law of 1976, under which sufficient funding is not available to meet the school facilities needs of school districts throughout the state.

(c) The application of local funding sources to district school facilities needs is encouraged, therefore, in order to alleviate the statewide demand on the state program of school facilities funding. Pursuant to that purpose, the statutory repayment schedule applicable under the State School Building Aid Law of 1952 should be revised so as to reduce the property tax rate that would otherwise be applicable in the Simi Valley School District, thus facilitating the approval of a general obligation bond measure within that district that is to be voted on by the electors of that district at an election to be held April 12, 1988.

SEC. 3. (a) Notwithstanding Section 16071 or any other provision of Chapter 8 (commencing with Section 16000) of Part 10 of the Education Code, the tax amounts utilized in the calculation under Section 16075 of the Education Code of the annual repayment obligation of the Simi Valley School District shall not exceed the tax amounts specified in Section 16070 of the Education Code.

(b) This section shall become operative only if a local general obligation bond measure, which measure includes within its purposes the funding of the rehabilitation of school facilities, is approved by the voters of the Simi Valley School District on April 12, 1988, in which event this section shall become operative April 13,

1988.

SEC. 4. Due to the unique circumstances specified in Section 2 of this act concerning the Simi Valley School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 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 restore certain state school construction funding repayment requirements to a level that will provide critical funding to the State School Deferred Maintenance Fund, and to set forth an exemption to that requirement that will facilitate the approval of a local general obligation bond measure to be voted on at an election to be held on April 12, 1988, it is necessary that this act take effect immediately.

CHAPTER 65

An act to amend Section 48980 of, and to add Chapter 2.3 (commencing with Section 32255) to Part 19 of, the Education Code, relating to education.

[Approved by Governor March 29, 1988. Filed with Secretary of State March 30, 1988.]

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

SECTION 1. 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 35291, 46014, 48205, 48207, 48208, 49403, 49423, 49451, 49472, 51240, and 51550, Article 3 (commencing with Section 56030) of Chapter 1 of Part 30, and Chapter 2.3 (commencing with Section 32255) of Part 19.

(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. 2. Chapter 2.3 (commencing with Section 32255) is added

to Part 19 of the Education Code, to read:

CHAPTER 2.3. PUPILS' RIGHTS TO REFRAIN FROM THE HARMFUL OR DESTRUCTIVE USE OF ANIMALS

32255. As use in this chapter:

(a) "Animal" means any living organism of the kingdom animalia, beings which typically differ from plants in capacity for spontaneous movement and rapid motor response to stimulation, by a usually greater mobility with some degree of voluntary locomotor ability, by greater irritability commonly mediated through a more or less centralized nervous system, beings which are characterized by a requirement for complex organic nutrients including proteins or their constituents which are usually digested in an internal cavity before assimilation into the body proper, which are distinguished from typical plants by lack of chlorophyll, by an inability to perform photosynthesis, by cells that lack cellulose walls, and by the frequent presence of discrete complex sense organs.

(b) "Alternative education project" includes, but is not limited to, the use of video tapes, models, films, books, and computers, which would provide an alternate avenue for obtaining the knowledge, information, or experience required by the course of study in question. "Alternative education project" also includes "alternative test."

(c) "Pupil" means a person under 18 years of age who is matriculated in a course of instruction in an educational institution within the scope of Section 32255.5. For the purpose of asserting the pupil's rights and receiving any notice or response pursuant to this chapter, "pupil" also includes the parents of the matriculated minor.

32255.1. (a) Except as otherwise provided in Section 32255.6, any pupil with a moral objection to dissecting or otherwise harming or destroying animals, or any parts thereof, shall notify his or her teacher regarding this objection, upon notification by the school of his or her rights pursuant to Section 32255.4.

(b) If the pupil chooses to refrain from participation in an education project involving the harmful or destructive use of animals, and if the teacher believes that an adequate alternative education project is possible, then the teacher may work with the pupil to develop and agree upon an alternate education project for the purpose of providing the pupil an alternate avenue for obtaining the knowledge, information, or experience required by the course of study in question.

(c) The alternative education project shall require a comparable time and effort investment by the pupil. It shall not, as a means of penalizing the pupil be more arduous than the original education project.

(d) The pupil shall not be discriminated against based upon his or her decision to exercise his or her rights pursuant to this chapter.

(e) Pupils choosing an alternative educational project shall pass all

examinations of the respective course of study in order to receive credit for that course of study. However, if tests require the harmful or destructive use of animals, a pupil may, similarily, seek alternative tests pursuant to this chapter.

(f) A pupil's objection to participating in an educational project pursuant to this section shall be substantiated by a note from his or her parent or guardian.

32255.3. (a) A teacher's decision in determining if a pupil may pursue an alternative educational project or be excused from the project shall not be arbitrary or capricious.

(b) Nothing in this chapter shall prevent any pupil from pursuing the grievance procedures in existing law.

32255.4. Each teacher teaching a course that utilizes live or dead animals or animal parts shall also inform the pupils of their rights pursuant to this chapter.

32255.5. Notwithstanding any provision of law to the contrary, this chapter applies to all levels of instruction in all public schools operating programs from kindergarten through grades 1 to 12, inclusive.

32255.6. Classes and activities, conducted as part of a program in agricultural education that provide instruction on the care, management, and evaluation of domestic animals are exempt from the provisions of this chapter.

SEC. 3. If any provision of this act or the application thereof to any person or set of circumstances is held invalid, the 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. 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 66

An act to amend Section 11493.3 of, and to add Section 11506 to, the Insurance Code, relating to health insurance plans, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 31, 1988. Filed with Secretary of State March 31, 1988]

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

SECTION 1. Section 11493.3 of the Insurance Code is amended to read:

11493.3. A corporation which is eligible to, and establishes a comprehensive health care program or programs pursuant to subdivision (e) of Section 11493 may, subject to the approval of the commissioner and for the specific purposes of this section only:

(a) Expend sums, including loans to a corporation or other legally recognized entity, to amortize capital costs of the purchase or construction of health care facilities to be operated by that corporation or entity as a part of that program.

(b) Enter into agreements with individual physicians or groups thereof for the rendering of services to subscribers or beneficiaries of that program on a fee-for-service or prepaid capitation basis; and with other licensed practitioners of the healing arts or groups thereof on a fee-for-service, prepaid capitation, salary, or any other basis compatible with the best interests of those subscribers and beneficiaries.

(c) Enter into such other agreements as may be necessary or convenient for the establishment and operation of those programs.

(d) Engage in experimental projects and programs to explore more efficient and economical methods of implementing those programs and the purposes of this section.

(e) Notwithstanding any other provisions of this chapter, a corporation which is eligible to, and establishes a comprehensive health care program, may take such actions as are necessary to guarantee hospital services to subscribers and beneficiaries.

(f) On or after January 1, 1989, no new license shall be granted under this chapter to any corporation seeking to establish a comprehensive health care program.

SEC. 2. Section 11506 is added to the Insurance Code, to read:

11506. (a) Notwithstanding Section 11491, a nonprofit hospital service plan first licensed under this chapter on January 19, 1978, may convert from a nonprofit public benefit corporation into a business corporation as provided in this section and Section 5813.5 of the Corporations Code. Upon conversion, the ownership of the business corporation shall be vested in a nonprofit hospital service plan licensed under this chapter. The commissioner may not revoke,

suspend, or otherwise limit the certificate of authority of a corporation subject to this chapter holding that certificate on January 1, 1988, solely for the reason that the corporation has changed its status from a nonprofit public benefit corporation to a business corporation, pursuant to Section 5813.5 of the Corporations Code, if that change of status occurred on or before June 30, 1988, and the corporation made application for a license to engage in the business of a health care service plan pursuant to Section 1351 of the Health and Safety Code on or before June 30, 1988. That corporation may renew contracts with existing groups but may not solicit or contract to cover new groups in Los Angeles, Orange, Riverside, San Bernardino, Ventura, Imperial, San Diego, or Santa Barbara County, until it is authorized to do business in those counties pursuant to Section 1353 of the Health and Safety Code. Until such authorization occurs, that corporation shall not solicit or contract to cover any individual member of an existing group if: (1) the individual resides in one of those counties and (2) the group in which that individual is a member has not contracted with the corporation for coverage for such individuals as of the effective date of this section. That corporation shall file a disclosure statement with the Department of Corporations describing the number and identity of groups which are existing in those counties as of the effective date of this section. The statement shall be kept confidential by the Department of Corporations until the corporation is authorized to do business pursuant to Section 1353 of the Health and Safety Code.

That conversion shall require the prior approval of the commissioner. Application for approval of this conversion and any related transactions shall be made to the commissioner, together with a filing fee of ten thousand dollars ($10,000), in a form to be prescribed by the commissioner. The application shall contain the information required by subdivision (a) of Section 1215.2, and such other information as the commissioner may deem necessary and proper. The commissioner may disapprove that application if any of the facts set forth in subdivision (d) of Section 1215.2, are found to exist, or if the transactions described in the application do not comply with the requirements of this section. The commissioner may impose reasonable conditions of approval, including the filing of a report setting forth the transactions completed under the commissioner's approval. The offer and sale of securities issued pursuant to the plan of conversion and approved in accordance with this section shall be exempt from Article 8 (commencing with Section 820) of Chapter 1 of Part 2 of Division 1. No sale of less than all of the outstanding securities shall be permitted.

(b) The proceeds from any sale or merger of that converted business corporation shall be deemed to be fair and reasonable if, after making reasonable efforts to disseminate the offer for sale or merger, the consideration received is the highest bid available.

(c) Sections 11493.5 and 11498 shall not apply to the corporation described in subdivision (a) of this section.

(d) No part of the proceeds from any conversion, sale, or merger shall inure to the benefit of any private person, nor shall any officer, director, or person with authority over the corporation's funds have any financial interest in the transaction or receive any commission, consideration, or other remuneration from it except their regular salary, if any.

(e) Any conversion, sale, or merger made in conformity with this section shall be deemed to comply fully with all requirements of law relating to charitable trusts. Within 60 days of the approval of the sale or merger, the commissioner shall file a written report of the transaction and its financial impact on the hospital service plan which received the proceeds of the sale with both houses of the Legislature.

(f) Upon the issuance of a license pursuant to Section 1353 of the Health and Safety Code, the corporation shall no longer be subject to this article, and its certificate of authority under this part shall expire notwithstanding Article 15 (commencing with Section 1070) of Chapter 1 of Part 2 of Division 1.

SEC. 3. It is the intent of the Legislature that hearings be conducted to examine each of the following:

(a) Any conversion of a nonprofit hospital service plan initially licensed on January 19, 1978, pursuant to Chapter 11a (commencing with 11491) of Part 2 of Division 2 of the Insurance Code to a business corporation operating for profit to determine whether actions taken or planned in the process of the conversion will adversely impact patient care.

(b) The financial condition of third-party payors as it affects the health care delivery system in this state.

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 and facilitate the orderly conversion of nonprofit hospital service plans organized as nonprofit public benefit corporations to business corporations operating on a profit basis and to insure the continued availability of health insurance at a reasonable cost, it is necessary that this act take effect immediately as an urgency statute.

CHAPTER 67

An act to amend Section 439 of, and to add and repeal Part 1.75 (commencing with Section 442) to Division 1 of, the Health and Safety Code, and to amend Section 5565.32 of the Welfare and Institutions Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 5, 1988. Filed with Secretary of State April 5, 1988]

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

SECTION 1. Section 439 of the Health and Safety Code is amended to read:

439. (a) Every health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2, except a health facility owned and operated by the state, shall be charged a fee of not more than 0.035 percent of the health facility's gross operating cost for the provision of health care services for its last fiscal year ending prior to the effective date of this section. Thereafter the office shall set for, charge to, and collect from all health facilities, except health facilities owned and operated by the state, a special fee, which shall be due on July 1, and delinquent on July 31 of each year beginning with the year 1977, of not more than 0.035 percent of the health facility's gross operating cost for provision of health care services for its last fiscal year which ended on or before June 30 of the preceding calendar year. Each year the office shall establish the fee to produce revenues equal to the appropriation to pay for the functions required to be performed pursuant to this part, Part 1.75 (commencing with Section 442), or Part 1.8 (commencing with Section 443) by the office, the area and local health planning agencies, and the Advisory Health Council.

Health facilities which pay fees shall not be required to pay, directly or indirectly, the share of the costs of those health facilities for which fees are waived.

(b) There is hereby established the California Health Data and Planning Fund within the Office of Statewide Health Planning and Development for the purpose of receiving and expending fee revenues collected pursuant to this chapter.

(c) Any amounts raised by the collection of the special fees provided for by subdivision (a) of this section which are not required to meet appropriations in the Budget Act for the current fiscal year shall remain in the California Health Data and Planning Fund and shall be available to the office and the council in succeeding years when appropriated by the Legislature, for expenditure under the provisions of this part, Part 1.75 (commencing with Section 442), and Part 1.8 (commencing with Section 443) and shall reduce the amount of the special fees which the office is authorized to establish and

charge.

(d) No health facility liable for the payment of fees required by this section shall be issued a license or have an existing license renewed unless the fees are paid. New, previously unlicensed health facilities shall be charged a pro rata fee to be established by the office during the first year of operation.

The license of any health facility, against which the fees required by this section are charged, shall be revoked, after notice and hearing, if it is determined by the office that the fees required were not paid within the time prescribed by subdivision (a).

SEC. 2. Part 1.75 (commencing with Section 442) is added to Division 1 of the Health and Safety Code, to read:

PART 1.75. SMALL AND RURAL HOSPITALS

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

(a) Small and rural hospitals serve as the hub of health care in the communities which they serve, and through that role attract and retain in their communities physicians, nurses, and other primary care providers.

(b) Because of economies of scale compounded by changes in payment for services, many rural hospitals may close. The smallest and most remote facilities are at highest risk of closure.

(c) Closure of small and rural hospitals will result in the departure of primary care providers and the loss of emergency medical services both to residents and persons traveling through the area.

(d) Licensure standards which may be appropriate for larger and urban hospitals are often unduly burdensome for small and rural hospitals.

(e) While the department, upon application of a hospital, is empowered to waive regulatory requirements when appropriate, neither a comprehensive assessment of regulatory requirements applicable to small and rural hospitals nor implementation of safe and efficacious alternatives to existing regulations is required by statute.

(f) The intent of this part is to establish a mechanism for a comprehensive assessment of regulatory requirements applicable to small and rural hospitals, to provide for the temporary implementation and evaluation of alternative standards, and to assure the adoption of those standards by the department where they are determined to be safe and efficacious.

442.1. It is the intent of the Legislature that while this part is in effect, any request for program flexibility by small and rural hospitals which would have otherwise been requested from the department shall be, instead, requested from the office under the authority granted to the office in this part.

442.2. As used in this part:

(a) "Department" means the State Department of Health Services.

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

(c) "Small and rural hospital" means an acute care hospital which meets either of the following conditions: (1) the hospital meets 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 (2) the hospital meets the criteria for designation within peer group five or seven and has no more than 76 acute care beds and is located in a census dwelling place of 15,000 or less population according to the 1980 federal census.

442.3. (a) Between the effective date of this part and January 1, 1990, the office shall undertake a comprehensive review and assessment of the regulatory requirements currently imposed upon small and rural hospitals pursuant to Chapter 2 (commencing with Section 1250) of Division 2 and Chapter 1 (commencing with Section 15000) of Division 12.5.

(b) By March 1, 1990, the office shall adopt emergency regulations waiving or modifying those existing regulations found in Division 5 (commencing with Section 70000) of Title 22, and those building standards found in Parts 2 (commencing with Section 2-101), 3 (commencing with Section 3-089-1), 4 (commencing with Section 4-403), and 5 (commencing with Section P-100), of Title 24, of the California Code of Regulations determined by the office to be inapplicable, unreasonably burdensome to, or unnecessary for the safe and efficient operation of small and rural hospitals. These waivers and modifications of otherwise existing regulations shall remain in full force and effect for all small and rural hospitals until this part is repealed. Before waiving or modifying regulations adopted by the department, the director of the office shall first consult with the Director of Health Services.

(c) Prior to adopting the emergency modifications and waivers, the office shall consult with the department and with appropriate professional associations to ensure that patient safety and quality of care are not compromised.

(d) Licensing and certification functions now performed by the department shall continue to be performed by the department, subject to the emergency waivers and modifications, any approved pilot project, or program flexibility granted by the office for small and rural hospitals.

(e) The office may also authorize the department to consolidate on the license of a hospital multiple levels of health care services.

442.4. (a) In addition to the waivers and modifications provided for in Section 442.3 that apply to all small and rural hospitals, the office may also conduct pilot projects in any specific small or rural hospital or group of small or rural hospitals permitting the use of alternate concepts, methods, procedures, techniques, equipment, personnel, personnel qualifications, or physical plant standards. These pilot projects may also include the development of alternative

rural hospital models. These pilot projects may be coordinated or intergrated with health manpower pilot projects approved by the office pursuant to Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1.

(b) No project shall continue more than 24 months from the start of implementation, unless the office determines that the project is likely to contribute substantially to the availability of high-quality health services in the state or region thereof.

(c) The office shall seek the advice of appropriate professional societies and appropriate healing arts licensing boards when approving pilot projects under this section.

(d) The office shall only approve those pilot projects that assure that patient safety and quality of care will be maintained.

(e) The office shall only approve projects which permit wages, hours, and working conditions that are permissible under the laws and rules of the Industrial Welfare Commission.

(f) Nothing in this part shall be construed as creating an exemption from the healing arts practices acts in Division 2 (commencing with Section 500) of the Business and Professions Code, unless it is a part of a health manpower pilot project approved by the office pursuant to Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1.

442.5. (a) The Director of the Office of Statewide Health Planning and Development may appoint a technical advisory committee of up to seven members to provide advice on the implementation and administration of this part. Members appointed to the committee shall have knowledge and expertise in health care and health care management. At least one member shall be a representative of the department.

(b) If a technical advisory committee is established by the Director of the Office of Statewide Health Planning and Development, members of the committee shall be reimbursed for any actual and necessary expenses incurred in connection with their duties as members of the committee.

442.6. (a) As a condition of participation in any pilot program approved under Section 442.4, any hospital or group of hospitals shall agree to provide statistical data and patient information that the office deems necessary for effective evaluation and monitoring. It is the intent of the Legislature that the office shall develop procedures to assure the confidentiality of patient information, including name identification, as is necessary pursuant to this part or any other law.

(b) Any authorized officer, employee, or agent of the office or the department may, upon presentation of proper identification, enter and inspect any building or premises and any records, including patient records, of a pilot project participant at any reasonable time to review compliance with, or to prevent any violation of, this section, this part, or the regulations and standards adopted thereunder.

(c) The office may suspend or withdraw approval of any or all

pilot projects with notice, but without hearing if it determines that patient safety is being jeopardized.

(d) The office may contract with a medical consultant or other advisers as necessary, as determined by the office. Due to the necessity to expedite the provision of regulatory relief to small and rural hospitals, the contracts shall be exempt from Section 10373 of the Public Contract Code, and shall be considered sole-source contracts.

(e) The office may adopt emergency regulations to implement this part in accordance with Section 11346.1 of the Government Code, except that the regulations shall be exempt from the requirements of subdivisions (e), (f), and (g) of that section. The regulations shall be deemed an emergency for the purpose of Section 11346.1. Any amendments to the regulations shall also be adopted as an emergency as provided for in this subdivision, and the same exemptions from Section 11346.1 shall apply.

442.7. The office and the department shall cooperate and jointly pursue any waivers or state plan amendments that are necessary to permit hospitals that are participating in the regulatory relief program outlined in this part to continue to participate in, and receive full reimbursement under, the federal Medicare and Medicaid programs.

442.8. The office shall submit a report to the Legislature and to the department on or before April 1, 1993, which shall include an evaluation of the impact on small and rural hospitals of the program authorized by this part. The report shall address whether or not those regulations modified or waived by the office should be permanently modified or waived by the department for small and rural hospitals, and what further regulatory changes should be made based on the results of any pilot project approved pursuant to Section 442.4, or any program flexibility granted. When making its report, the office shall consider health care costs, availability, safety, and quality of care.

442.9. This part and the regulations adopted hereunder shall remain in effect only until January 1, 1994, and as of that date are repealed, unless a later enacted statute which is chaptered prior to January 1, 1994, deletes or extends that date.

SEC. 3. Section 5565.32 of the Welfare and Institutions Code is amended to read:

5565.32. (a) No later than July 1, 1988, or, April 1 of each year thereafter, each county that wishes to participate in the program under this chapter shall have a program proposal for the development of a coordinated system of services to address the needs of children with serious emotional disturbance.

(b) Each county program proposal shall include protocols developed in the county for case assessment designed to do all of the following:

(1) Determine the least restrictive appropriate mental health treatment setting for each child.

(2) Plan and facilitate the provision of needed services for the

child and family when necessary and monitor those services.

(3) Provide methods for client and family advocacy to occur within the system.

(c) Each county that wishes to participate in the program under this chapter shall initiate discussions with other public agencies serving children with serious emotional disturbance, including, but not limited to, special education, foster care, and child protective and juvenile justice services to identify common needs and joint planning opportunities.

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:

Small and rural hospitals are in crisis. Some are in danger of closing, even though they are sole-source health care providers in their communities. Since small and rural hospitals need timely regulatory relief, it is necessary that this act take effect immediately.

Furthermore, in order to permit counties to implement comprehensive children's mental health services programs at the earliest possible time, it is necessary that this act go into immediate effect.

CHAPTER 68

An act to add Section 25503.22 to the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 5, 1988. Filed with Secretary of State April 5, 1988.]

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

SECTION 1. Section 25503.22 is added to the Business and Professions Code, to read:

25503.22. (a) Nothing in this division shall prohibit the issuance or transfer of any retail on-sale beer and wine license to any person with respect to premises which are an integral part of a restaurant owned by, or operated by or on behalf of, the licensee, notwithstanding that a wholesaler licensed to sell alcoholic beverages in states other than California has an interest, directly or indirectly, in the premises, in the retail license or in the retail licensee, provided that each of the following conditions are met:

(1) The retail licensee shall purchase no beer or wine for sale in this state other than from a California wholesale licensee, and the retail licensee shall purchase no beer or wine from any manufacturer or wholesale licensee holding the ownership of any interest, directly or indirectly, in the premises, in the retail license or in the retail

licensee.

(2) Not more than 30 percent of the gross annual revenues of the restaurant are derived from the sale of alcoholic beverages.

(b) The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcholic 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 to prevent irrevocable economic disruption, it is necessary that this act take effect immediately.

CHAPTER 69

An act to amend Section 25503.15 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 5, 1988. Filed with Secretary of State April 5, 1988.]

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

SECTION 1. Section 25503.15 of the Business and Professions Code is amended to read:

25503.15. Notwithstanding any other provision of this division, a winegrower who manufactures, produces, bottles, processes, imports, or sells wine only, or any officer, director, or agent of any such person, may hold the ownership of any interest in any retail license, or the business conducted under any such license, provided that the person or the officer, director, or agent of that person, shall have entered into an undertaking approved by the department stating that neither that person nor any officer, director, or agent of that person shall sell or furnish to the holder of the license any wine, or permit the sale pursuant to that license of any wine, manufactured, produced, bottled, processed, imported, or sold by that person or that person's principal so long as that ownership continues, nor that neither that person nor any officer, director, or agent of that person shall enter into any collusive scheme whereby

he or she unfairly sells or promotes, in his or her onsale or offsale businesses, the wine of another winegrower who manufactures, produces, bottles, processes, imports or sells wine only, in return for his or her wine being unfairly sold or promoted in the retail businesses of that winegrower.

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:

Assembly Bill 1712 (Chapter 68 of the Statutes of 1987) inadvertently removed long-standing statutory authority for wine growers to hold an interest in off-sale retail package beer and wine licenses. Removal of this authority will cause severe financial hardship for those affected who will depend on off-premises consumer sales for a substantial portion of their business. Therefore, it is necessary that this act go into immediate effect.

CHAPTER 70

An act to amend Section 667.5 of the Penal Code, relating to crime.

[Approved by Governor April 6, 1988. Filed with Secretary of State April 6, 1988.]

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

SECTION 1. Section 667.5 of the Penal Code is amended to read:

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

(a) Where one of the new offenses is one of the violent felonies specified in subdivision (c), in addition and consecutive to any other prison terms therefor, the court shall impose a three-year term for each prior separate prison term served by the defendant where the prior was one of the violent felonies specified in subdivision (c); provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(b) Except where subdivision (a) applies, where the new offense is any felony for which a prison sentence is imposed, in addition and consecutive to any other prison terms therefor, the court shall impose a one-year term for each prior separate prison term served for any felony; provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of five years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(c) For the purpose of this section, "violent felony" shall mean

any of the following:

(1) Murder or voluntary manslaughter.

(2) Mayhem.

(3) Rape as defined in subdivision (2) of Section 261.

(4) Sodomy by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

(5) Oral copulation by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

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

(7) Any felony punishable by death or imprisonment in the state prison for life.

(8) Any felony in which the defendant inflicts great bodily injury on any person other than an accomplice which has been charged and proved as provided for in Section 12022.7 or 12022.9 on or after July 1, 1977, or as specified prior to July 1, 1977, in Sections 213, 264, and 461, or any felony in which the defendant uses a firearm which use has been charged and proved as provided in Section 12022.5.

(9) Any robbery perpetrated in an inhabited dwelling house or trailer coach, as defined in the Vehicle Code, or in the inhabited portion of any other building, wherein it is charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022, in the commission of that robbery.

(10) Arson, in violation of subdivision (a) of Section 451.

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

(d) For the purposes of this section the defendant shall be deemed to remain in prison custody for an offense until the official discharge from custody or until release on parole whichever first occurs including any time during which the defendant remains subject to reimprisonment for escape from custody or is reimprisoned on revocation of parole. The additional penalties provided for prior prison terms shall not be imposed unless they are charged and admitted or found true in the action for the new offense.

(e) The additional penalties provided for prior prison terms shall not be imposed for any felony for which the defendant did not serve a prior separate term in state prison.

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

other jurisdiction.

(g) A prior separate prison term for the purposes of this section shall mean a continuous completed period of prison incarceration imposed for the particular offense alone or in combination with concurrent or consecutive sentences for other crimes, including any reimprisonment on revocation of parole which is not accompanied by a new commitment to prison, and including any reimprisonment after an escape from incarceration.

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

(i) For the purposes of this section, a commitment to the State Department of Health as a mentally disordered sex offender following a conviction of a felony, which commitment exceeds one year in duration, shall be deemed a prior prison term.

(j) For the purposes of this section, when a person subject to the custody, control, and discipline of the Director of Corrections is incarcerated at a facility operated by the Youth Authority, that incarceration shall be deemed to be a term served in state prison.

(k) Notwithstanding subdivisions (d) and (g) or any other provision of law, where one of the new offenses is committed while defendant is temporarily removed from prison pursuant to Section 2690 or while defendant is transferred to a community facility pursuant to Section 3416, 6253, or 6263, or while defendant is on furlough pursuant to Section 6254, the defendant shall be subject to the full enhancements provided for in this section.

This subdivision shall not apply when a full, separate, and consecutive term is imposed pursuant to any other provision of law.

CHAPTER 71

An act to amend Section 2033.5 of the Code of Civil Procedure, relating to civil actions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 8, 1988 Filed with Secretary of State April 8, 1988.]

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

SECTION 1. Section 2033.5 of the Code of Civil Procedure 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, family law, 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. 2. Form interrogatories and requests for admission for family law actions shall be approved and made available no later than July 1, 1988.

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 complexity, expense, and widespread impact of family law actions, it is necessary that form interrogatories and requests for admission for use in those actions be made available at the earliest possible date.

CHAPTER 72

An act to amend Section 1313 of the Military and Veterans Code, relating to veterans.

[Approved by Governor April 8, 1988 Filed with Secretary of State April 8, 1988]

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

SECTION 1. Section 1313 of the Military and Veterans Code is amended to read:

1313. (a) The construction of a memorial to all of California's veterans on the grounds of the State Capitol is hereby authorized. For purposes of this chapter, the grounds of the State Capitol are that property in the City of Sacramento bounded by Ninth, 15th, "L", and "N" Streets. The actual site for the memorial shall be selected by the commission after consultation with the Department of General Services and the State Office of Historic Preservation of the Department of Parks and Recreation.

(b) Funds for the construction of the memorial shall be provided through private contributions. The commission may receive

contributions for this purpose.

(c) The commission shall not solicit any funds for construction of the memorial until the Vietnam Veterans Memorial Commission has completed construction of a memorial to California's Vietnam veterans pursuant to Chapter 4 (commencing with Section 1300).

CHAPTER 73

An act to amend Sections 11100 and 11106 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor April 14, 1988. Filed with Secretary of State April 14, 1988.]

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

SECTION 1. Section 11100 of the Health and Safety Code 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.
(18) Norpseudoephedrine.
(19) Phenylpropanolamine.
(20) Propionic anhydride.
(21) Isosafrole.
(22) Safrole.
(23) Piperonal.
(24) Thionylchloride.
(25) Benzyl cyanide.
(26) Ergonovine maleate.

(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 ephedrine, pseudoephedrine, norpseudoephedrine, or phenylpropanolamine and which is lawfully sold, transferred, 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. 2. 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 ephedrine, pseudoephedrine, norpseudoephedrine, or phenylpropanolamine and which is lawfully sold, transferred, 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. 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 74

An act to add Sections 1551.05 and 1611 to the Penal Code, relating to crimes.

[Approved by Governor April 14, 1988 Filed with Secretary of State April 14, 1988.]

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

SECTION 1. Section 1551.05 is added to the Penal Code, to read:

1551.05. (a) Any person on outpatient status pursuant to Title 15 (commencing with Section 1600) of Part 2 or pursuant to subdivision (d) of Section 2972 who leaves this state without complying with Section 1611, or who fails to return to this state on the date specified by the committing court, shall be subject to extradition in accordance with this section.

(b) When the return to this state is required by a person who is subject to extradition pursuant to subdivision (a), the Director of Mental Health shall present to the Governor a written application for requisition for the return of that person. In the requisition application there shall be stated the name of the person, the type of judicial commitment the person is under, the nature of the underlying criminal act which was the basis for the judicial commitment, the circumstances of the noncompliance with Section 1611, and the state in which the person is believed to be, including the specific location of the person, if known.

(c) The application shall be verified, shall be executed in duplicate, and shall be accompanied by two certified copies of the court order of judicial commitment and of the court order authorizing outpatient status. The director may also attach any

affidavits or other documents in duplicate as are deemed proper to be submitted with the application. One copy of the application, with the action of the Governor indicated by endorsement thereon, and one copy of the court orders shall be filed in the office of the Secretary of State. The other copies of all papers shall be forwarded with the Governor's requisition.

(d) Upon receipt of an application under this section, the Governor or agent authorized in writing by the Governor whose authorization has been filed with the Secretary of State, may sign a requisition for the return of the person.

SEC. 2. Section 1611 is added to the Penal Code, to read:

1611. (a) No person who is on outpatient status pursuant to this title or Section 2972 shall leave this state without first obtaining prior written approval to do so from the committing court. The prior written approval of the court for the person to leave this state shall specify when the person may leave, when the person is required to return, and may specify other conditions or limitations at the discretion of the court. The written approval for the person to leave this state may be in a form and format chosen by the committing court.

In no event shall the court give written approval for the person to leave this state without providing notice to the prosecutor, the defense counsel, and the community program director. The court may conduct a hearing on the question of whether the person should be allowed to leave this state and what conditions or limitations, if any, should be imposed.

(b) Any person who violates subdivision (a) is guilty of a misdemeanor.

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 75

An act to repeal Sections 38225 and 62709 of the Food and Agricultural Code, relating to milk, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 14, 1988 Filed with Secretary of State April 14, 1988]

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

SECTION 1. Section 38225 of the Food and Agricultural Code is repealed.

SEC. 2. Section 62709 of the Food and Agricultural Code is repealed.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to ensure the continued, orderly marketing of milk and milk products, it is necessary that this act take effect immediately.

CHAPTER 76

An act to amend Sections 31681.8 and 31739.5 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor April 14, 1988 Filed with Secretary of State April 14, 1988]

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

SECTION 1. Section 31681.8 of the Government Code is amended to read:

31681.8. (a) The board of supervisors in any county under the County Employees Retirement Law of 1937 may provide, effective on a date determined by the board, for cost-of-living payments, in addition to those payable under Articles 16.5 and 16.6, to members of this system or a superseded system who retired and to their surviving beneficiaries who are receiving allowances under this system, provided the following conditions are met:

(1) On January 1 of the year of adoption or readoption of this section, the accumulations established by Section 31870, 31870.1, or 31870.2, as applicable, shall, for any member, equal or exceed 25 percent in order for that member to be eligible for such cost-of-living payment.

(2) The payments shall be made either quarterly or monthly to those members and survivors eligible for the first payment.

(3) The amount of each payment is equal to the product of a sum determined by the board of supervisors, but not to exceed fifteen dollars ($15) times the member's full years of county service not exceeding 30 years.

(b) The payments made pursuant to this section and Section 31739.5 shall be made only during the lifetimes of the members or their survivors receiving allowances and to no other person.

(c) The payments made pursuant to this section and Section 31739.5 shall not be considered as a part of the monthly retirement allowance, optional death allowance, or annual death allowance, nor shall any such payments be construed as guaranteeing any similar payments in any subsequent year.

(d) Notwithstanding subdivision (a), the payments to beneficiaries of members pursuant to Section 31760.1, 31765.1, 31781.1, or 31785 or to beneficiaries who elected a combined benefit pursuant to Section 31781.3 shall be 60 percent of the payments which otherwise would have been payable under subdivision (a) to the members.

(e) Notwithstanding subdivision (a), the payments to beneficiaries of members who elected optional settlement 3 pursuant to Section 31763 shall be 50 percent of the payments which otherwise would have been payable under subdivision (a) to the member.

(f) This section shall not be operative in any county in any year, unless it is adopted or readopted in any year by the board of supervisors. Any such adoption or readoption in any particular year shall not be construed to require any adoption or readoption in any subsequent year.

Before adoption by the board of supervisors in any year, the cost of the payments authorized by this section and Section 31739.5 shall be determined by a qualified actuary and the board of supervisors shall, with advice of the actuary, provide for the payment of such cost in such manner as to fully fund the benefits on a sound actuarial basis, including use of available funds in the reserves provided in Section 31592.2 with the approval of the retirement board, or an increase in the employer rates of contributions, or a combination of these sources of payments. This actuarial determination shall be made only upon authorization by the board of supervisors.

Upon adoption by any county providing benefits pursuant to this section, of Article 5.5 (commencing with Section 31510) of this chapter, the board of retirement shall, instead, pay those benefits from the Supplemental Retiree Benefits Reserve established pursuant to Section 31510.8.

SEC. 2. Section 31739.5 of the Government Code is amended to read:

31739.5. The provision in Section 31681.8, when adopted or readopted, shall apply to members of this system or a superseded system who retired for disability, except that payments to a member of this system or a superseded system who retired for service-connected disability or to the surviving beneficiary of such member shall be computed on the basis that the member's service had continued to age 60, if a safety member, or age 70, if any other category of member, provided, that this additional service credit shall not exceed 30 years.

CHAPTER 77

An act to amend Section 8869.90 of the Government Code, to amend Section 50199.17 of, to add Section 50805.5 to, and to add Chapter 7 (commencing with Section 52075) to Part 5 of Division 31 of, the Health and Safety Code, and to amend Section 214 of the Revenue and Taxation Code, relating to public financing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 14, 1988. Filed with Secretary of State April 14, 1988.]

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

SECTION 1. Section 8869.90 of the Government Code is amended to read:

8869.90. (a) The committee may charge fees to the lead underwriter, the bond purchaser, or the bond issuer to cover the committee's costs in carrying out the duties and responsibilities set out in this chapter. Any fees received shall be deposited in the California Debt Limit Allocation Committee Fund, which is hereby created. All money in the fund shall be available, when appropriated, for expenses of the committee and the Treasurer.

(b) Until the time that fees are received by the committee and appropriated pursuant to this chapter for the expenses of the committee, the committee may borrow any money as may be required for the purpose of meeting necessary expenses of initial organization and operation of the committee.

(c) Any moneys received by the committee from fees or deposits beginning in fiscal year 1987–88, shall also be deposited into the fund.

SEC. 2. Section 50199.17 of the Health and Safety Code is amended to read:

50199.17. The committee may adopt, amend, or repeal rules and regulations for allocation of housing credits pursuant to this chapter and Sections 17058 and 23610.5 of the Revenue and Taxation Code without complying with the procedural requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code until December 31, 1988. These rules and regulations shall be effective upon adoption by the committee. However, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall be applicable to the adoption, amendment, or repeal of rules and regulations for allocation of housing credits subsequent to December 31, 1988.

SEC. 3. Section 50805.5 is added to the Health and Safety Code, to read:

50805.5. (a) For the purposes of this section, "the act" means Title IV of the Stewart B. McKinney Homeless Assistance Act, as approved on July 22, 1987, cited as Public Law 100-77 and provided

for in H.R. 558, and regulations promulgated thereunder by the United States Department of Housing and Urban Development.

(b) Notwithstanding any other provision of law to the contrary, or any regulation adopted pursuant to this chapter, an eligible recipient who receives funds pursuant to this chapter, or who has an outstanding obligation to provide shelter services as a result of previously receiving funds pursuant to this chapter, and receives funds under the act may charge rent for transitional housing not in excess of the amount allowed by the act. However, any proceeds collected from residents of a shelter pursuant to this subdivision shall be maintained and accounted for in a separate account and shall be utilized, to the extent necessary, to pay for any security deposit imposed pursuant to Section 1950.5 of the Civil Code on any resident leaving the shelter and renting a permanent dwelling.

(c) An eligible recipient who receives funds pursuant to this chapter or who has an outstanding obligation to provide shelter services as a result of previously receiving funds pursuant to the chapter shall not deny shelter to any person or family because of that person's or family's inability to pay rent or any portion thereof.

SEC. 4. Chapter 7 (commencing with Section 52075) is added to Part 5 of Division 31 of the Health and Safety Code, to read:

CHAPTER 7. MULTIFAMILY RENTAL HOUSING

Article 1. Financing

52075. Subject to the limitations of this chapter, any city or county may, in addition to any other power conferred by this part, issue revenue bonds as provided in Chapter 4 (commencing with Section 52030) for the purpose of financing the construction or development of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to such multifamily rental housing.

For this purpose, the term "home mortgage," as used in Chapter 4 (commencing with Section 52030), and as defined by Section 52013, shall be further defined to include construction loans and mortgage loans to housing sponsors to finance the development of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing.

To the extent possible, Chapter 4 (commencing with Section 52030) shall be construed in a manner that enables a city or county to comply with the purpose and requirements of this chapter.

52076. Subject to the limitations prescribed in this chapter, a city or county may make, or undertake commitments to make, construction loans and mortgage loans to housing sponsors to finance the development of multifamily rental housing. For this purpose, the city or county shall enter into regulatory contracts and other agreements with housing sponsors receiving loans under this chapter

to assure all requirements of this chapter are satisfied.

52077. Subject to the limitations prescribed in this chapter, a city or county may purchase, or undertake, directly or indirectly through lending institutions, commitments to purchase, construction loans and mortgage loans originated in accordance with a financing agreement with the city or county to finance the development of multifamily rental housing and may make loans to lending institutions under terms and conditions which, in addition to other provisions determined by the city or county, shall require the lending institutions to use the net proceeds of the loans for the making, directly or indirectly, of construction loans or mortgage loans to finance the development of multifamily rental housing.

52078. For the purposes of this chapter, a city or county shall have the power to issue its bonds to defray, in whole or in part, the costs of studies and surveys, insurance premiums, underwriting fees, legal, accounting and marketing services incurred in connection with the issuance and sale of bonds, including bond and mortgage reserve accounts; trustee, custodian, and rating agency fees, and any other costs which are reasonably related to the foregoing.

52079. A city or county may, in conjunction with the financing of multifamily rental housing pursuant to this chapter, finance the development of commercial property for lease, subject to all of the following conditions:

(a) No more than 10 percent of the proceeds of any revenue bonds issued pursuant to this chapter may be used to develop the commercial property for lease.

(b) The commercial property developed will be located on the same parcel or on a parcel adjacent to a multifamily rental housing development.

(c) As a condition of the financing, any lease payments collected in excess of payments necessary for debt service, operating expenses and any required reserves related to such property, shall be used to reduce rents on units reserved for occupancy by lower income households and very low income households in a multifamily rental housing development.

52080. (a) (1) Not less than 20 percent of the total number of units in a multifamily rental housing development financed, or for which financing has been extended or committed, pursuant to this chapter from the proceeds of sale of each bond issuance of the city or county shall be for occupancy on a priority basis by lower income households, as defined by Section 50079.5. If a multifamily rental housing development is located within a targeted area project, as defined by Section 103(b)(12)(A) of Title 26 of the United States Code, not less than 15 percent of the total number of units financed, or for which financing has been extended or committed pursuant to this chapter, shall be for occupancy on a priority basis by lower income households. Not less than one-half of the units required for occupancy on a priority basis by lower income households shall be for occupancy on a priority basis for very low income households, as

defined by Section 50105.

The rental payments on the units required for occupancy by very low income households 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 30 percent of 50 percent of area median income. If the sponsor elects to establish a base rent for all or part of the units for lower income households and very low income households, the base rents shall be adjusted for household size. In adjusting rents for household size, the agency shall assume that one person will occupy a studio unit, two persons will occupy a one-bedroom unit, three persons will occupy a two-bedroom unit, four persons will occupy a three-bedroom unit, and five persons will occupy a four-bedroom unit.

(2) The governing body shall ensure that the local agency issuing permits for the development of the multifamily rental housing development shall consider opportunities to contribute to the economic feasibility of the units and to the provision of units for very low income households through concessions and inducements including, but not limited to, the following:

(A) Reductions in construction and design requirements.

(B) Reductions in setback and square footage requirements and the ratio of vehicular parking spaces that would otherwise be required.

(C) Granting density bonuses.

(D) Providing expedited processing of permits.

(E) Modifying zoning code requirements to allow mixed use zoning.

(F) Reducing or eliminating fees and charges for filing and processing applications, petitions, permits, planning services, water and sewer connections, and other fees and charges.

(G) Reducing or eliminating requirements relating to monetary exactions, dedications, reservations of land, or construction of public facilities.

(H) Other financial incentives or concessions for the multifamily rental housing development which result in identifiable cost reductions, as determined by the governing body. The governing body shall ensure that the local agency issuing permits for the development considers its responsibilities under this section and makes a good faith effort to enhance the feasibility of the project and to provide housing for lower income households and very low income households.

(3) The governing body shall not permit a selection criteria to be applied to certificate holders under Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f) that is more burdensome than the criteria applied to all other prospective tenants.

(4) It is the intent of the Legislature that the governing body finance projects that assist in meeting the urgent need for providing shelter for lower income households, very low income households,

and persons and families of low or moderate income. To that end, the quality of materials and the amenities provided should not be excessive so as to hinder the prospect of achieving the stated goal. The Legislature finds and declares that the design standards utilized in the past, including, but not limited to, the design requirements adopted to govern the new construction program under Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), are substantially in excess of those required for a decent, healthy, and safe residential unit and intends, by the amendment adding this paragraph to this section by the Statutes of 1985, that cities and counties finance multifamily rental developments with substantially less costly design requirements than those required by the governing body prior to January 1, 1986.

(5) It is the intent of the Legislature that the governing body finance projects that assist in meeting the urgent need for providing shelter for families. To that end, developments with three- and four-bedroom units affordable to larger families shall have priority over competing developments.

(b) As a condition of financing pursuant to this chapter, the housing sponsor shall enter into a regulatory agreement with the city or county providing that units reserved for occupancy by lower income households remain available on a priority basis for occupancy until the bonds are retired. The regulatory agreement shall contain a provision making the covenants and conditions of the agreement binding upon successors in interest of the housing sponsor. The regulatory agreement shall be recorded in the office of the county recorder of the county in which the multifamily rental housing development is located. The regulatory agreement shall be recorded in the grantor-grantee index to the name of the property owner as grantor and to the name of the city or county as grantee.

(c) The governing body shall ensure that units occupied by lower income households are of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants.

(d) (1) The city or county shall give priority to processing construction loans and mortgage loans or may take other steps such as reducing loan fees or other local fees for multifamily rental developments which incorporate innovative and energy-efficient techniques which reduce development or operating costs and which have the lowest feasible per unit cost, as determined by the city or county, based on efficiency of design or the elimination of improvements that are not required by applicable building standards.

(2) The city or county shall give equal priority to processing construction loans and mortgage loans or may take other steps such as reducing loan fees or other local fees on multifamily rental housing developments which do any of the following:

(A) Utilize federal housing or development assistance.

(B) Utilize redevelopment funds or other local financial

assistance, including, but not limited to, contributions of land.

(C) Are sponsored by a nonprofit housing organization.

(D) Provide a significant number of housing units, as determined by the city or county, as part of a coordinated jobs and housing plan adopted by the city or county.

(E) Exceed a ratio whereby 20 percent of the units are reserved for occupancy by lower income households, or whereby 10 percent of the units are reserved for occupancy by very low income households, or which provide units for lower income households or very low income households for the longest period of time beyond the minimum number of years.

(e) (1) New and existing rental housing developments may be syndicated after prior written approval of the governing body. The governing body shall grant that approval only after the city or county determines that the terms and conditions of the syndication comply with this section.

(2) The terms and conditions of the syndication shall not reduce or limit any of the requirements of this chapter or regulations adopted or documents executed pursuant to this chapter. No requirements of the city or county shall be subordinated to the syndication agreement. A syndication shall not result in the provision of fewer assisted units, or the reduction of any benefits or services, than were in existence prior to the syndication agreement.

(f) At the option of the city or county, the amendments to this subdivision made by Chapter 907 of the Statutes of 1983 may be made applicable to any multifamily rental housing development financed by the issuance, on or after September 3, 1982, of bonds authorized by this chapter.

52081. For purposes of this article, "housing sponsor" means a person as defined in Section 52016.

52085. The primary purpose of this chapter is to meet the multifamily rental housing needs of persons and families of low or moderate income. The exercise of the powers granted by this division shall be in all respects for the benefit of the people of this state and for their health and welfare. Therefore, any bonds issued by a city, county, or city and county pursuant to this chapter, their transfer, and the income therefrom shall at all times be free from taxation by the state or any political subdivision or other instrumentality of the state, excepting inheritance and gift taxes.

52086. Two or more cities in the same county, or a county and one or more cities within such county, or two or more 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 multifamily rental housing development pursuant to this chapter.

Article 3. State Assistance

52090. This article constitutes an alternative method for cities and counties to issue bonds for making construction loans and mortgage loans for multifamily rental housing developments pursuant to the provisions of this chapter.

52090.5. The agency and any city or county may enter into an agreement which provides that the agency may sell bonds authorized pursuant to Chapter 4 (commencing with Section 52030) for the city or county and operate a program with the proceeds of the sale for the purpose of providing funds for construction loans and mortgage loans for multifamily rental housing developments within the city or county and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing.

52091. Any agreement made pursuant to Section 52090.5 shall contain all of the following provisions:

(a) Limitations on the maximum amount of bonds to be issued by a city or county.

(b) A requirement that all bonds and any prospectus in connection with such bonds contain a legend condition to the following effect: "Neither the faith and credit of the State of California or the agency nor the taxing power of the state is pledged to the payment of principal or interest on this bond."

(c) A requirement that the agency approve the bond counsel selected by the city or county.

(d) The designation of criteria for multifamily rental housing developments eligible for financing; the number of units which shall be available for occupancy by persons of low income, which shall not be less than 20 percent of the total units; the amount to be allocated to a bond reserve fund; and, any other matters which the agency finds necessary or desirable.

(e) That the agency shall make construction loans and mortgage loans for multifamily rental housing developed within the city or county.

(f) That the agency shall supervise all construction and management of multifamily rental housing developments financed pursuant to this chapter on behalf of the city or county, and with the same powers and duties under this chapter, to assure that all requirements of this part are met.

52091.5. Bonds issued pursuant to this article shall not be deemed bonds of the agency for the purposes of any limitations contained in Section 51350.

52092. The agency shall adopt uniform regulations for administration of local programs under this article. Local programs conducted by the agency under this article shall be administered in a manner consistent with this chapter.

Article 4. Miscellaneous

52095. Whenever a complaint is received concerning a violation of the restrictions imposed pursuant to Section 52080, the city or county shall investigate promptly and make a report to the complaining party on whether the violation existed and whether it persists, and if it persists, what action the city or county will take to remedy the violation. When the city or county determines that a violation exists, whether determined upon an investigation of a complaint or on its own motion, the city or county shall take all appropriate action, including necessary legal action, to promptly eliminate the violation.

Notwithstanding any provision of this section, any person aggrieved by a violation may seek a judicial remedy without regard to whether a complaint has been made to the city or county or whether the city or county is then taking any action to remedy the violation.

Article 5. Application to Chartered Cities

52097. Except as otherwise provided in this article, this chapter shall not be construed to limit or otherwise restrict the authority of chartered cities to issue bonds for the purpose of financing the construction or development of multifamily rental housing or for the provision of capital improvements in connection with and determined necessary to that multifamily rental housing. For purposes of this article, certificates of participation in any form of obligation of a city, county, or city and county shall be considered to be bonds.

52097.5. (a) At least 30 days prior to issuing bonds pursuant to this chapter, a charter provision, or an ordinance for the purposes specified in Section 52097, an issuer shall notify the Mortgage Bond and Tax Credit Allocation Committee in writing that the issuer intends to issue bonds pursuant to this chapter or such other authority. The notification shall specify the amount of bonds expected to be issued, the development or developments to be financed, and the development or developments, if any, that are subject to the restriction on occupancy described in subdivision (d). The Mortgage Bond and Tax Credit Allocation Committee shall advise the issuer of the aggregate amount of bonds previously issued in the calendar year pursuant to this chapter, charter provisions, or ordinances.

(b) An issuer shall certify to the Mortgage Bond and Tax Credit Allocation Committee, at the time of filing the notification of intent to issue, that it has in an escrow specifically established for the purpose, an amount equal to 1 percent of the amount of bonds expected to be issued for developments other than developments to be owned by nonprofit or public entities. To the extent that bonds are not issued for the development or developments before the later

of the end of the calendar year in which the notification of intent was filed or the passage of nine months during which amounts were available for the issuance under subdivision (d), a pro rata proportion of the amount in the escrow shall be forwarded to the Mortgage Bond and Tax Credit Allocation Committee for immediate deposit in the Rental Housing Construction Fund established pursuant to Section 50740. To the extent that bonds are issued for the development or developments, or notwithstanding the preceding sentence, are not issued during the periods specified in the preceding sentence for reasons beyond the control of the issuer or the developer, as determined by the issuer, the amount in escrow may be released by the issuer to the appropriate person or entity and not forwarded to the committee for deposit in that fund.

(c) Within five days, exclusive of weekends and holidays, of the issuance of bonds pursuant to this chapter, a charter provision, or an ordinance for the purposes specified in Section 52097, the city, county, or city and county shall notify the Mortgage Bond and Tax Credit Allocation Committee of the amount of the bonds issued.

(d) The maximum aggregate amount of bonds which may be issued pursuant to this chapter, charter provisions, or ordinances for the purposes specified in Section 52097, shall not exceed one billion five hundred million dollars ($1,500,000,000) in any calendar year. Not less than 10 percent of the total number of units in any development which is financed with any bonds issued on or after January 1, 1986, shall be reserved for occupancy by individuals or families whose adjusted gross income does not exceed 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, and the rents for 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 city, county, or city and county may issue any bonds until any 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 city, county, or city and county has filed that information. Section 52098 shall not apply to bonds issued on or after January 1, 1986.

52098. Each city, county, and city and county which has issued bonds pursuant to this chapter or a charter provision or ordinance for the purposes specified in Section 52097, shall file a report annually, on or before March 1st, with the Governor, the Legislature, and the Department of Housing and Community Development, which

report shall include all of the following information:

(a) The total amount of bonds issued by the city, county, or city and county pursuant to this chapter or such other authority.

(b) The total number of units in multifamily rental housing developments financed pursuant to this chapter or such other authority.

(c) The total number of units in multifamily rental housing developments reserved for occupancy on a priority basis for lower income households.

(d) The total number of units, if any, in a multifamily rental housing development reserved for occupancy on a priority basis for very low income households.

52099. This chapter 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. 5. Section 214 of the Revenue and Taxation Code is amended to read:

214. (a) Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation if:

(1) The owner is not organized or operated for profit; provided, that in the case of hospitals, the organization shall not be deemed to be organized or operated for profit, if during the immediate preceding fiscal year the excess of operating revenues, exclusive of gifts, endowments and grants-in-aid, over operating expenses has not exceeded a sum equivalent to 10 percent of those operating expenses. As used herein, operating expenses shall include depreciation based on cost of replacement and amortization of, and interest on, indebtedness.

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

(3) The property is used for the actual operation of the exempt activity, and does not exceed an amount of property reasonably necessary to the accomplishment of the exempt purpose.

(4) The property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations or the more advantageous pursuit of their business or profession.

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

(6) The property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes and upon the liquidation, dissolution or abandonment of the owner will not inure to the benefit of any

private person except a fund, foundation or corporation organized and operated for religious, hospital, scientific, or charitable purposes.

(7) The property, if used exclusively for scientific purposes, is used by a foundation or institution which, in addition to complying with the foregoing requirements for the exemption of charitable organization in general, has been chartered by the Congress of the United States (except that this requirement shall not apply when the scientific purposes are medical research), and whose objects are the encouragement or conduct of scientific investigation, research and discovery for the benefit of the community at large.

The exemption provided for herein shall be known as the "welfare exemption." This exemption shall be in addition to any other exemption now provided by law and the existence of the exemption provision in paragraph (2) of subdivision (a) of Section 202 shall not preclude the exemption under this section for museum or library property. Except as provided in subdivision (e), this section shall not be construed to enlarge the college exemption.

(b) Property used exclusively for school purposes of less than collegiate grade and owned and operated by religious, hospital, or charitable funds, foundations, or corporations, which property and funds, foundations, or corporations meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section.

(c) Property used exclusively for nursery school purposes and owned and operated by religious, hospital, or charitable funds, foundations, or corporations, which property and funds, foundations, or corporations meet all the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section.

(d) Property used exclusively for a noncommercial educational FM broadcast station or an educational television station and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section.

(e) Property used exclusively for religious, charitable, scientific, or hospital purposes and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations or educational institutions of collegiate grade, as defined in Section 203, which property and funds, foundations, corporations, or educational institutions meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section. As to educational institutions of collegiate grade, as defined in Section 203, the requirements of paragraph (6) of subdivision (a) shall be deemed to be met if both

of the following are met:

(1) The property of the educational institution is irrevocably dedicated in its articles of incorporation to charitable and educational purposes, to religious and educational purposes, or to educational purposes.

(2) The articles of incorporation of the educational institution provide for distribution of its property upon its liquidation, dissolution, or abandonment to a fund, foundation, or corporation organized and operated for religious, hospital, scientific, charitable, or educational purposes meeting the requirements for exemption provided by Section 203 or this section.

(f) Property used exclusively for housing and related facilities for elderly or handicapped families and financed by, including, but not limited to, the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), or Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section. The amendment of this paragraph made at the 1983–84 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law. However, no refund of property taxes shall be required as a result of this amendment for any fiscal year prior to the fiscal year in which the amendment takes effect.

Property used exclusively for housing and related facilities for elderly or handicapped families at which supplemental care or services designed to meet the special needs of elderly or handicapped residents are not provided, or which is not financed by the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), or Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715), shall not be entitled to exemption pursuant to this subdivision unless the property is used for housing and related facilities for low- and moderate-income elderly or handicapped families. Property which would otherwise be exempt pursuant to this subdivision, except that it includes some housing and related facilities for other than low- or moderate-income elderly or handicapped families, shall be entitled to a partial exemption. The partial exemption shall be equal to that percentage of the value of the property which is equal to the percentage which the number of low- and moderate-income elderly and handicapped families occupying the property is of the total number of families occupying the property.

As used in this subdivision, "low and moderate income" has the same meaning as the term "persons and families of low or moderate income" as defined by Section 50093 of the Health and Safety Code.

(g) Property used exclusively for rental housing and related facilities and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations, including limited partnerships in which the managing general partner is an eligible nonprofit corporation, meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section and shall be entitled to a partial exemption equal to that percentage of the value of the property which the portion of the property serving lower income households is of the total property in any year in which any of the following criteria are applicable:

(1) Twenty percent or more of the occupants of the property are lower income households whose rent does not exceed that prescribed by Section 50053 of the Health and Safety Code.

(2) The acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax-exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants and the rents of the occupants who are lower income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(3) The owner of the property is eligible for and receives low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as added by Public Law 99-514.

In order to be eligible for the exemption provided by this subdivision, the owner of the property shall do both of the following:

(A) Certify and ensure that there is a deed restriction, agreement, or other legal document which restricts the project's usage and which provides that the units designated for use by lower income households are continuously available to or occupied by lower income households at rents that do not exceed those prescribed by Section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053, rents do not exceed those prescribed by the terms of the financing or financial assistance.

(B) Certify that the funds which would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower income households.

As used in this subdivision, "lower income households" has the same meaning as the term "lower income households" as defined by Section 50079.5 of the Health and Safety Code.

(h) Property used exclusively for an emergency or temporary shelter and related facilities for homeless persons and families and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the

California Constitution and this section. Property which would otherwise be exempt pursuant to this subdivision, except that it includes housing and related facilities for other than an emergency or temporary shelter, shall be entitled to a partial exemption.

As used in this subdivision, "emergency or temporary shelter" means a facility which would be eligible for funding pursuant to Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code.

SEC. 6. This act makes a classification or exemption of property for purposes of ad valorem taxation within the meaning of Section 2229 of the Revenue and Taxation Code.

SEC. 7. The amendments to Section 214 of the Revenue and Taxation Code made by this act shall be operative for the 1988–89 fiscal year and fiscal years thereafter.

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:

This bill makes critically needed statutory revisions in the laws relating to private activity bonds, the state's housing laws relating to the provision of shelter to homeless persons and families, the authority of cities and counties to issue revenue bonds for multifamily housing, and the procedure for allocating state and federal low-income housing tax credits. In order to accomplish these revisions at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 78

An act to add Section 14044 to the Education Code, and to amend Section 628.2 of the Penal Code, relating to crimes.

[Approved by Governor April 14, 1988 Filed with Secretary of State April 15, 1988.]

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

SECTION 1. Section 14044 is added to the Education Code, to read:

14044. (a) Upon determining that any semiannual report to the State Department of Education, as required under Section 628.2 of the Penal Code, has not been submitted, or that a submitted report contains intentionally misleading data, the Superintendent of Public Instruction may withhold an amount from the next state funding apportionment to which the school district or, as appropriate, the county office of education, would otherwise be entitled. The amount so withheld shall not exceed one-half of the annual salary of the superintendent of that district or of that county superintendent of

schools, respectively.

(b) Any funds withheld pursuant to subdivision (a) shall be held in trust by the Superintendent of Public Instruction until he or she determines that the data required under Section 628.2 of the Penal Code has been submitted, in complete and accurate form, by the appropriate school district or county office of education whereupon those funds shall be released to the appropriate county treasury to the credit of that district or county office of education.

SEC. 2. Section 628.2 of the Penal Code is amended to read:

628.2. On forms prepared and supplied by the State Department of Education, each principal of a school in a school district and each principal or director of a school, program, or camp under the jurisdiction of the county superintendent of schools shall forward a completed report of crimes committed on school or camp grounds at the end of each reporting period to, respectively, the district superintendent or county superintendent of schools.

The district superintendent or, as appropriate, the county superintendent of schools, shall compile the school data and submit the aggregated data to the State Department of Education not later than February 1 for the reporting period of July 1 through December 31, and not later than August 1 for the reporting period January 1 through June 30.

The superintendent of any school district that maintains a police department pursuant to Section 39670 may direct the chief of police or other administrator of that department to prepare the completed report of crimes for one or more schools in the district, to compile the school data for the district, and to submit the aggregated data to the State Department of Education in accordance with this section.

The State Department of Education shall distribute, upon request, to each office of the county superintendent of schools and each county probation department, a summary of that county's district reports, county reports, and the summary of statewide aggregated data. This information shall be supplied not later than January 1 of each year for the previous school year. The department shall also submit to the Legislature a summary of the statewide aggregated data not later than March 1 of each year for the previous school year. In addition, commencing with the second annual report, the department shall also evaluate school district and county school crime prevention programs by comparing the numbers and rates of crimes and the resulting economic losses for each year against those of previous years.

All school district, county, and statewide reports prepared under this chapter shall be deemed public documents and shall be made available to the public at a price not to exceed the actual cost of duplication.

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 79

An act to amend Section 13199.5 of the Health and Safety Code, relating to automatic fire extinguishing systems.

[Approved by Governor April 15, 1988. Filed with Secretary of State April 15, 1988.]

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

SECTION 1. Section 13199.5 of the Health and Safety Code is amended to read:

13199.5. This chapter shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1991, deletes or extends that date.

SEC. 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 80

An act to amend Section 14110 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor April 15, 1988. Filed with Secretary of State April 15, 1988.]

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

SECTION 1. Section 14110 of the Welfare and Institutions Code is amended to read:

14110. No payment for care or services shall be made under Medi-Cal to a medical or health care facility unless it has been certified by the department for participation, and it meets one of the following:

(a) It is licensed by the department.

(b) It is licensed by a comparable agency in another state.

(c) It is exempt from licensure.

(d) It is operated by the Regents of the University of California.

(e) It meets the utilization review plan criteria for certification or is certified as an institutional provider of services under Title XVIII of the Federal Social Security Act and regulations issued thereunder.

Nothing in this section shall preclude payments for care for aged patients in medical facilities or institutions operated or licensed by the department, or the State Department of Mental Health, State Department of Developmental Services, State Department of Social Services, or Department of Rehabilitation.

The department shall certify facilities licensed pursuant to subdivision (e) of Section 1250 of the Health and Safety Code for participation in the program within 30 calendar days of receipt of a complete application or date of licensure, whichever is greater, if the facility meets all the requirements for certification. The department for claims purposes only, shall issue a provider number to facilities which meet all certification requirements within 30 calendar days of the date of certification or 60 calendar days of licensure, whichever is greater.

CHAPTER 81

An act to amend Section 31480 of, and to add Section 31646.1 to, the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor April 21, 1988. Filed with Secretary of State April 21, 1988.]

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

SECTION 1. Section 31480 of the Government Code is amended to read:

31480. The provisions of this chapter, as they apply to retirement for service or disability, deferred retirement, and the death benefit, shall not be applicable to any member claiming public service pursuant to Section 31478 or to any member claiming service credit for uncompensated illness leave of absence in excess of 12 consecutive months pursuant to Section 31646.1, unless such member has rendered service, other than the public service or the uncompensated illness leave of absence for which the member has elected to receive credit, sufficient to meet the minimum requirements of this chapter covering each of the benefits enumerated in this section.

SEC. 2. Section 31646.1 is added to the Government Code, to read:

31646.1. A member who returns to active service following an uncompensated leave of absence on account of illness or injury

arising out of and in the course of employment which exceeds 12 consecutive months and for which the member receives temporary disability benefits pursuant to the Labor Code during the absence may receive service credit for the full period in excess of 12 consecutive months during which the member received temporary disability benefits pursuant to the Labor Code upon the payment of the contributions which the member would have paid during that period, together with the interest which the contributions would have earned had they been on deposit, if the member was not absent, provided, that the member has rendered sufficient service, other than the service for which credit in excess of 12 consecutive months is to be purchased pursuant to this section, to meet the minimum service credit requirements for benefits. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by a majority vote, make this section applicable in the county.

SEC. 3. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

CHAPTER 82

An act to amend Section 104.12 of the Streets and Highways Code, relating to highways.

[Approved by Governor April 21, 1988. Filed with Secretary of State April 21, 1988.]

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

SECTION 1. Section 104.12 of the Streets and Highways Code is amended to read:

104.12. (a) The department may lease to public agencies or private entities for any term not to exceed 99 years the use of areas above or below state highways, subject to any reservations, restrictions, and conditions that it deems necessary to ensure adequate protection to the safety and the adequacy of highway facilities and to abutting or adjacent land uses. Authorized emergency vehicles, as defined in Section 165 of the Vehicle Code, which are on active duty and are not merely being stored shall be given preference in the use of these areas, and no payment of

consideration shall be required for this use of the areas by these vehicles. Prior to entering into any lease, the department shall determine that the proposed use is not in conflict with the zoning regulations of the local government concerned. The leases shall be made in accordance with procedures to be prescribed by the commission, except that, in the case of leases with private entities, the leases shall only be made after competitive bidding unless the commission finds, by unanimous vote, that in certain cases competitive bidding would not be in the best interests of the state. The possibilities of entering into the leases, and the consequent benefits to be derived therefrom, may be considered by the department in designing and constructing the highways.

Revenues from the leases shall be deposited in the State Highway Account.

(b) The department shall consider future lease potential of areas above or below state highway projects when planning new state highway projects. This consideration shall be accomplished by intradepartment consultation between offices concerned with project development and airspace lease development.

(c) The department shall submit to the Legislature an annual report on the income and the inventory status of airspace leased above and below state highways.

CHAPTER 83

An act to amend Section 61932 of the Food and Agricultural Code, relating to dairy products, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 21, 1988. Filed with Secretary of State April 21, 1988.]

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

SECTION 1. Section 61932 of the Food and Agricultural Code is amended to read:

61932. Class 1 comprises:

(a) Any market milk, market skim milk, half-and-half, or concentrated milk that is supplied to consumers in the fluid state, with the exception of the following:

(1) (A) Any UHT market milk product, as defined in Chapter 9 (commencing with Section 39701) of Part 3 of Division 15, which is sold for use outside the state.

(B) Any market milk products which are ultrapasteurized and sold for use outside the 48 contiguous states in the United States.

(2) Any market half-and-half which is ultrapasteurized and packaged in hermetically sealed containers.

(3) Any market half-and-half which is packaged in presterilized

containers under aseptic conditions to meet the marketing requirements for these products in states other than this state. However, this paragraph does not authorize the sale within this state of any milk product as a UHT product unless the product meets the standards and requirements for UHT products specified in Chapter 9 (commencing with Section 39701) of Part 3 of Division 15.

(4) Any market milk, market skim milk, or market cream which is used in the manufacture of yogurt or soft fresh cheese (fromage frais) which is directly sold for use in states other than this state.

(b) Any market milk, market skim milk, or market cream which is used in any other milk product, or products resembling milk products, in which the use of market milk, or any components or derivatives of market milk, is required by, or pursuant to, this code, except any product defined in Section 61933 as class 2.

(c) Any market milk, market skim milk, market cream, market milk fat, or market milk solids-not-fat which is used in the standardizing or fortifying of any milk product which is defined in this section as class 1.

(d) Any market milk, market skim milk, or market cream which is used in any product not otherwise classified, which is required by any regulations adopted by the director pursuant to Article 2 (commencing with Section 36631) of Chapter 1 of Part 3 of Division 15 to be made from market milk or any components or derivatives of market milk.

(e) Any market milk, market skim milk, market cream, market milk fat, or market milk solids-not-fat used in any filled product or imitation milk product, when the product imitated or resembled, is defined in this section as class 1.

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 pricing classification for soft fresh cheese (fromage frais) should be identical to yogurt when these products are sold out-of-state. In order to clarify this classification, it is necessary that this act take effect immediately.

CHAPTER 84

An act to amend Sections 1428 and 1428.1 of the Health and Safety Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 21, 1988. Filed with Secretary of State April 21, 1988.]

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

SECTION 1. Section 1428 of the Health and Safety Code is amended to read:

1428. (a) If a licensee desires to contest a class "AA" or a class "A" citation, or a citation alleging a class "B" violation and either a class "AA" or class "A" violation or the proposed assessment of a civil penalty therefor, the licensee shall within 15 business days after service of the citation notify the director in writing of his or her request for a citation review conference with the designee of the director for the county in which the cited long-term health care facility is located. The director's designee shall hold, within 15 business days from the receipt of the request, a citation review conference, at the conclusion of which he or she may affirm, modify, or dismiss the citation or proposed assessment of a civil penalty. If the director's designee affirms, modifies, or dismisses the citation or proposed assessment of a civil penalty, he or she shall state with particularity in writing his or her reasons for that action, and shall immediately transmit a copy thereof to each party to the original complaint. If the licensee desires to contest a decision made after the citation review conference, the licensee shall inform the director in writing within 15 business days after he or she receives the decision by the director's designee. If the licensee fails to notify the director in writing that he or she intends to contest the citation or the proposed assessment of a civil penalty therefor or the decision made by a director's designee after a citation review conference within the time specified in this subdivision, the citation or the proposed assessment of a civil penalty or the decision by a director's designee after a citation review conference shall be deemed a final order of the state department and shall not be subject to further administrative review, except that the licensee may seek judicial relief from the time limits specified in this subdivision.

(b) If a licensee notifies the director that he or she intends to contest a class "AA" or a class "A" citation, or a citation alleging a class "B" violation and either a class "AA" or class "A" violation, the director shall immediately notify the Attorney General. Upon notification, the Attorney General shall promptly take all appropriate action to enforce the citation and recover the civil penalty prescribed thereon, and shall take such other action as the Attorney General shall deem appropriate, in the court of competent

jurisdiction for the county in which the long-term health care facility is located.

(c) If a licensee desires to contest a class "B" citation or the proposed assessment of a civil penalty therefor, the licensee shall within 15 business days after service of the citation (1) notify the director in writing of his or her request for a citation review conference with the designee of the director for the county in which the cited long-term health care facility is located; or (2) notify the director in writing of the licensee's intent to adjudicate the validity of the citation in the municipal court in the county in which the long-term health care facility is located. If requested by the licensee, the director's designee shall hold, within 15 business days from the receipt of the request, a citation review conference, at the conclusion of which he or she may affirm, modify, or dismiss the citation or the proposed assessment of a civil penalty. If the director's designee affirms, modifies, or dismisses the citation or proposed assessment of a civil penalty, he or she shall state with particularity in writing his or her reasons for that action and shall immediately transmit a copy thereof to each party to the original complaint. If the licensee desires to contest a decision made after the citation review conference, the licensee shall inform the director in writing within 15 business days after he or she receives the decision by the director's designee. In order to perfect a judicial appeal of a contested citation, a licensee shall file a civil action in the municipal court in the county in which the long-term health care facility is located. The action shall be filed no later than 60 calendar days after a licensee notifies the director that he or she intends to contest a citation, and served no later than 60 days after filing. In the event a citation review conference is held, the action shall be filed no later than 60 calendar days after a licensee notifies the director of his or her intent to contest the decision of the director's designee and served no later than 60 days after filing. If a judicial appeal is prosecuted under the provisions of this subdivision, the state department shall have the burden of establishing by a preponderance of the evidence that (1) the alleged violation did occur, (2) the alleged violation met the criteria for the class of citation alleged, and (3) the assessed penalty was appropriate. The state department shall also have the burden of establishing by a preponderance of the evidence that the assessment of a civil penalty should be upheld. If a licensee fails to notify the director in writing that he or she intends to contest the citation or the decision made by the director's designee within the time specified in this subdivision, or fails to file a civil action within the time specified in this subdivision, the citation or the decision by the director's designee after a citation review conference shall be deemed a final order of the state department and shall not be subject to further administrative review, except that the licensee may seek judicial relief from the time limits specified in this subdivision. If a licensee prosecutes a judicial appeal of a contested citation or the assessment of a civil penalty, no civil penalty shall be due and payable unless and

until the appeal is terminated in favor of the state department. Notwithstanding any other provision of law, for those citations issued after January 1, 1988, a licensee prosecuting a judicial appeal shall file and serve an at issue memorandum pursuant to Rule 209 of the California Rules of Court by July 1, 1988, or within six months after the state department files its answer in the appeal, whichever is later. The court shall dismiss the appeal upon motion of the state department if the at issue memorandum is not filed by the facility within the period specified.

(d) The director or the director's designee shall establish an independent unit of trained citation review conference hearing officers within the state department to conduct citation review conferences. Citation review conference hearing officers shall be directly responsible to the deputy director for licensing and certification, and shall not be concurrently employed as supervisors, district administrators, or regional administrators with the licensing and certification division. Specific training shall be provided to members of this unit on conducting an informal conference, with emphasis on the regulatory and legal aspects of long-term health care.

Where the state department issues a citation as a result of a complaint or regular inspection visit, and a resident or residents are specifically identified in a citation by name as being specifically affected by the violation, then the following persons may attend the citation review conference:

(1) The complainant and his or her designated representative.

(2) A personal health care provider, designated by the resident.

(3) A personal attorney, only if the long-term health care facility has an attorney present.

(4) Any person representing the Office of the State Long-Term Care Ombudsman, as defined in subdivision (c) of Section 9701 of the Welfare and Institutions Code.

Where the state department determines that residents in the facility were threatened by the cited violation but does not name specific residents, any person representing the Office of the State Long-Term Care Ombudsman, as defined in subdivision (c) of Section 9701 of the Welfare and Institutions Code, and a representative of the residents or family council at the facility may participate to represent all residents. In this case, these representatives shall be the sole participants for the residents in the conference. The residents' council shall designate which representative will participate.

The complainant, affected resident, or their designated representatives shall be notified by the state department of the conference and their right to participate. The director's designee shall notify the complainant or his or her designated representative and the affected resident or his or her designated representative, of his or her determination based on the citation review conference.

(e) In assessing the civil penalty for a violation, all relevant facts

shall be considered, including, but not limited to, all of the following:

(1) The probability and severity of the risk which the violation presents to the patient's mental and physical condition.

(2) The patient's medical condition.

(3) The patient's mental condition and his or her history of mental disability.

(4) The good-faith efforts exercised by the facility to prevent the violation from occurring.

(5) The licensee's history of compliance with regulations.

(f) Except as otherwise provided in this subdivision, an assessment of civil penalties for a class "A" or class "B" violation shall be trebled and collected for a second or subsequent violation occurring within any 12-month period, if a citation was issued and a civil penalty assessed for the previous violation occurring within the period, without regard to whether the action to enforce the previous citation has become final. However, the increment to the civil penalty required by this subdivision shall not be due and payable unless and until the previous action has terminated in favor of the state department.

If the class "B" violation is a patient's rights violation, as defined in subdivision (d) of Section 1424, it shall not be trebled unless the state department determines the violation has a direct or immediate relationship to the health, safety, security, or welfare of long-term health care facility residents.

(g) The director shall prescribe procedures for the issuance of a notice of violation with respect to violations having only a minimal relationship to safety or health.

(h) Actions brought under this chapter shall be set for trial at the earliest possible date and shall take precedence on the court calendar over all other cases except matters to which equal or superior precedence is specifically granted by law. Times for responsive pleading and for hearing any such proceeding shall be set by the judge of the court with the object of securing a decision as to subject matters at the earliest possible time.

(i) If the citation is dismissed or reduced, the state department shall take action immediately to ensure that the public records reflect in a prominent manner that the citation was dismissed or reduced.

(j) Upon a licensee notifying the director of its intent to contest one or more citations or decisions made following a citation review conference where the total penalties do not exceed fifteen thousand dollars ($15,000), either the state or the licensee may elect to submit the matter to binding arbitration. The parties shall agree upon an arbitrator designated from the American Arbitration Association in accordance with the association's established rules and procedures. The arbitration hearing shall be set within 45 days of the petitioner's election, but in no event less than 28 days from the date of selection of an arbitrator. The arbitration hearing may be continued up to 15 additional days if necessary at the arbitrator's discretion. The

arbitrator's decision shall specify, in writing, the areas of disagreement between the parties, the evidence upon which the decision is based, and the reasons for the decision. The decision of the arbitrator shall be based upon substantive law and shall be binding on all parties, subject to judicial review. This review shall be limited to whether there was substantial evidence to support the decision of the arbitrator.

The arbitrator shall determine which of the parties are financially liable for arbitration costs based upon the position each took at the commencement of the arbitration proceedings compared to the decision of the arbitrator.

The retention of, renewal of, or application for, a license to operate a skilled nursing facility or intermediate care facility shall, for purposes of the administration of this chapter, be deemed a written agreement to arbitrate contested citations within the meaning of Title 9 (commencing with Section 1280) of Part 3 of the Code of Civil Procedure. Without extending the time for commencement of these hearings, the provisions of Section 1283.05 of the Code of Civil Procedure shall be applicable to all proceedings to arbitrate citations issued pursuant to this chapter, except that depositions may be noticed and taken without prior approval of the arbitrator.

Penalties paid on violations under this chapter shall be applied against the state department's accounts to offset any costs incurred by the state pursuant to this subdivision. Any costs or penalties assessed pursuant to this chapter shall be paid within 30 days of the date the decision becomes final. If a facility does not comply with this provision, the state department shall withhold any payment under the Medi-Cal program until the debt is satisfied. No payment shall be withheld if the state department determines that it would cause undue hardship to the facility or to patients of the facility.

(k) The amendments made to subdivisions (a) and (c) of this section by the Statutes of 1988, to extend the number of days allowed for the provision of notification to the Director of Health Services, do not affect the right, which is also contained in those amendments, to request judicial relief from these time limits.

SEC. 2. Section 1428.1 of the Health and Safety Code is amended to read:

1428.1. (a) A licensee may, in lieu of contesting a citation pursuant to Section 1428, transmit to the state department the minimum amount specified by law, or 50 percent of the amount specified in the citation, whichever is greater, for each violation within 15 business days after the issuance of the citation.

(b) If a licensee requests a citation review conference, and if following the citation review conference the citation is sustained for the same class of violation for which it was issued but the penalty assessed is reduced to at least 30 percent less than the amount originally assessed, the licensee may pay the minimum amount specified by law, or 50 percent of the amount determined by the citation review conference, whichever is greater, for each violation

within 15 business days after notice of the citation review conference determination.

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 correct drafting errors to this section of law which inadvertently created two different time requirements for filing and serving appeals, and to clarify that the provisions of law changing these time frames are effective for citations issued after January 1, 1988, it is necessary that this act go into immediate effect.

CHAPTER 85

An act to amend and repeal Section 4681 of, and to add Section 4681.1 to, the Welfare and Institutions Code, relating to developmental disabilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1988. Filed with Secretary of State April 22, 1988.]

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

SECTION 1. Section 4681 of the Welfare and Institutions Code is amended to read:

4681. By July 1, 1977, and each year thereafter, the department shall establish rates, which shall be reviewed by the state council. Such rates shall annually be proposed to the Legislature by March 1 and shall be operative on July 1 of each year, subject to the appropriation of sufficient funds for such purpose in the Budget Act. In reviewing the sufficiency of these rates that is required by March 1, 1985, the department shall take into account the findings and recommendations of the study conducted by the State Council on Developmental Disabilities pursuant to Section 4541.

In establishing rates to be paid for out-of-home care, the department shall include each of the cost elements in this section as follows:

(a) Rates established for all facilities shall include an adequate amount to care for "basic living needs" of a person with developmental disabilities. "Basic living needs" are defined to include housing (shelter, utilities, and furnishings), food, and personal care. The amount required for basic living needs shall be calculated each year as the average cost of an additional normal child, of the ages of 12 to 17, inclusive, living at home. The amount for basic living needs shall be adjusted depending on the size of the out-of-home facility. These amounts shall be adjusted annually to reflect cost-of-living changes. A redetermination of basic living costs

shall be undertaken every three years by the State Department of Developmental Services, using the best available estimating methods.

(b) Rates established for all facilities that provide direct supervision for persons with developmental disabilities shall include an amount for "direct supervision." The cost of "direct supervision" shall reflect the ability of the persons in the facility to function with minimal, moderate, or intensive supervision. Minimal supervision means that a developmentally disabled person needs the assistance of other persons with certain daily activities. Moderate supervision means that a developmentally disabled person needs the assistance of other persons with daily activities most of the time. Intensive supervision means that all the personal and physical needs of a developmentally disabled person are provided by other persons. The individual program plan developed pursuant to Section 4646 shall determine the amount of "direct supervision" required for each individual. The cost of "direct supervision" is calculated as the wage costs of care-giving staff depending on the needs of the person with developmental disabilities. These rates shall be adjusted annually to reflect wage changes and shall comply with all federal regulations for hospitals and residential-care establishments under provisions of the federal Fair Labor Standards Act.

(c) Rates established for all facilities that provide "special services" for persons with developmental disabilities shall include an amount to pay for these "special services" for each person receiving special services. "Special services" include medical and dental care and therapeutic, educational, training, or other services required in the individual program plan of each person. Facilities shall be paid for providing special services for each individual to the extent that such services are specified in the person's individual program plan and the facility is designated provider of such special services. Rates of payment for special services shall be the same as prevailing rates paid for similar services in the area.

(d) To the extent applicable, rates established for facilities shall include a reasonable amount for "unallocated services." Such costs shall be determined using generally accepted accounting principles. "Unallocated services" means the indirect costs of managing a facility and includes costs of managerial personnel, facility operation, maintenance and repair, employee benefits, taxes, interest, insurance, depreciation, and general and administrative support. If a facility serves other persons in addition to developmentally disabled persons, unallocated services expenses shall be reimbursed under the provision of this section, only for the proportion of the costs associated with the care of developmentally disabled persons.

(e) Rates established for facilities shall include an amount to reimburse facilities for the depreciation of "mandated capital improvements and equipment" as established in the state's uniform accounting manual. For purposes of this section, "mandated capital improvements and equipment" are only those remodeling and

equipment costs incurred by a facility because an agency of government has required such remodeling or equipment as a condition for the use of the facility as a provider of out-of-home care to persons with developmental disabilities.

(f) When applicable, rates established for proprietary facilities shall include a reasonable "proprietary fee."

(g) Rates established for all facilities shall include as a "factor" an amount to reflect differences in the cost of living for different geographic areas in the state.

(h) Rates established for developmentally disabled persons who are also mentally disordered may be fixed at a higher rate. The State Department of Mental Health shall establish criteria upon which higher rates may be fixed pursuant to this subdivision. The higher rate for developmentally disabled persons who are also mentally disordered may be paid when requested by the director of the regional center and approved by the Director of Developmental Services.

This section shall apply to rates for facilities not participating in the alternative residential care rate model originally authorized in Item 4300-101-001 of the Budget Act of 1985, and as identified in the department's report of April 1987 entitled Alternative Residential Model (ARM).

(i) Except as provided in subdivision (j), 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.

(j) This section shall not be repealed until the State Department of Developmental Services achieves statewide implementation of the Alternative Residential Model.

SEC. 2. Section 4681.1 is added to the Welfare and Institutions Code, to read:

4681.1. (a) By July 1, 1989, and each year thereafter, the department shall establish rates, which shall be reviewed by the state council. The rates shall annually be proposed to the Legislature by March 1 and shall be operative on July 1 of each year, subject to the appropriation of sufficient funds for such purpose in the Budget Act. In reviewing the sufficiency of these rates that is required by March 1, 1989, the department shall take into account the findings and recommendations of the study conducted by the State Council on Developmental Disabilities pursuant to Section 4541.

(b) In establishing rates to be paid for out-of-home care, the department shall include each of the cost elements in this section as follows:

(1) Rates established for all facilities shall include an adequate amount to care for "basic living needs" of a person with developmental disabilities. "Basic living needs" shall include housing, shelter, utilities, furnishings, food, incidental transportation, housekeeping, and personal care items. The amount required for basic living needs shall be calculated each year as the average cost

of these items in community care facilities. The department shall annually publish a listing of the allowable cost components of these cost items and the methodology used to determine the amounts of each item. The amount for basic living needs shall be adjusted depending on the extent to which there is a demonstrated variation based on the size of the out-of-home facility. These amounts shall be adjusted annually to reflect cost-of-living changes. A redetermination of basic living costs shall be undertaken every three years by the State Department of Developmental Services, using the best available estimating methods.

(2) Rates established for all facilities that provide direct supervision for persons with developmental disabilities shall include an amount for "direct supervision." The cost of "direct supervision" shall vary with the person's functioning in the areas of self-care and daily living skills, physical coordination and mobility, and behavioral self-control and shall reflect one of the following:

(A) Basic self-help and daily living skills, no significant limitations in physical coordination and mobility, and behavioral self-control.

(B) Poor self-help and daily living skills, some limitations in physical coordination and mobility, or some disruptive or self-injurious behavior.

(C) Severe deficits in self-care and daily living skills, severe impairments in physical coordination and mobility, or severely disruptive or self-injurious behavior.

The individual program plan developed pursuant to Section 4646 shall determine the amount of direct supervision required for each individual. The cost of direct supervision shall be calculated as the wage and benefit costs of caregiving staff depending on the level of service being provided to meet the functional needs of the person with developmental disabilities. These rates shall be adjusted annually to reflect wage changes and shall comply with all federal regulations for hospitals and residential care establishments under the federal Fair Labor Standards Act.

(3) Rates established for all facilities that provide "special services" for persons with developmental disabilities shall include an amount to pay for such "special services" for each person receiving special services. "Special services" include specialized training, treatment, supervision, or other services which the individual program plan of each person requires to be provided by the residential facility in addition to the direct supervision provided pursuant to the person's individual program plan in subdivision (b). Facilities shall be paid for providing special services for each individual to the extent that such services are specified in the person's individual program plan and the facility is designated provider of such special services. Rates of payment for special services shall be the same as prevailing rates paid for similar services in the area.

(4) To the extent applicable, rates established for facilities shall include a reasonable amount for "unallocated services." These costs

shall be determined using generally accepted accounting principles. "Unallocated services" means the indirect costs of managing a facility and includes costs of managerial personnel, facility operation, maintenance and repair, employee benefits, taxes, interest, insurance, depreciation, and general and administrative support. If a facility serves other persons in addition to developmentally disabled persons, unallocated services expenses shall be reimbursed under this section, only for the proportion of the costs associated with the care of developmentally disabled persons. The amount for unallocated services shall be adjusted depending on the extent to which there is a demonstrated variation due to such factors as facility size or administrative structure.

(5) Rates established for facilities shall include an amount to reimburse facilities for the depreciation of "mandated capital improvements and equipment" as established in the state's uniform accounting manual. For purposes of this section, "mandated capital improvements and equipment" are only those remodeling and equipment costs incurred by a facility because an agency of government has required such remodeling or equipment as a condition for the use of the facility as a provider of out-of-home care to persons with developmental disabilities.

(6) When applicable, rates established for proprietary facilities shall include a reasonable "proprietary fee."

(7) Rates established for all facilities shall include as a "factor" an amount to reflect differences in the cost of living for different geographic areas in the state.

(8) Rates established for developmentally disabled persons who are also mentally disordered may be fixed at a higher rate. The State Department of Mental Health shall establish criteria upon which higher rates may be fixed pursuant to this subdivision. The higher rate for developmentally disabled persons who are also mentally disordered may be paid when requested by the director of the regional center and approved by the Director of Developmental Services.

(c) This section shall apply to facility rates paid under the alternative residential model originally authorized in Item 4300-101-001 of the Budget Act of 1985 and as identified in the department's report of April 1987 entitled Alternative Residential Model (ARM).

The department shall approve additional facilities to receive rates pursuant to this section upon the appropriation of funds for that purpose.

It is the intent of the Legislature that the department phase in implementation of the alternative residential model during the fiscal years 1987–88, 1988–89, 1989–90, and 1990–91. The department shall include all facilities providing services pursuant to this article in the alternative residential model by January 1, 1991.

By April 1, 1989, the State Department of Developmental Services shall prepare draft regulations establishing quality service standards

for facilities and procedures for administering the alternative residential model. The department shall confer with interested parties concerning the draft regulations by July 1, 1989. By July 1, 1990, the department shall submit to the Office of Administrative Law regulations establishing quality service standards for facilities, procedures for administering the Alternative Residential Model, and ratesetting methodology. Full statewide implementation of the Alternative Residential Model shall not occur until the department has submitted these regulations.

SEC. 3. The sum of eleven million seven hundred thousand dollars ($11,700,000) is hereby appropriated from the General Fund to the State Department of Developmental Services, to be used for all of the following purposes:

(a) Rate adjustments for facilities participating in the State Department of Developmental Services' alternative residential model pursuant to Section 4681.1 of the Welfare and Institutions Code. It is the intent of the Legislature that the department select additional facilities to bring into the alternative residential model on a voluntary basis during the 1987–88 fiscal year in regional centers which opt to participate. Rates paid pursuant to Section 4681.1 of the Welfare and Institutions Code shall not be less than the 1987–88 levels proposed in the department's April 1987 report entitled Alternative Residential Model (ARM).

(b) Rate adjustments for residential care facilities not participating in the State Department of Developmental Services' alternative residential model and receiving rates pursuant to Section 4681 of the Welfare and Institutions Code. These rate adjustments shall be in the following amounts:

(1) A 10 percent increase shall be provided in the rate of reimbursement currently paid under the department's 1987 schedule of maximum allowances for facilities providing minimal, moderate, and intensive supervision. This increase shall not apply to funds provided for special services.

(2) A 5 percent increase shall be provided to that portion of the rate of reimbursement currently paid to designate facilities for special services provided under subdivision (c) of Section 4681.

(c) A study of one or more regional centers and a sample of providers within the regional center's catchment area that compares the cost effectiveness of utilizing a nationally recognized accreditation process to the quality assurance process identified in the April 1987 report to the Legislature entitled Alternative Residential Model (ARM). This study shall include an evaluation of the effects of each process on the delivery of quality services to clients. The report developed from this study shall be submitted to the Legislature by July 1, 1991.

(d) Development and implementation of agreed-to regional center quality assurance plans based on standards developed by the department.

SEC. 4. Rate adjustments made pursuant to Section 3 of this act

shall be paid for the period commencing on the first day of the month in which this act is signed by the Governor.

It is the intent of the Legislature that the funds provided in this act shall establish a new base of expenditures for residential care for the developmentally disabled.

It is also the intent of the Legislature that the rate adjustments provided in subdivisions (a) and (b) of Section 3 of this act be effective concurrently.

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 that persons with developmental disabilities are not displaced from existing residential community placements into more restrictive living arrangements, it is necessary that this bill take effect immediately.

CHAPTER 86

An act to add Section 60200.6 to the Education Code, relating to schools.

[Approved by Governor April 22, 1988. Filed with Secretary of State April 25, 1988.]

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

SECTION 1. Section 60200.6 is added to the Education Code, to read:

60200.6. Instructional materials adopted pursuant to this chapter for the category of social science as specified in paragraph (5) of subdivision (a) of Section 60200 shall include information designed to instruct pupils on Dr. Martin Luther King, Jr., the civil rights movement, and contributions made by ethnic minority groups to the history of the United States. The state board shall ensure that the materials present the information in a manner consistent with the instruction provided in each grade level. The state board shall endeavor to see that this objective is accomplished in the evaluation of instructional materials for educational content.

CHAPTER 87

An act to amend Section 6103.9 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1988. Filed with Secretary of State April 25, 1988.]

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

SECTION 1. The Legislature hereby finds and declares that as a result of the enactment of Chapter 1211 of the Statutes of 1987, which made the Trial Court Funding Act of 1985 operative, some confusion has arisen over the propriety of plans of cooperation entered into by county clerks and district attorneys for the reimbursement to the county for the costs of certain services related to the establishment or enforcement of a child support obligation.

The Legislature also finds and declares that any funds collected pursuant to these plans of cooperation are not intended to be considered a filing fee as exempted by Section 6103.9 of the Government Code and as defined in subdivision (d) of Section 77001 of the Government Code.

The Legislature further finds and declares that the provisions of this act which specifically provide that these funds are not filing fees are declarative of existing law.

SEC. 2. Section 6103.9 of the Government Code is amended to read:

6103.9. (a) Notwithstanding any other provision of law, the district attorney shall be exempt from the payment of any fees or costs, including fees for service of process and filing fees, in any action or proceeding brought for the establishment of a child support obligation or the enforcement of a child or spousal support obligation. The district attorney may, however, reimburse a county for those costs related to the establishment of a child support obligation or the enforcement of a child or spousal support obligation which have been agreed to pursuant to a plan of cooperation. Reimbursement pursuant to a plan of cooperation shall not be construed as payment of a filing fee as defined in subdivision (d) of Section 77001.

(b) For purposes of this section, a "plan of cooperation" means an agreement entered into by the district attorney and the county clerk of his or her county which is approved by the State Department of Social Services and which provides that the district attorney will reimburse the county for the cost of providing clerical and administrative support furnished by the county clerk in excess of the amount which is normally offset by a filing fee.

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.

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 counties to continue to obtain funds from the federal government for the reimbursement of certain administrative costs of county offices that are associated with the establishment and enforcement of child support, which is the best interest of counties and the state, it is necessary for this act to take effect immediately.

CHAPTER 88

An act to add Chapter 4 (commencing with Section 3850) to Part 2 of Division 4 of the Fish and Game Code, relating to the California condor, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1988 Filed with Secretary of State April 25, 1988.]

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

SECTION 1. Chapter 4 (commencing with Section 3850) is added to Part 2 of Division 4 of the Fish and Game Code, to read:

CHAPTER 4. CALIFORNIA CONDOR

3850. The department may carry out a California condor preservation project which has the following objectives:

(a) Habitat protection, consistent with the department's existing legal authority.

(b) Field research, including mortality studies.

(c) Captive breeding program.

(d) Condor release program.

3851. The department, jointly with the federal-state condor recovery team established pursuant to the federal Endangered Species Act shall develop a plan to respond to the objectives in Section 3850. Based on the plan, the department shall develop specific activities, studies, and programs to be administered by the department in the areas of habitat protection and field research. The department may contract for all or some of these activities, studies,

and programs.

3852. The department shall provide funds to the Zoological Society of San Diego and to the Los Angeles Zoo for a condor breeding program on the grounds of each zoo.

3853. In addition to the programs in Section 3852, a condor release program administered by the department and the United States Fish and Wildlife Service may be contracted to the Zoological Society of San Diego and the Los Angeles Zoo.

3854. Not more than 10 percent of the funds provided to the zoos under this chapter may be used for administrative costs of the program.

3855. Both the breeding program and the release program, if authorized by the department, shall meet criteria established by the department and shall be monitored by the department. The zoos shall submit biannual reports to the department which describe progress made in the breeding program and the release program.

3856. The department shall include copies of the biannual reports from the zoos in the annual report to the Legislature on the status of listed species required in Section 2079.

3857. To the extent possible, the department shall seek private sector funding and any federal funds which may be available to augment state funds for the purposes of this chapter.

SEC. 2. Notwithstanding Section 21191 of the Public Resources Code, the sum of five hundred thousand dollars ($500,000) is hereby appropriated from the California Environmental License Plate Fund to the department for expenditure in the 1987–88 and 1988–89 fiscal years to carry out Chapter 4 (commencing with Section 3850) of Part 2 of Division 4 of the Fish and Game Code, as follows:

(a) Two hundred fifty thousand dollars ($250,000) for disbursement to the Zoological Society of San Diego for the captive breeding program, including condor facility enhancement.

(b) Two hundred fifty thousand dollars ($250,000) for disbursement to the Los Angeles Zoo for the captive breeding program, including condor facility enhancement.

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 protect the health and safety of the California condor, it is necessary that this act take effect immediately.

CHAPTER 89

An act to amend Sections 667.5, 1192.7, and 1203.065 of the Penal Code, relating to crimes.

[Approved by Governor April 22, 1988. Filed with Secretary of State April 25, 1988.]

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

SECTION 1. Section 667.5 of the Penal Code is amended to read:

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

(a) Where one of the new offenses is one of the violent felonies specified in subdivision (c), in addition and consecutive to any other prison terms therefor, the court shall impose a three-year term for each prior separate prison term served by the defendant where the prior was one of the violent felonies specified in subdivision (c); provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(b) Except where subdivision (a) applies, where the new offense is any felony for which a prison sentence is imposed, in addition and consecutive to any other prison terms therefor, the court shall impose a one-year term for each prior separate prison term served for any felony; provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of five years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(c) For the purpose of this section, "violent felony" shall mean any of the following:

(1) Murder or voluntary manslaughter.

(2) Mayhem.

(3) Rape as defined in subdivision (2) of Section 261.

(4) Sodomy by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

(5) Oral copulation by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

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

(7) Any felony punishable by death or imprisonment in the state prison for life.

(8) Any other felony in which the defendant inflicts great bodily injury on any person other than an accomplice which has been charged and proved as provided for in Section 12022.7 on or after July 1, 1977, or as specified prior to July 1, 1977, in Sections 213, 264, and

461, or any felony in which the defendant uses a firearm which use has been charged and proved as provided in Section 12022.5.

(9) Any robbery perpetrated in an inhabited dwelling house or trailer coach, as defined in the Vehicle Code, or in the inhabited portion of any other building, wherein it is charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022, in the commission of that robbery.

(10) The offense defined in subdivision (a) of Section 289 where the act is accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

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

(d) For the purposes of this section the defendant shall be deemed to remain in prison custody for an offense until the official discharge from custody or until release on parole whichever first occurs including any time during which the defendant remains subject to reimprisonment for escape from custody or is reimprisoned on revocation of parole. The additional penalties provided for prior prison terms shall not be imposed unless they are charged and admitted or found true in the action for the new offense.

(e) The additional penalties provided for prior prison terms shall not be imposed for any felony for which the defendant did not serve a prior separate term in state prison.

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

(g) A prior separate prison term for the purposes of this section shall mean a continuous completed period of prison incarceration imposed for the particular offense alone or in combination with concurrent or consecutive sentences for other crimes, including any reimprisonment on revocation of parole which is not accompanied by a new commitment to prison, and including any reimprisonment after an escape from incarceration.

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

(i) For the purposes of this section, a commitment to the State

Department of Health as a mentally disordered sex offender following a conviction of a felony, which commitment exceeds one year in duration, shall be deemed a prior prison term.

(j) For the purposes of this section, when a person subject to the custody, control, and discipline of the Director of Corrections is incarcerated at a facility operated by the Youth Authority, that incarceration shall be deemed to be a term served in state prison.

(k) Notwithstanding subdivisions (d) and (g) or any other provision of law, where one of the new offenses is committed while the defendant is temporarily removed from prison pursuant to Section 2690 or while the defendant is transferred to a community facility pursuant to Section 3416, 6253, or 6263, or while the defendant is on furlough pursuant to Section 6254, the defendant shall be subject to the full enhancements provided for in this section.

This subdivision shall not apply when a full, separate, and consecutive term is imposed pursuant to any other provision of law.

SEC. 1.5. Section 667.5 of the Penal Code is amended to read:

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

(a) Where one of the new offenses is one of the violent felonies specified in subdivision (c), in addition and consecutive to any other prison terms therefor, the court shall impose a three-year term for each prior separate prison term served by the defendant where the prior was one of the violent felonies specified in subdivision (c); provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(b) Except where subdivision (a) applies, where the new offense is any felony for which a prison sentence is imposed, in addition and consecutive to any other prison terms therefor, the court shall impose a one-year term for each prior separate prison term served for any felony; provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of five years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(c) For the purpose of this section, "violent felony" shall mean any of the following:

(1) Murder or voluntary manslaughter.

(2) Mayhem.

(3) Rape as defined in subdivision (2) of Section 261.

(4) Sodomy by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

(5) Oral copulation by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

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

(7) Any felony punishable by death or imprisonment in the state prison for life.

(8) Any felony in which the defendant inflicts great bodily injury on any person other than an accomplice which has been charged and proved as provided for in Section 12022.7 or 12022.9 on or after July 1, 1977, or as specified prior to July 1, 1977, in Sections 213, 264, and 461, or any felony in which the defendant uses a firearm which use has been charged and proved as provided in Section 12022.5.

(9) Any robbery perpetrated in an inhabited dwelling house or trailer coach, as defined in the Vehicle Code, or in the inhabited portion of any other building, wherein it is charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022, in the commission of that robbery.

(10) Arson, in violation of subdivision (a) of Section 451.

(11) The offense defined in subdivision (a) of Section 298 where the act is accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

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

(d) For the purposes of this section the defendant shall be deemed to remain in prison custody for an offense until the official discharge from custody or until release on parole whichever first occurs including any time during which the defendant remains subject to reimprisonment for escape from custody or is reimprisoned on revocation of parole. The additional penalties provided for prior prison terms shall not be imposed unless they are charged and admitted or found true in the action for the new offense.

(e) The additional penalties provided for prior prison terms shall not be imposed for any felony for which the defendant did not serve a prior separate term in state prison.

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

(g) A prior separate prison term for the purposes of this section shall mean a continuous completed period of prison incarceration imposed for the particular offense alone or in combination with concurrent or consecutive sentences for other crimes, including any reimprisonment on revocation of parole which is not accompanied by a new commitment to prison, and including any reimprisonment

after an escape from incarceration.

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

(i) For the purposes of this section, a commitment to the State Department of Health as a mentally disordered sex offender following a conviction of a felony, which commitment exceeds one year in duration, shall be deemed a prior prison term.

(j) For the purposes of this section, when a person subject to the custody, control, and discipline of the Director of Corrections is incarcerated at a facility operated by the Youth Authority, that incarceration shall be deemed to be a term served in state prison.

(k) Notwithstanding subdivisions (d) and (g) or any other provision of law, where one of the new offenses is committed while the defendant is temporarily removed from prison pursuant to Section 2690 or while the defendant is transferred to a community facility pursuant to Section 3416, 6253, or 6263, or while the defendant is on furlough pursuant to Section 6254, the defendant shall be subject to the full enhancements provided for in this section.

This subdivision shall not apply when a full, separate, and consecutive term is imposed pursuant to any other provision of law.

SEC. 2. Section 1192.7 of the Penal Code is amended to read:

1192.7. (a) Plea bargaining in any case in which the indictment or information charges any serious felony or any offense of driving while under the influence of alcohol, drugs, narcotics, or any other intoxicating substance, or any combination thereof, is prohibited, unless there is insufficient evidence to prove the people's case, or testimony of a material witness cannot be obtained, or a reduction or dismissal would not result in a substantial change in sentence.

(b) As used in this section "plea bargaining" means any bargaining, negotiation, or discussion between a criminal defendant, or his or her counsel, and a prosecuting attorney or judge, whereby the defendant agrees to plead guilty or nolo contendere, in exchange for any promises, commitments, concessions, assurances, or consideration by the prosecuting attorney or judge relating to any charge against the defendant or to the sentencing of the defendant.

(c) As used in this section "serious felony" means any of the following:

(1) Murder or voluntary manslaughter; (2) mayhem; (3) rape; (4) sodomy by force, violence, duress, menace, threat of great bodily injury, or fear of immediate and unlawful bodily injury on the victim or another person; (5) oral copulation by force, violence, duress, menace, threat of great bodily injury, or fear of immediate and unlawful bodily injury on the victim or another person; (6) lewd or lascivious acts on a child under the age of 14 years; (7) any felony punishable by death or imprisonment in the state prison for life; (8) any other felony in which the defendant personally inflicts great

bodily injury on any person, other than an accomplice, or any felony in which the defendant personally uses a firearm; (9) attempted murder; (10) assault with intent to commit rape or robbery; (11) assault with a deadly weapon or instrument on a peace officer; (12) assault by a life prisoner on a noninmate; (13) assault with a deadly weapon by an inmate; (14) arson; (15) exploding a destructive device or any explosive with intent to injure; (16) exploding a destructive device or any explosive causing great bodily injury or mayhem; (17) exploding a destructive device or any explosive with intent to murder; (18) burglary of an inhabited dwelling house, or trailer coach as defined by the Vehicle Code, or inhabited portion of any other building; (19) robbery; (20) kidnapping; (21) holding of a hostage by a person confined in a state prison; (22) attempt to commit a felony punishable by death or imprisonment in the state prison for life; (23) any felony in which the defendant personally used a dangerous or deadly weapon; (24) selling, furnishing, administering, giving, or offering to sell, furnish, administer, or give heroin, cocaine, or phencyclidine (PCP) to a minor; (25) any violation of subdivision (a) of Section 289 where the act is accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person; (26) any attempt to commit a crime listed in this subdivision other than an assault.

(d) The provisions of this section shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

SEC. 3. Section 1203.065 of the Penal Code is amended to read:

1203.065. (a) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any person convicted of violating subdivision (2) of Section 261, or Section 264.1, or Section 266h, or Section 266i, or Section 266j, or subdivision (a) of Section 289, or of committing sodomy or oral copulation in violation of Section 286 or 288a by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person or subdivision (c) of Section 311.4.

(b) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any person convicted of a violation of Section 220 for assault with intent to commit rape, sodomy, oral copulation, any violation of Section 264.1, any violation of subdivision (b) of Section 288, or any violation of Section 289.

When probation is granted, the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

(c) This section does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000)

or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

SEC. 4. Section 1.5 of this bill incorporates amendments to Section 667.5 of the Penal Code proposed by both this bill and AB 1724. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1989, (2) each bill amends Section 667.5 of the Penal Code, and (3) this bill is enacted after AB 1724, in which case Section 1 of this bill shall not become operative.

CHAPTER 90

An act to add Chapter 6 (commencing with Section 17500) to Part 5 of Division 9 of the Welfare and Institutions Code, relating to counties.

[Approved by Governor April 22, 1988. Filed with Secretary of State April 25, 1988]

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

SECTION 1. Chapter 6 (commencing with Section 17500) is added to Part 5 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 6. UNEMPLOYED OR DISPLACED WORKERS

17500. It is the intent of the Legislature in enacting this chapter to encourage certain counties to provide preventative support services to unemployed and displaced workers for the following purposes:

(a) To enable unemployed workers and their families to maintain stability in their lives.

(b) To bring together the resources and skills of the public and private sector to aid unemployed workers and their families.

(c) To help prevent the emotional crisis often resulting from unemployment from leading to more serious and disabling health and mental health problems, including homelessness and suicide.

(d) To help unemployed workers and their families avoid dependency upon public assistance programs.

(e) To encourage a cooperative effort between the Employment Development Department and other local public and private services in providing supportive services to unemployed workers and their families.

(f) The services provided pursuant to this chapter are to be carried out through coordination with the service delivery area, as designated pursuant to Section 15005 of the Unemployment Insurance Code, and shall be consistent with the appropriate service delivery area plan and employment and training plan for displaced

workers, as described in Sections 15043 and 15076, respectively, of the Unemployment Insurance Code.

17501. (a) A county may, upon the affirmative vote of the board of supervisors, elect to contract with a contracting agency for services which provide counseling and referral and resource information services that conform to the purposes listed in Section 17500.

(b) The services provided under contract may include:

(1) Telephone crisis counseling.

(2) Development and publication of resource guides.

(3) Direct supportive counseling.

(c) The services provided under contract may not include direct financial assistance to clients.

(d) The direct services provided under contract shall be delivered at or near the local Employment Development Department offices or other related public service sites.

(e) The contractor shall be encouraged to use volunteer resources in service delivery to the maximum extent possible.

CHAPTER 91

An act to amend Section 40902 of the Vehicle Code, relating to driving offenses.

[Approved by Governor April 22, 1988. Filed with Secretary of State April 25, 1988.]

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

SECTION 1. Section 40902 of the Vehicle Code is amended to read:

40902. (a) The court, pursuant to this section, shall, by rule, provide that the defendant may elect to have a trial by written declaration upon any alleged infraction, as charged by the citing officer, involving a violation of this code or any local ordinance adopted pursuant to this code, other than an infraction cited pursuant to Article 2 (commencing with Section 23152) of Chapter 12 of Division 11, if the defendant resides more than 100 miles from the court or the jurisdiction where the citation was issued. This subdivision also applies to a defendant who has received a notice of delinquent parking violation filed under Section 40230 and who resides more than 100 miles from the court or the jurisdiction where the parking citation was issued.

(b) The court, pursuant to this section, may, by rule, provide that the defendant may elect to have a trial by written declaration for any alleged infraction or parking violation described in subdivision (a), if the defendant resides less than 100 miles from the court or the jurisdiction where the citation was issued.

(c) Notwithstanding Division 10 (commencing with Section 1200) of the Evidence Code, the rules governing trials by written declaration may provide for testimony and other relevant evidence to be introduced in the form of a notice to appear issued pursuant to Section 40500, a notice of parking violation issued pursuant to Section 40202, a notice of delinquent parking violation issued pursuant to Section 40206, a business record or receipt, a sworn declaration of the arresting officer, or a written statement or letter signed by the defendant.

(d) If the defendant is dissatisfied with a decision of the court in a proceeding pursuant to this section, the defendant shall be granted a trial de novo.

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 92

An act to amend Sections 39141.4, 39304.5, 39521, and 81452 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 25, 1988. Filed with Secretary of State April 25, 1988.]

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

SECTION 1. Section 39141.4 of the Education Code is amended to read:

39141.4. Notwithstanding any provision of law except Section 39304.5, 39141.5, and 39141.6, a leased building that does not meet the requirements of Section 39140 may not be used as a school building, as defined in Section 39141, after September 1, 1990.

SEC. 2. Section 39304.5 of the Education Code is amended to read:

39304.5. Any lease or agreement shall be subject to the following requirements:

(a) A building or structure which is to be used for school purposes shall be subject to the provisions of Article 3 (commencing with Section 39140) and Article 6 (commencing with Section 39210). The governing board of a school district may request and obtain from the State Allocation Board authority for use of any building not meeting the structural standards prescribed by Article 3 (commencing with Section 39140) until September 1, 1990. After September 1, 1990, the governing board of a school district may request and obtain from the State Allocation Board a one-time waiver of Article 3 (commencing

with Section 39140) for a maximum of three years upon presentation of satisfactory evidence to the State Allocation Board that the district is proceeding in a timely manner with a program that will eliminate the need for the leased facilities within that time period. A building or facility used by a school district under a lease or lease-purchase agreement into which neither pupils nor teachers are required to enter or that would be excluded from the definition of "school building," as contained in Section 39214, shall not be considered to be a "school building" within the meaning of Section 39141.

(b) Subdivision (a) shall not apply to trailer coaches used for classrooms or laboratories if the trailer coaches conform to the requirements of Part 2 (commencing with Section 18000) of Division 13 of the Health and Safety Code, and the rules and regulations promulgated thereunder concerning mobilehomes, are not expanded or fitted together with other sections to form one unit greater than 16 feet in width, are used for special educational purposes, and are used by not more than 12 students at a time, except that the trailer coaches may be used by not more than 20 students at a time for driver training purposes.

(c) The site on which a leased relocatable structure is located shall be owned by the school district, or shall be under the control of the school district pursuant to a lease or a permit.

"Relocatable structure" is any structure that is designed to be relocated.

SEC. 3. Section 39521 of the Education Code is amended to read:

39521. (a) If the governing board, by a unanimous vote of those members present, finds that the property, whether one or more items, does not exceed in value the sum of two thousand five hundred dollars ($2,500), it may be sold at private sale without advertising, by any employee of the district empowered for that purpose by the board.

(b) Any item or items of property having previously been offered for sale pursuant to Section 39520, but for which no qualified bid was received, may be sold at private sale without advertising by any employee of the district empowered for that purpose by the board.

(c) If the board, by a unanimous vote of those members present, finds that the property is of insufficient value to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the board, or it may be disposed of in the local public dump on order of any employee of the district empowered for that purpose by the board.

SEC. 4. Section 81452 of the Education Code is amended to read:

81452. (a) If the governing board, by a unanimous vote of those members present, finds that the property, whether one or more items, does not exceed in value the sum of two thousand five hundred dollars ($2,500), the property may be sold at private sale without advertising, by any employee of the district empowered for that purpose by the board.

(b) Any item or items of property having previously been offered

for sale pursuant to Section 81450, but for which no qualified bid was received, may be sold at private sale without advertising by any employee of the district empowered for that purpose by the board.

(c) If the board, by a unanimous vote of those members present, finds that the property is of insufficient value to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the board, or it may be disposed of in the local public dump on order of any employee of the district empowered for that purpose by the board.

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:

This act provides vital cost savings to school districts in the areas of property disposition and efficient and economical use of school facilities. It is therefore necessary that this act take effect immediately.

CHAPTER 93

An act to amend Section 180201 of, and to repeal Section 180112 of, the Public Utilities Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 27, 1988. Filed with Secretary of State April 27, 1988.]

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

SECTION 1. Section 180112 of the Public Utilities Code is repealed.

SEC. 2. Section 180201 of the Public Utilities Code is amended to read:

180201. A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of a county may be imposed by the authority in accordance with this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if the tax ordinance is adopted by a two-thirds vote of the authority and imposition of the tax is subsequently approved by a majority of the electors voting on the measure at a special election called for that purpose by the board of supervisors, at the request of the authority, and a county transportation expenditure plan is adopted pursuant to Section 180206.

A retail transactions and use tax approved by the electors shall remain in effect for not longer than 20 years, or any lesser period of time specified in the tax ordinance. The tax may be continued in effect, or reimposed, by a tax ordinance adopted by a two-thirds vote of the authority and the reimposition of the tax is approved by a

majority of the electors.

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 inconsistencies in the procedural and meeting requirements of county transportation authorities may be resolved, and clarification in other provisions be made, prior to local elections on county transportation sales tax proposals in June and November of 1988, it is necessary that this act take effect immediately.

CHAPTER 94

An act to amend Section 14132 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor April 28, 1988 Filed with Secretary of State April 28, 1988.]

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

SECTION 1. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, respiratory care, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, acupuncture to the extent federal matching funds are provided for acupuncture, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational therapy, are covered subject to utilization controls.

(c) Skilled nursing facility services, including respiratory care, podiatry, physician, nurse practitioner services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Respiratory care, physical therapy, occupational therapy, speech therapy, and audiology services for patients in skilled nursing facilities are covered subject to utilization controls.

(d) Purchase of prescribed drugs is covered subject to the Medi-Cal Drug Formulary and utilization controls.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetists services when rendered in an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered, subject to utilization controls. Nothing in this subdivision shall be construed to require prior authorization for anesthesiologist services provided as part of an outpatient medical procedure or for portable X-ray services in an intermediate care facility or a skilled nursing facility.

(g) Blood and blood derivatives are covered.

(h) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. The utilization controls shall allow emergency and essential diagnostic and restorative dental services and prostheses that are necessary to prevent a significant disability or to replace previously furnished prostheses which are lost or destroyed due to circumstances beyond the beneficiary's control. The department's utilization controls shall not require X-rays as a condition of reimbursement for fillings for children under 18 years of age. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions which preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's crippled children services program.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls. Utilization controls shall allow replacement of prosthetic and orthotic devices and eyeglasses necessary because of loss or destruction due to circumstances beyond the beneficiary's control. Frame styles for eyeglasses replaced pursuant to this subdivision shall not change more than once every two years, unless the department so directs.

Orthopedic and conventional shoes are covered when provided by a prosthetic and orthotic supplier on the prescription of a physician and when at least one of the shoes will be attached to a prosthesis or brace, subject to utilization controls. Modification of stock conventional or orthopedic shoes when medically indicated, is covered subject to utilization controls. When there is a clearly established medical need that cannot be satisfied by the modification of stock conventional or orthopedic shoes, custom-made orthopedic shoes are covered, subject to utilization controls.

(*l*) Hearing aids are covered, subject to utilization controls. Utilization controls shall allow replacement of hearing aids necessary because of loss or destruction due to circumstances beyond the

beneficiary's control.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls. The utilization controls shall allow the replacement of durable medical equipment and medical supplies when necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(n) Intermediate care facility services, including physician services, nurse practitioner services pursuant to Section 14115.6, and prescribed drugs as described in subdivision (d) are covered, subject to utilization controls. Respiratory care, physical therapy, occupational therapy, speech therapy and audiology services for patients in intermediate care facilities are covered subject to utilization controls.

(o) Family planning services are covered, subject to utilization controls.

(p) Inpatient intensive rehabilitation hospital services, including respiratory rehabilitative services, in a general acute care hospital are covered, subject to utilization controls, when the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery; or

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

(q) Adult day health care is covered in accordance with the provisions of Chapter 8.7 (commencing with Section 14520) of this part.

(r) Application of fluoride, or other appropriate fluoride treatment as defined by the department, other prophylaxis treatment for children 17 years of age and under, are covered.

(s) Paramedic services performed by a city, county, or special district, or pursuant to a contract with a city, county, or special district, and pursuant to a program established under Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 of the Health and Safety Code by a paramedic certified pursuant to that article, and consisting of defibrillation and those services specified in subdivision (3) of Section 1482 of the article.

This subdivision shall be in effect only to the extent federal financial participation is available as set forth in Section 14106.6.

(t) In-home medical care services are covered when medically appropriate and subject to utilization controls, for beneficiaries who would otherwise require care for an extended period of time in an acute care hospital at a cost higher than in-home medical care services. The director shall have the authority under this section to contract with organizations qualified to provide in-home medical care services to such persons. These services may be provided to

patients placed in facilities such as skilled nursing or intermediate care facilities, or to persons in shared or congregate living arrangements, if a home setting is not medically appropriate or available to the beneficiary. As used in this section, "in-home medical care service" includes utility bills directly attributable to continuous, 24-hour operation of life-sustaining medical equipment, to the extent that federal financial participation is available.

As used in this subdivision, in-home medical care services, include, but are not limited to:

(1) Level of care and cost of care evaluations.

(2) Expenses, directly attributable to home care activities, for materials.

(3) Physician fees for home visits.

(4) Expenses directly attributable to home care activities for shelter and modification to shelter.

(5) Expenses directly attributable to additional costs of special diets, including tube feeding.

(6) Medically related personal services.

(7) Home nursing education.

(8) Emergency maintenance repair.

(9) Home health agency personnel benefits which permit coverage of care during periods when regular personnel are on vacation or using sick leave.

(10) All services needed to maintain antiseptic conditions at stoma or shunt sites on the body.

(11) Emergency and nonemergency medical transportation.

(12) Medical supplies.

(13) Medical equipment, including, but not limited to, scales, gurneys, and equipment racks suitable for paralyzed patients.

(14) Utility use directly attributable to the requirements of home care activities which are in addition to normal utility use.

(15) Special drugs and medications.

(16) Home health agency supervision of visiting staff which is medically necessary, but not included in the home health agency rate.

(17) Therapy services.

(18) Household appliances and household utensil costs directly attributable to home care activities.

(19) Modification of medical equipment for home use.

(20) Training and orientation for use of life support systems, including, but not limited to support of respiratory functions.

(21) Respiratory care practitioner services as defined in Sections 3702 and 3703 of the Business and Professions Code, subject to prescription by a physician and surgeon.

Beneficiaries receiving in-home medical care services are entitled to the full range of services within the Medi-Cal scope of benefits as defined by this section, subject to medical necessity and applicable utilization control. Services provided pursuant to this subdivision, which are not otherwise included in the Medi-Cal schedule of

benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with a home and community-based services waiver.

(u) Home and community-based services approved by the United States Department of Health and Human Services may be covered to the extent that federal financial participation is available for such services under waivers granted in accordance with Section 1915 of the federal Social Security Act. The director may seek waivers for any or all home and community-based services approvable under Section 1915 of the federal Social Security Act. Coverage for such services shall be limited by the terms, conditions, and duration of the federal waivers.

The department shall submit a report, as provided in Section 28 of the 1982 Budget Act, 30 days prior to providing these services as Medi-Cal benefits. The report shall be submitted to the Joint Legislative Budget Committee and the fiscal committees and shall address the cost effectiveness of services provided pursuant to this subdivision.

(v) Comprehensive perinatal services, as provided through an agreement with a health care provider designated in Section 14134.5 and meeting the standards developed by the department pursuant to Section 14134.5, subject to utilization controls.

The department shall seek any federal waivers necessary to implement the provisions of this subdivision. The provisions for which appropriate federal waivers cannot be obtained shall not be implemented. Provisions for which waivers are obtained or for which waivers are not required shall be implemented notwithstanding any inability to obtain federal waivers for the other provisions. No provision of this subdivision shall be implemented unless matching funds from Title XIX of the federal Social Security Act are available.

(w) Early and periodic screening, diagnosis, and treatment for any individual under 21 years of age is covered, consistent with the requirements of Title XIX of the federal Social Security Act.

(x) Hospice service which is Medicare-certified hospice service is covered, subject to utilization controls. Coverage shall be available only to the extent that no additional net program costs are incurred.

(y) Respiratory care when provided in organized health care systems as defined in Section 3701 of the Business and Professions Code and as an in-home medical care service as outlined in subdivision (t).

(z) When a claim for treatment provided to a beneficiary includes both services which are authorized and reimbursable under this chapter, and services which are not reimbursable under this chapter, that portion of the claim for the treatment and services authorized and reimbursable under this chapter shall be payable.

CHAPTER 95

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 2, 1988. Filed with Secretary of State May 3, 1988.]

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

SECTION 1. This act may be cited as the First Validating Act of 1988.

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.
Local transportation authorities.
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.
Service zones of fire protection 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 96

An act to amend Sections 64, 98.1, 98.2, 226.5, 1023, 1289, 1299, to amend and renumber Sections 1394.5 and 1396 of, and 3725 of, to repeal Section 1397 of, and to repeal and add Section 2681 of, the Labor Code, relating to labor.

[Approved by Governor May 2, 1988. Filed with Secretary of State May 3, 1988.]

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

SECTION 1. Section 64 of the Labor Code is amended to read:

64. The Labor Commissioner may enter into reciprocal agreements with the labor department or corresponding agency of any other state or with the person, board, officer, or commission authorized to act for and on behalf of that department or agency, for the collection in that other state of claims or judgments for wages and other demands based upon claims previously assigned to the Division of Labor Standards Enforcement.

SEC. 2. Section 98.1 of the Labor Code is amended to read:

98.1. (a) Within 15 days after the hearing is concluded, the Labor Commissioner shall file in the office of the division a copy of the order, decision, or award. The order, decision, or award shall include a summary of the hearing and the reasons for the decision. Upon filing of the order, decision, or award, the Labor Commissioner shall serve a copy of the decision personally or by first-class mail on the parties. The notice shall also advise the parties of their right to appeal the decision or award and further advise the parties that failure to do so within the period prescribed by this chapter shall result in the decision or award becoming final and enforceable as a judgment by the appropriate municipal or superior court, in accordance with the appropriate rules of jurisdiction.

(b) For the purpose of this section, an award shall include any sums found owing, damages proved, and any penalties awarded pursuant to this code.

(c) All awards granted pursuant to a hearing under this chapter shall accrue interest on all due and unpaid wages at the adjusted annual rate established pursuant to Section 19269 of the Revenue and Taxation Code. The interest shall run until the wages are paid from the date that the wages were due and payable as provided in Part 1 (commencing with Section 200) of Division 2.

SEC. 3. Section 98.2 of the Labor Code is amended to read:

98.2. (a) Within 10 days after service of notice of an order, decision, or award the parties may seek review by filing an appeal to the justice, municipal, or superior court, in accordance with the appropriate rules of jurisdiction, where the same shall be heard de novo. A copy of the appeal request shall be served upon the Labor Commissioner by the appellant. For purposes of computing the

10-day period after service, Section 1013 of the Code of Civil Procedure shall be applicable.

(b) If the party seeking review by filing an appeal to the justice, municipal, or superior court is unsuccessful in the appeal, the court shall determine the costs and reasonable attorneys' fees incurred by the other parties to the appeal, and assess that amount as a cost upon the party filing the appeal.

(c) If no notice of appeal of the order, decision, or award is filed within the period set forth in subdivision (a), the order, decision, or award shall, in the absence of fraud, be deemed the final order.

(d) The Labor Commissioner shall file, within 10 days of the order becoming final pursuant to subdivision (c), a certified copy of the final order with the clerk of the justice, municipal, or superior court, in accordance with the appropriate rules of jurisdiction, of the appropriate county unless a settlement has been reached by the parties and approved by the Labor Commissioner. Judgment shall be entered immediately by the court clerk in conformity therewith. The judgment so entered shall have the same force and effect as, and shall be subject to all of the provisions of law relating to, a judgment in a civil action, and may be enforced in the same manner as any other judgment of the court in which it is entered. Enforcement of the judgment shall receive court priority.

(e) Notwithstanding subdivision (d), the Labor Commissioner may stay execution of any judgment entered upon an order, decision, or award which has become final upon good cause appearing therefore and may impose the terms and conditions of the stay of execution. A certified copy of the stay of execution shall be filed with the clerk entering the judgment.

(f) When a judgment is satisfied in fact, otherwise than by execution, the Labor Commissioner may, upon the motion of either party or on its own motion, order entry of satisfaction of judgment. The clerk of the court shall enter a satisfaction of judgment upon the filing of a certified copy of the order.

(g) The Labor Commissioner shall make every reasonable effort to ensure that judgments are satisfied, including taking all appropriate legal action and requiring the employer to deposit a bond as provided in Section 240.

SEC. 4. Section 226.5 of the Labor Code is amended to read:

226.5. (a) If a person desires to contest a citation or the proposed assessment of a civil penalty therefor, he or she shall within 15 business days after service of the citation notify the office of the Labor Commissioner which appears on the citation of his or her request for an informal hearing. The Labor Commissioner or his or her deputy or agent shall, within 30 days, hold a hearing at the conclusion of which the citation or proposed assessment of a civil penalty shall be affirmed, modified, or dismissed. The decision of the Labor Commissioner shall consist of a notice of findings, findings, and order which shall be served on all parties to the hearing within 15 days after the hearing by regular first-class mail at the last known

address of the party on file with the Labor Commissioner. Service shall be completed pursuant to Section 1013 of the Code of Civil Procedure. Any amount found due by the Labor Commissioner as a result of a hearing shall become due and payable 45 days after notice of the findings and written findings and order have been mailed to the party assessed. A writ of mandate may be taken from this finding to the appropriate superior court, as long as the party agrees to pay any judgment and costs ultimately rendered by the court against the party for the assessment. The writ shall be taken within 45 days of service of the notice of findings, findings, and order thereon.

(b) A person to whom a citation has been issued shall, in lieu of contesting a citation pursuant to this section, transmit to the office of the Labor Commissioner designated on the citation the amount specified for the violation within 15 business days after issuance of the citation.

(c) When no petition objecting to a citation or the proposed assessment of a civil penalty is filed, a certified copy of the citation or proposed civil penalty may be filed by the Labor Commissioner in the office of the clerk or the superior court in any county in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the citation or proposed assessment of a civil penalty.

(d) When findings and the order thereon are made affirming or modifying a citation or proposed assessment of a civil penalty after hearing, a certified copy of these findings and the order entered thereon may be entered by the Labor Commissioner in the office of the clerk of the superior court in any county in which the person assessed has property or in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the certified order.

(e) A judgment entered pursuant to this section shall bear the same rate of interest and shall have the same effect as other judgments and be given the same preference allowed by the law on other judgments rendered for claims for taxes. The clerk shall make no charge for the service provided by this section to be performed by him or her.

SEC. 5. Section 1023 of the Labor Code is amended to read:

1023. (a) If a person desires to contest a citation or the proposed assessment of a civil penalty therefor, he or she shall within 15 business days after service of the citation notify the office of the Labor Commissioner which appears on the citation of his or her request for an informal hearing. The Labor Commissioner or his or her deputy or agent shall, within 30 days, hold a hearing at the conclusion of which the citation or proposed assessment of a civil penalty shall be affirmed, modified, or dismissed. The decision of the Labor Commissioner shall consist of a notice of findings, findings, and order which shall be served on all parties to the hearing within 15

days after the hearing by regular first-class mail at the last known address of the party on file with the Labor Commissioner. Service shall be completed pursuant to Section 1013 of the Code of Civil Procedure. Any amount found due by the Labor Commissioner as a result of a hearing shall become due and payable 45 days after notice of the findings and written findings and order have been mailed to the party assessed. A writ of mandate may be taken from that finding to the appropriate superior court, as long as the party agrees to pay any judgment and costs ultimately rendered by the court against the party for the assessment. The writ shall be taken within 45 days of service of the notice of findings, findings, and order thereon.

(b) A person to whom a citation has been issued, shall, in lieu of contesting a citation pursuant to this section, transmit to the office of the Labor Commissioner designated on the citation the amount specified for the violation within 15 business days after issuance of the citation.

(c) When no petition objecting to a citation or the proposed assessment of a civil penalty is filed, a certified copy of the citation or proposed civil penalty may be filed by the Labor Commissioner in the office of the clerk of the superior court in any county in which the person assessed has property or in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the citation or proposed assessment of a civil penalty.

(d) When findings and the order thereon are made affirming or modifying a citation or proposed assessment of a civil penalty after hearing, a certified copy of the findings and the order entered thereon may be entered by the Labor Commissioner in the office of the clerk of the superior court in any county in which the person assessed has property or in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the certified order.

(e) A judgment entered pursuant to this section shall bear the same rate of interest and shall have the same effect as other judgments and be given the same preference allowed by law on other judgments rendered for claims for taxes. The clerk shall make no charge for the service provided by this section to be performed by him or her.

SEC. 6. Section 1289 of the Labor Code is amended to read:

1289. (a) If a person desires to contest a citation or the proposed assessment of a civil penalty therefor, he or she shall within 15 business days after service of the citation notify the office of the Labor Commissioner which appears on the citation of his or her request for an informal hearing. The Labor Commissioner or the commissioner's deputy or agent shall, within 30 days, hold a hearing at the conclusion of which the citation or proposed assessment of a civil penalty shall be affirmed, modified, or dismissed. The decision

of the Labor Commissioner shall consist of a notice of findings, findings, and order which shall be served on all parties to the hearing within 15 days after the hearing by regular first-class mail at the last known address of the party on file with the Labor Commissioner. Service shall be completed pursuant to Section 1013 of the Code of Civil Procedure. Any amount found due by the Labor Commissioner as a result of a hearing shall become due and payable 45 days after notice of the findings and written findings and order have been mailed to the party assessed. A writ of mandate may be taken from that finding to the appropriate superior court, as long as the party agrees to pay any judgment and costs ultimately rendered by the court against the party for the assessment. The writ shall be taken within 45 days of service of the notice of findings, findings, and order thereon.

(b) A person to whom a citation has been issued, shall, in lieu of contesting a citation pursuant to this section, transmit to the office of the Labor Commissioner designated on the citation the amount specified for the violation within 15 business days after issuance of the citation.

(c) When no petition objecting to a citation or the proposed assessment of a civil penalty is filed, a certified copy of the citiation or proposed civil penalty may be filed by the Labor Commissioner in the office of the clerk of the superior court in any county in which the person assessed has property or in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the citation or proposed assessment of a civil penalty.

(d) When findings and the order thereon are made affirming or modifying a citation or proposed assessment of a civil penalty after hearing, a certified copy of the findings and the order entered thereon may be entered by the Labor Commissioner in the office of the clerk of the superior court in any county in which the person assessed has property or in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the certified order.

(e) A judgment entered pursuant to this section shall bear the same rate of interest and shall have the same effect as other judgments and be given the same preference allowed by law on other judgments rendered for claims for taxes. The clerk shall make no charge for the service provided by this section to be performed by him or her.

SEC. 7. Section 1299 of the Labor Code is amended to read:

1299. Every person, or agent or officer thereof, employing minors, either directly or indirectly through third persons, shall keep on file all permits and certificates, either to work or to employ, issued under this article or Part 27 (commencing with Section 48000) of the Education Code. The files shall be open at all times to the inspection

of the school attendance and probation officers, the State Board of Education, and the officers of the Division of Labor Standards Enforcement.

SEC. 8. Section 1394.5 of the Labor Code is amended and renumbered to read:

1310. Nothing in this article or Article 2 (commencing with Section 1390) of Chapter 3 shall prohibit or prevent:

(a) The appearance of any minor in any church, public or religious school, or community entertainment.

(b) The appearance of any minor in any school entertainment or in any entertainment for charity or for children, for which no admission fee is charged.

(c) The appearance of any minor in any radio or television broadcasting exhibition, where the minor receives no compensation directly or indirectly therefor, and where the engagement of the minor is limited to a single appearance lasting not more than one hour, and where no admission fee is charged for the radio broadcasting or television exhibition.

SEC. 9. Section 1396 of the Labor Code is amended and renumbered to read:

1308.6. No consent shall be given at any time unless the officer giving it is satisfied that all of the following conditions are met:

(a) The environment in which the performance, concert, or entertainment is to be produced is proper for the minor.

(b) The conditions of employment are not detrimental to the health of the minor.

(c) The minor's education will not be neglected or hampered by his or her participation in the performance, concert, or entertainment.

The Labor Commissioner may require the authority charged with the issuance of age and schooling certificates to make the necessary investigation into the conditions covered by this section.

SEC. 10. Section 1397 of the Labor Code is repealed.

SEC. 11. Section 2681 of the Labor Code is repealed.

SEC. 12. Section 2681 is added to the Labor Code, to read:

2681. (a) Any person against whom a penalty is assessed or whose goods are confiscated shall, in lieu of contesting the penalty or the confiscation pursuant to this section, transmit to the office of the Labor Commissioner designated on the citation the amount specified for the violation within 15 business days after the issuance of the citation.

(b) If a person desires to contest an assessment of a penalty or the confiscation of goods, he or she shall, within 15 business days after service of the citation or confiscation of the goods, or both, petition, in writing, the office of the Labor Commissioner which appears on the citation or on the receipt for the confiscated goods of his or her request for an informal hearing. The Labor Commissioner or his or her deputy or agent shall, within 30 days, hold a hearing at the conclusion of which the penalty set forth in the citation or the issue

of the confiscation of the goods, or both, shall be affirmed, modified, or dismissed. If confiscated goods are involved, the hearing shall be held within 10 days. The decision of the Labor Commissioner shall consist of a notice of findings, findings, and order which shall be served on all parties to the hearing within 15 days after the hearing by regular first-class mail at the last known address of the party on file with the Labor Commissioner. Service shall be completed pursuant to Section 1013 of the Code of Civil Procedure. Any amount found due by the Labor Commissioner as a result of a hearing shall become due and payable 45 days after notice of the findings and written findings and order have been mailed to the party assessed. A writ of mandate may be taken from this finding to the appropriate superior court, as long as the party agrees to pay any judgment and costs ultimately rendered by the court against the party for the assessment. The writ must be taken within 45 days of service of the notice of findings, findings, and order thereon.

(c) When no petition objecting to a citation or the proposed assessment of a civil penalty or confiscation of goods, or both, is filed, a certified copy of the citation or proposed civil penalty may be filed by the Labor Commissioner in the office of the clerk of the superior court in any county in which the person assessed has property or in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the citation or proposed assessment of a civil penalty.

(d) When findings and the order thereon are made affirming or modifying a citation or proposed assessment of a civil penalty after hearing, a certified copy of these findings and the order entered thereon may be entered by the Labor Commissioner in the office of the clerk of the superior court in any county in which the person assessed has property or in which the person assessed has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the certified order.

(e) A judgment entered pursuant to this section shall bear the same rate of interest and shall have the same effect as other judgments and be given the same preference allowed by law on other judgments rendered for claims for taxes. The clerk shall make no charge for the service provided by this section to be performed by him or her.

SEC. 13. Section 3725 of the Labor Code is amended to read:

3725. If an employer desires to contest a penalty assessment order, the employer shall file with the director a written request for a hearing within 15 days after service of the order. Upon receipt of the request, the director shall set the matter for a hearing within 30 days thereafter and shall notify the employer of the time and place of the hearing by mail at least 10 days prior to the date of the hearing. The decision of the director shall consist of a notice of findings and findings which shall be served on all parties to the hearing by

registered or certified mail within 15 days after the hearing. Any amount found due by the director as a result of a hearing shall become due and payable 45 days after notice of the findings and written findings have been mailed by registered or certified mail to the party assessed. A writ of mandate may be taken from these findings to the appropriate superior court upon the execution by the party assessed of a bond to the state in double the amount found due and ordered paid by the director, as long as the party agrees to pay any judgment and costs rendered against the party for the assessment. The writ shall be taken within 45 days after mailing the notice of findings and findings.

SEC. 14. 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 97

An act to add Section 17922.9 to the Health and Safety Code, relating to housing.

[Approved by Governor April 28, 1988. Filed with Secretary of State May 3, 1988.]

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

SECTION 1. Section 17922.9 is added to the Health and Safety Code, to read:

17922.9. (a) The Legislature hereby finds and declares that the provision of an adequate level of affordable housing, in and of itself, is a fundamental responsibility of the state and that a generally inadequate supply of decent, safe, and sanitary housing affordable to persons of low and moderate income threatens orderly community and regional development, including job creation, attracting new private investment, and creating the physical, economic, social, and environmental conditions to support continued growth and security of all areas of the state.

The Legislature further finds and declares that many rural communities depend on mortgage financing available through the Farmers Home Administration and that the continued construction of affordable housing is a priority for the state. However, the Legislature, in requiring waiver of certain local requirements respecting adequacy of garages and carports, does not endorse the restrictive Farmers Home Administration regulations that preclude financing of two-car garages.

The Legislature further finds and declares that inadequate housing supplies have a negative impact on regional development and are,

therefore, a matter of statewide interest and concern.

(b) Notwithstanding any local ordinance, charter provision, or regulation to the contrary, if the applicant for a building permit for construction of a qualifying residential structure submits with the application a conditional loan commitment letter or letter of intent to finance issued by the Farmers Home Administration of the United States Department of Agriculture for the structure, the city, county, or city and county issuing the building permit shall not impose any requirement on the permit respecting the size or capacity of any appurtenant garage or carport which exceeds the size or capacity that the Farmers Home Administration will finance under its then applicable regulations and policies. "Qualifying residential structure," as used in this section, means any single-family or multifamily residential structure financed by the Farmers Home Administration and which is restricted pursuant to federal law to ownership or occupancy by households with incomes not exceeding the income criteria for persons and families of low and moderate income, as defined by Section 50093, or more restrictive income criteria.

(c) This section does not preclude a city, county, or city and county from requiring the provision of one uncovered, paved parking space located outside the required setback and outside the driveway approach to the garage or covered parking space plus a garage or covered parking space that does not exceed the size and capacity allowed for Farmers Home Adminstration financing. However, this setback requirement may not exceed the setbacks applicable to single-family dwelling units in the same zoning district that have two-car garages.

CHAPTER 98

An act to add and repeal Section 39141.8 of the Education Code, relating to pupils, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1988 Filed with Secretary of State May 4, 1988.]

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

SECTION 1. Section 39141.8 is added to the Education Code, to read:

39141.8. (a) Notwithstanding Section 39141.4, any high school pupil who attends a class or classes on a campus of the University of California or the California State University in order to receive specialized educational services and opportunities authorized by Chapter 6 (commencing with Section 58800) of Part 31, is considered a pupil of that campus for the purposes of Article 3 (commencing

with Section 39140) of Chapter 2 of Part 23. Any building or structure or portion of building or structure that pupils occupy pursuant to this section shall not be considered "school buildings" within the meaning of Section 39141.

(b) The governing board of each school district, each county board of education, or each county superintendent of schools, as appropriate, shall notify, in writing, the parent or guardian of each high school pupil who attends a class or classes authorized by Chapter 6 (commencing with Section 58800) of Part 31, prior to the pupil's attendance at the class on a university campus that, although University of California and California State University buildings are required to conform to the rigorous standards of the Uniform Building Code (UBC), the buildings on the university campuses may not meet the requirements of Article 3 (commencing with Section 39140) of Chapter 2 of Part 23. This notice shall accompany, to the greatest extent possible, any existing notification to parents or guardians regarding specialized educational services and opportunities.

(c) This section shall remain in effect only until January 1, 1992, and as of that date is repealed unless a later enacted statute which is chaptered before January 1, 1992, 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 that buildings on the campus of the University of California or the California State University may continue to be used by high school pupils, it is necessary that this act take effect immediately.

CHAPTER 99

An act to amend Sections 727 and 730.5 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor May 3, 1988. Filed with Secretary of State May 4, 1988]

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

SECTION 1. Section 727 of the Welfare and Institutions Code is amended to read:

727. (a) When a minor is adjudged a ward of the court on the ground that he or she is a person described by Section 601 or Section 602 the court may make any and all reasonable orders for the care, supervision, custody, conduct, maintenance, and support of such a minor, including medical treatment, subject to further order of the court.

In the discretion of the court, a ward may be ordered to be on probation without supervision of the probation officer. The court, in so ordering, may impose on the ward any and all reasonable conditions of behavior as may be appropriate under this disposition. A minor who has been adjudged a ward of the court on the basis of the commission of any of the offenses described in subdivision (b) of Section 707, Section 459 of the Penal Code, or subdivision (a) of Section 11350 of the Health and Safety Code, shall not be eligible for probation without supervision of the probation officer.

In all other cases, the court shall order the care, custody, and control of the minor to be under the supervision of the probation officer who may place the minor in any of the following:

(1) The home of a relative.

(2) A suitable licensed community care facility.

(3) With a foster family agency to be placed in a suitable licensed foster family home or certified family home which has been certified by the agency as meeting licensing standards.

(b) Where the court has ordered a specific minor placed under the supervision of the probation officer and the probation officer has found that the needs of the child cannot be met in any available licensed or exempt facility, including emergency shelter, the minor may be placed in a suitable family home that has filed a license application with the State Department of Social Services, provided that all the following certification conditions are met:

(1) A preplacement home visit is made by the probation officer to determine the suitability of the family home.

(2) The probation officer verifies to the licensing agency in writing that the home lacks any deficiencies which would threaten the physical health, mental health, safety, or welfare of the minor.

(3) The probation officer notifies the licensing agency of the proposed placement and determines that the foster family home applicant has filed specific license application documents prior to and after the placement of the minor. If the license is subsequently denied, the minor shall be removed from the home immediately. The denial of the license constitutes a withdrawal of the certification.

When a minor has been adjudged a ward of the court on the ground that he or she is a person described in Section 601 or 602 and the court finds that notice has been given in accordance with Section 661, and when the court orders that a parent or guardian shall retain custody of that minor either subject to or without the supervision of the probation officer, the parent or guardian may be required to participate with that minor in a counseling or education program including, but not limited to, parent education and parenting programs operated by community colleges, school districts or other appropriate agencies designated by the court.

(c) The juvenile court may direct any and all reasonable orders to the parents and guardians of the minor who is the subject of any proceedings under this chapter as the court deems necessary and proper to carry out the provisions of subdivisions (a) and (b),

including orders to appear before a county financial evaluation officer.

When counseling or other treatment services are ordered for the minor, the parent, guardian, or foster parent shall be ordered to participate in those services, unless participation by the parent, guardian, or foster parent is deemed by the court to be inappropriate or potentially detrimental to the child.

SEC. 2. Section 730.5 of the Welfare and Institutions Code is amended to read:

730.5. When a minor is adjudged a ward of the court on the ground that he or she is a person described in Section 602, in addition to any of the orders authorized by Section 726, 727, 730, or 731, the court may levy a fine against the minor up to the amount that could be imposed on an adult for the same offense, if the court finds that the minor has the financial ability to pay the fine. Section 1464 of the Penal Code applies to fines levied pursuant to this section.

CHAPTER 100

An act to amend Sections 66436, 66442, 66450, and 66499.52 of, and to add Section 66416.5 to, the Government Code, relating to subdivisions.

[Approved by Governor May 10, 1988 Filed with Secretary of State May 11, 1988.]

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

SECTION 1. Section 66416.5 is added to the Government Code, to read:

66416.5. "City engineer" means the person authorized to perform the functions of a city engineer. The land surveying functions of a city engineer may be performed by a city surveyor, if that position has been created by the local agency.

SEC. 2. Section 66436 of the Government Code is amended to read:

66436. (a) A statement, signed and acknowledged by all parties having any record title interest in the subdivided real property, consenting to the preparation and recordation of the final map is required, except in the following circumstances:

(1) A lien for state, county, municipal, or local taxes or special assessments, a trust interest under bond indentures, or mechanics' liens do not constitute a record title interest in land for the purpose of this chapter or any local ordinance.

(2) The signature of either the holder of beneficial interests under trust deeds or the trustee under the trust deeds, but not both, may be omitted. The signature of either shall constitute a full and complete subordination of the lien of the deed of trust to the map

and any interest created by the map.

(3) Signatures of parties owning the following types of interests may be omitted if their names and the nature of their respective interests are stated on the final map:

(A) (i) Rights-of-way, easements or other interests which cannot ripen into a fee, except those owned by a public entity, public utility, or subsidiary of a public utility for conveyance to the public utility for rights-of-way. If, however, the legislative body or advisory agency determines that division and development of the property in the manner set forth on the approved or conditionally approved tentative map will not unreasonably interfere with the free and complete exercise of the public entity or public utility right-of-way or easement, the signature of the public entity or public utility may be omitted. Where that determination is made, the subdivider shall send, by certified mail, a sketch of the proposed final map, together with a copy of this section, to any public entity or public utility which has previously acquired a right-of-way or easement.

(ii) If the public entity or utility objects to either recording the final map without its signature or the determination of the legislative body or advisory agency that the division and development of the property will not unreasonably interfere with the full and complete exercise of its right-of-way or easement, it shall so notify the subdivider and the legislative body or advisory agency within 30 days after receipt of the materials from the subdivider.

(iii) If the public entity or utility objects to recording the final map without its signature, the public entity or utility so objecting may affix its signature to the final map within 30 days of filing its objection with the legislative body or advisory agency.

(iv) If the public entity or utility either does not file an objection with the legislative body or advisory agency or fails to affix its signature within 30 days of filing its objection to recording the map without its signature, the local agency may record the final map without the signature.

(v) If the public entity or utility files an objection to the determination of the legislative body or advisory agency that the division and development of the property will not unreasonably interfere with the exercise of its right-of-way or easement, the legislative body or advisory agency shall set the matter for public hearing to be held not less than 10 nor more than 30 days of receipt of the objection. At the hearing, the public entity or public utility shall present evidence in support of its position that the division and development of the property will unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement.

(vi) If the legislative body or advisory agency finds, following the hearing, that the development and division will in fact unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement, it shall set forth those conditions whereby the unreasonable interference will be eliminated and upon

compliance with those conditions by the subdivider, the final map may be recorded with or without the signature of the objector. If the legislative body or advisory agency finds that the development and division will in fact not unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement, the final map may be recorded without the signature of the objector, notwithstanding the objections.

(vii) Failure of the public entity or public utility to file an objection pursuant to this section shall in no way affect its rights under a right-of-way or easement.

(B) Rights-of-way, easements, or reversions, which by reason of changed conditions, long disuse, or laches appear to be no longer of practical use or value and signatures are impossible or impractical to obtain. A statement of the circumstances preventing the procurement of the signatures shall also be stated on the map.

(C) Interests in, or rights to, minerals, including but not limited to, oil, gas, or other hydrocarbon substances.

(4) Real property originally patented by the United States or by the State of California, which original patent reserved interest to either or both of those entities, may be included in the final map without the consent of the United States or the State of California to the map or to dedications made by it.

(b) No monetary liability shall be incurred by, and no cause of action shall arise against, a local agency, a party, the subdivider, the subdivider's agent, or the engineer or land surveyor who prepared the map, on account of the omission of any signature, which omission is authorized by this section.

(c) A notary acknowledgment shall be deemed complete for recording without the official seal of the notary, so long as the name of the notary, the county of the notary's principal place of business, and the notary's commission expiration date are typed or printed below or immediately adjacent to the notary's signature in the acknowledgment.

SEC. 3. Section 66442 of the Government Code is amended to read:

66442. (a) If a subdivision for which a final map is required lies within an unincorporated area, a certificate or statement by the county surveyor is required. If a subdivision lies within a city, a certificate or statement by the city engineer is required. The appropriate official shall sign, and, below or immediately adjacent to the signature, indicate his or her registration or license number with expiration date and state that:

(1) He or she has examined the map.

(2) The subdivision as shown is substantially the same as it appeared on the tentative map, and any approved alterations thereof.

(3) All provisions of this chapter and of any local ordinances applicable at the time of approval of the tentative map have been complied with.

(4) He or she is satisfied that the map is technically correct.

(b) The county surveyor or the city engineer, as the case may be, or other public official or employee qualified and authorized to perform the functions of either, shall complete and file with his or her legislative body his or her certificate or statement, as required by this section, within 20 days from the time the final map is submitted to him or her by the subdivider for approval.

SEC. 4. Section 66450 of the Government Code is amended to read:

66450. If a subdivision for which a parcel map is required lies within unincorporated territory, the parcel map shall be submitted to the county surveyor for his or her examination prior to filing, and if the subdivision lies within a city, the parcel map shall be submitted to the city engineer for his or her examination prior to filing.

Within 20 days after receiving the parcel map, the officer or officers shall examine it for the survey information shown thereon, and if satisfied that it is technically correct, the following statement shall be placed on the map.

County Surveyor's Statement
(or City Engineer's Statement)

This map conforms with the requirements of the Subdivision Map Act and local ordinance.

Dated: _____.

Signed: _____

County surveyor/city engineer

The officer or officers signing the statement shall indicate his or her registration or license number and the expiration date below or immediately adjacent to the signature.

SEC. 5. Section 66499.52 of the Government Code is amended to read:

66499.52. (a) Whenever any city, town or subdivision of land is platted or divided into lots or blocks, and whenever any addition to any city, town or subdivision is laid out into lots or blocks for the purpose of sale or transfer, the city engineer or the county surveyor, under the direction and with the approval of the city council or board of supervisors, may make an official map of the city, town or subdivision, giving to each block on the map a number, and to each lot or subdivision in the block a separate number or letter, and giving names to the streets, avenues, lanes, courts, commons or parks, as may be delineated on the official map.

(b) In a city or county which has adopted the procedure prescribed herein, any surveyor or engineer, under the review of the city engineer or county surveyor, may prepare an official map to be filed for record pursuant to subdivisions (d) and (e) of Section 66499.35. The map shall be prepared in accordance with the map format specifications of subdivisions (a) to (f), inclusive, of Section

66434. Payment for the services of the city engineer or county surveyor, and any charges required by local ordinance to be paid for the cost of processing the official map by the city engineer or county surveyor, shall be the responsibility of the applicant. The official map shall include an engineer's or surveyor's certificate stating that the map was prepared pursuant to the provisions of this section, and an approval certificate of the city engineer or county surveyor. The certificate shall be signed, and, below or immediately adjacent to the signature, indicate the license or registration number with expiration date of the registered civil engineer or licensed land surveyor preparing and approving the official map.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act does not mandate a new program or higher level of service on local government. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 4 (commencing with Section 17550) of Part 7 of Division 2 of Title 2 of the Government Code.

CHAPTER 101

An act to amend Section 25180 of the Health and Safety Code, and to add Section 2401.1 to the Vehicle Code, relating to hazardous waste.

[Approved by Governor May 10, 1988 Filed with Secretary of State May 11, 1988.]

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.

(d) Notwithstanding any limitations in subdivision (b), a member

of the California Highway Patrol may enforce Sections 25185, 25189, 25189.2, 25189.5, 25191, and 25195, and Article 6 (commencing with Section 25160) and Article 6.5 (commencing with Section 25167.1), as those provisions relate to the transportation of hazardous waste.

SEC. 2. Section 2401.1 is added to the Vehicle Code, to read:

2401.1. The commissioner may enforce those provisions relating to the transportation of hazardous waste found in Article 6 (commencing with Section 25160), Article 6.5 (commencing with Section 25167.1), and Article 8 (commencing with Section 25180), of Chapter 6.5 of Division 20 of the Health and Safety Code, pursuant to subdivision (d) of Section 25180 of the Health and Safety Code.

CHAPTER 102

An act to amend Section 1036.2 of the Evidence Code, relating to privilege.

[Approved by Governor May 10, 1988. Filed with Secretary of State May 11, 1988.]

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

SECTION 1. Section 1036.2 of the Evidence Code is amended to read:

1036.2. As used in this article, "sexual assault" includes all of the following:

(a) Rape, as defined in Section 261 of the Penal Code.

(b) Unlawful sexual intercourse, as defined in Section 261.5 of the Penal Code.

(c) Rape in concert with force and violence, as defined in Section 264.1 of the Penal Code.

(d) Rape of a spouse, as defined in Section 262 of the Penal Code.

(e) Sodomy, as defined in Section 286 of the Penal Code, except a violation of subdivision (e) of that section.

(f) A violation of Section 288 of the Penal Code.

(g) Oral copulation, as defined in Section 288a of the Penal Code, except a violation of subdivision (e) of that section.

(h) Penetration of the genital or anal openings of another person with a foreign object, substance, instrument, or device, as specified in Section 289 of the Penal Code.

(i) Annoying or molesting a child under 18, as defined in Section 647a of the Penal Code.

(j) Any attempt to commit any of the above acts.

CHAPTER 103

An act to amend Section 36600 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1988. Filed with Secretary of State May 11, 1988.]

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

SECTION 1. Section 36600 of the Vehicle Code is amended to read:

36600. (a) The limitations as to width as set forth in Chapter 2 (commencing with Section 35100) of Division 15 do not apply to implements of husbandry incidentally operated, transported, towed, or otherwise moved over a highway.

(b) Notwithstanding subdivision (a), when an implement of husbandry is transported or moved over a highway which is a part of the National System of Interstate and Defense Highways (as referred to in Section 108 of the Federal-aid Highway Act of 1956) as a load on another vehicle, if the load exceeds 102 inches in width, the vehicle and load shall not be operated for a distance in excess of 25 miles from the point of origin of the trip. The operator of the transporting vehicle shall be a farmer or a person regularly employed by a farmer or farm corporation, and the operator transporting the load shall have in his or her immediate possession a writing signed by the farmer or farm corporation agent which states the origin and destination of the trip.

(c) Notwithstanding subdivision (a), when an implement of husbandry is transported or moved over any other highway as a load on another vehicle, if the load exceeds 120 inches in width, the vehicle and load shall not be operated for a distance in excess of 25 miles from the point of origin of the trip. The operator of the transporting vehicle shall be a farmer or a person employed by a farmer or farm corporation, and the operator transporting the load shall have in his or her immediate possession a writing signed by the farmer or farm corporation agent which states the origin and destination of the trip.

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

In order for this act to be operative during the rice harvesting season this year, it is necessary that this act take effect immediately.

CHAPTER 104

An act to amend Sections 61371.5 and 61378 of, and to add and repeal Section 61376 of, the Food and Agricultural Code, relating to dairy products, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1988. Filed with Secretary of State May 11, 1988.]

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

SECTION 1. Section 61371.5 of the Food and Agricultural Code is amended to read:

61371.5. This article does not apply to retail sales or promotions of frozen products sold in other than packaged form by restaurants to consumers. The cost of any such sales or promotion shall be borne by the restaurant.

"Restaurant" means a wholesale customer who serves food to consumers.

SEC. 2. Section 61376 is added to the Food and Agricultural Code, to read:

61376. This article does not prohibit the giving of any prize to a consumer in a sweepstakes, contest, or drawing conducted in connection with the sale or marketing of any yogurt, soft fresh cheese product (fromage frais), or any class 2, 3, or 4 product, if no purchase of the product is required and the sweepstakes or drawing otherwise complies with all requirements of this chapter and other applicable state law. For purposes of determining compliance with this chapter and other applicable state laws, the total cost of all prizes permitted under this section, and of the advertising, promotion, and administration associated with the sweepstakes or drawing, shall be prorated among all applicable products sold within the state during the term of the sweepstakes or drawing.

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

SEC. 3. Section 61378 of the Food and Agricultural Code is amended to read:

61378. (a) The allowance or gift of any money, credit, or compensation, or the lending of anything of value, to a wholesale customer for advertising or display in connection with the sale of dairy products classified as class 1, except yogurts or soft fresh cheese (fromage frais) is an unlawful practice. Payments or loans regarding products that are exempt from the prohibition of this section apply only to those products which are sold under a seller's own registered brand. The cost of any such allowance shall be borne by the seller.

(b) Notwithstanding subdivision (a), a distributor may loan a wholesale customer refrigerated display cabinets at the rate of one

cabinet per premises if all of the following conditions are met:

(1) The cabinets are owned or leased by the distributor making the loan.

(2) Only products exempt from the prohibition of this section owned by the distributor at the time of sale of the products to the wholesale customer are stored in the cabinets.

(3) The location of the cabinets between wholesale customer premises is changed at least once every three weeks with at least two weeks intervening between the date of removal of any such cabinet from the premises of a wholesale customer and the loan of another cabinet by the distributor for use at the same premises.

(4) The cost of any loan of a cabinet is borne by the owner or lessor of the cabinet.

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:

Certain marketing practices should conform to national standards. In order to ensure this conformity as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 105

An act to add Section 16500.5 to the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1988. Filed with Secretary of State May 11, 1988.]

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

SECTION 1. Section 16500.5 is added to the Welfare and Institutions Code, to read:

16500.5. (a) (1) The Legislature hereby finds and declares its intent to encourage the continuity of the family unit by:

(A) Providing services to avoid or limit out-of-home placement for children who are dependent children not taken from the physical custody of their parents and guardian pursuant to Section 364, or who are dependent children removed from physical custody of their parents or guardian pursuant to Section 361.

(B) Providing transitional supportive services for those children within the meaning of Sections 361 and 364 when they are returned to the family unit.

(C) Providing counseling and support designed to eradicate the situation that necessitated intervention.

(2) The Legislature finds that maintaining abused and neglected children in foster care grows increasingly costly each year, and that

adequate funding for family services which might enable these children to remain in their homes is not as readily available as funding for foster care placement.

(3) The Legislature further finds that other state bodies have addressed this problem through various systems of flexible reimbursement in child welfare programs that provide for more intensive and appropriate services to prevent foster care placement or significantly reduce the length of stay in foster care.

(4) Accordingly, it is the intent of the Legislature in enacting this section to test a system of flexible reimbursement in order to evaluate its potential as an efficient, economical, and effective alternative to out-of-home placement of children.

(b) (1) No more than three participating counties selected by the State Department of Social Services, one of which shall be Solano County, on a two-year pilot program basis, may claim, on an annual basis, a portion of the state's share of that county's AFDC-FC expenditures pursuant to subdivision (d) of Section 11450 in advance, provided the county shows that it will conduct a program of family reunification and family maintenance services for families receiving these services pursuant to Sections 300, 361, and 364. For each fiscal year of the two-year pilot program, a participating county may claim in advance an amount equal to 10 percent of the projected state's share of AFDC-FC funds to be expended by that county pursuant to subdivision (d) of Section 11450. The specific amount of funds to be advanced each year shall be determined by projecting the state share of AFDC-FC General Fund expenditures for abused or neglected children supervised and placed by the county welfare department for each of the pilot program years based upon state expenditures for AFDC-FC for the previous five years.

Except as provided in paragraph (2), in the event that in any pilot program year the sum of a participating county's total AFDC-FC General Fund expenditures for their children, added to the amount advanced to the county, exceeds its total projected AFDC-FC General Fund expenditures for their children for that fiscal year, by 5 percent or less, the county shall share in the funding of that overage on a 25 percent county, 75 percent state/federal cost ratio basis. If the county's total AFDC-FC General Fund expenditures, added to the amount advanced to the county exceeds, by more than 5 percent, the total projected AFDC-FC General Fund expenditures for that fiscal year, the county shall fund that portion of the overage in excess of 5 percent on a 100 percent basis. If the sum of a participating county's total AFDC-FC General Fund expenditures for their children, added to the amount advanced to the county, is less than the total projected AFDC-FC General Fund expenditures for their children for that fiscal year, the county shall receive 25 percent of the amount of the savings.

(2) A participating county's share of expenditures in excess of the projected total may be reduced upon approval of the State Department of Social Services and the Department of Finance based

on consideration of any unanticipated factors which result in higher than projected AFDC-FC expenditures.

(3) The State Department of Social Services shall select no more than three representative counties, one of which shall be Solano County, to participate in the pilot program.

(3) Services which may be provided under this program may include counseling, parenting, respite, and homemaking. Additional services may include those enumerated in Section 16506.1 and 16507.1. The services to be provided pursuant to this section may be determined by each participating county.

(c) These pilot projects shall provide specific programs of direct services based on individual family needs as reflected in the service plans to families of children who are dependent children not taken from physical custody of their parents or guardians pursuant to Section 364, or who are dependent children removed from the physical custody of their parents or guardian pursuant to Section 361. The county welfare department social worker may return a dependent minor removed from the home pursuant to Section 361, with appropriate pilot project services, pursuant to an appropriate court order.

These services shall only be provided to families whose children are certified by a juvenile court judge to be children who will be placed in out-of-home care without the provision of project services or to be children who can be returned to their families with the provision of project services. Each county shall be permitted to contract with individuals and organizations to provide services pursuant to this section.

(d) The services selected by any participating county shall be reasonable and meritorious and shall demonstrate cost effectiveness and success at avoiding out-of-home placement, or reducing the length of stay in out-of-home placement. A county shall not expend more funds for supportive services under this section than that amount which would be expended for placement in out-of-home care.

(e) The pilot program in each demonstration county shall be deemed successful if at least 75 percent of the children receiving demonstration project services remain in their own home for six months after termination of project services, and if 60 percent remain at home one year after project services are terminated. With respect to children selected to receive project services who have already been removed from their home and placed in out-of-home care, the project shall be deemed successful if the average length of stay in out-of-home care is 50 percent less than the average length of stay in out-of-home care for families who do not receive demonstration project services.

(f) Funds used for project services shall supplement, not supplant, child welfare services funds available for services pursuant to Sections 16506.1 and 16507.1.

(g) The State Department of Social Services shall submit a report

to the Legislature that includes data from each participating pilot county demonstrating to what extent each has met the criteria specified in this section. An interim report shall be submitted by the department no later than six months after the conclusion of the pilot projects with a final report to be submitted after project completion.

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 widest range of emergency services to distressed children and families as soon as possible, and to rapidly initiate services to prevent the disruption or destruction of the family unit, it is necessary for this act to take effect immediately.

CHAPTER 106

An act to add and repeal Sections 14524.1, 14525.1, 14526.1, 14527.1, 14528.1, and 14529.1 of the Government Code, to amend Sections 253.1, 253.3, 253.5, 253.6, 253.8, 263.4, 263.5, 263.7, 336, 341, 344, 347.1, 372, 382, 384, 385, 387, 393, 399, 430, 487, 537, and 624 of, and to repeal Section 441 of, the Streets and Highways Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1988. Filed with Secretary of State May 13, 1988.]

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

SECTION 1. Section 14524.1 is added to the Government Code, to read:

14524.1. Notwithstanding Section 14524, for 1988 only, the department's estimate of state and federal funds for transportation purposes shall be submitted to the commission not later than June 10.

This section is repealed January 1, 1990.

SEC. 2. Section 14525.1 is added to the Government Code, to read:

14525.1. Notwithstanding Section 14525, for 1988 only, the commission's estimate of state and federal funds expected to be available to each region for transportation purposes, shall be adopted and provided to transportation planning agencies and county transportation commissions not later than July 1.

This section is repealed January 1, 1990.

SEC. 3. Section 14526.1 is added to the Government Code, to read:

14526.1. Notwithstanding Section 14526, for 1988 only, the department's proposed state transportation improvement program shall be submitted to the commission, transportation planning

agencies, and county transportation commissions not later than August 1.

This section is repealed January 1, 1990.

SEC. 4. Section 14527.1 is added to the Government Code, to read:

14527.1. Notwithstanding Section 14527, for 1988 only, transportation planning agencies and county transportation commissions in urbanized areas of over 50,000 population shall adopt and submit a transportation improvement program to the commission and the department not later than August 1.

This section is repealed January 1, 1990.

SEC. 5. Section 14528.1 is added to the Government Code, to read:

14528.1. Notwithstanding Section 14528, for 1988 only, transportation planning agencies shall adopt and submit comments relative to the department's proposed state transportation improvement program to the commission and the department not later than August 1.

This section is repealed January 1, 1990.

SEC. 6. Section 14529.1 is added to the Government Code, to read:

14529.1. Notwithstanding Section 14529, for 1988 only, the commission shall submit its proposed state transportation improvement program to the Legislature and the Governor not later than October 1.

This section is repealed January 1, 1990.

SEC. 7. Section 253.1 of the Streets and Highways Code is amended to read:

253.1. The California freeway and expressway system shall include:

Routes 5, 6, 8, 10, 14, 15, 18, 24, 28, 30, 32, 34, 37, 40, 44, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 59, 60, 61, 63, 65, 67, 68, 70, 71, 73, 74, 78, 80, 81, 83, 85, 87, 88, 89, 90, 93, 97, 100, 102, 103, 105, 107, 108, 118, 121, 122, 124, 125, 126, 133, 134, 136, 139, 140, 145, 148, 149, 154, 156, 157, 161, 163, 164, 171, 179, 181, 183, 184, 199, 205, 210, 215, 217, 221, 223, 230, 232, 234, 235, 237, 238, 239, 242, 247, 249, 251, 252, 256, 257, 258, 259, 280, 330, 371, 380, 405, 505, 580, 605, 680, 710, 780, 805, 880, and 980 in their entirety.

SEC. 8. Section 253.3 of the Streets and Highways Code is amended to read:

253.3. The California freeway and expressway system shall also include:

Route 22 from:

(a) Studebaker Road in Long Beach to Route 405.

(b) Route 405 to Route 55 near Orange.

Route 23 from:

(a) Route 101 in Thousand Oaks to Route 118.

(b) Route 118 to Route 126 near Fillmore.

Route 25 from:

(a) Route 180 near Paicines to Route 156 in Hollister.
(b) Route 156 in Hollister to Route 101 near Gilroy.
Route 26 from Route 99 near Stockton to Route 12.
Route 29 from:
(a) Route 80 near Vallejo to Oak Knoll Avenue north of the City of Napa.
(b) The Napa-Lake county line to Route 20.
Route 33 from:
(a) Route 101 near Ventura to Route 150.
(b) Route 150 to Route 166 near Maricopa.
(c) Route 152 west of Los Banos to Route 5 near Santa Nella.
Route 35 from Route 280 to Route 1 near Daly City.
Route 36 from:
(a) Route 5 at Red Bluff to Route 395.
(b) Route 139 north of Susanville to Route 395 near Termo.
Route 38 from Route 10 near Redlands to Route 18 near Baldwin Lake.
Route 39 from Route 1 near Huntington Beach to Route 210.
Route 41 from:
(a) Route 1 near Morro Bay to Route 101 near Atascadero.
(b) Route 46 to Route 99 in Fresno.
(c) Route 99 in Fresno to Yosemite National Park.
Route 43 from Route 5 to Route 99 near Selma.
Route 45 from Route 20 near Colusa to Route 32 near Hamilton City.

SEC. 9. Section 253.5 of the Streets and Highways Code is amended to read:

253.5. The California freeway and expressway system shall also include:
Route 79 from:
(a) Route 8 near Descanso to Route 78.
(b) Route 371 near Aguanga to Route 15 near Temecula.
(c) Route 15 near Temecula to Route 74 near Hemet.
(d) Route 74 near Hemet to Route 10 near Beaumont.
Route 84 from:
(a) The westerly approach to the Dumbarton Bridge to Route 880.
(b) Route 880 to Route 238.
(c) Route 680 near Scotts Corners to Route 580 in Livermore.
(d) Route 580 in Livermore to Route 4 near Brentwood.
(e) Route 12 at Rio Vista to Route 50 near Broderick.
Route 86 from Route 78 near Brawley to Route 10 in Indio.
Route 91 from Route 405 to Route 215 near Riverside.
Route 92 from:
(a) Route 1 near Half Moon Bay to Route 280.
(b) Route 280 to Route 238.
Route 94 from Route 5 near San Diego to Route 54 near Jamacha Road.
Route 95 from Route 10 near Blythe to Route 40 near Needles.
Route 99 from:

(a) Route 5 south of Bakersfield to Route 50 in Sacramento.
(b) Route 5 in Sacramento to Route 36 near Red Bluff.
Route 101 from:
(a) Route 5 near Seventh Street in Los Angeles to near Fell Street in San Francisco.
(b) A point in Marin County opposite San Francisco to the Oregon state line north of Crescent City.
Route 110 from Route 47 to Colorado Boulevard in Pasadena.
SEC. 10. Section 253.6 of the Streets and Highways Code is amended to read:
253.6. The California freeway and expressway system shall also include:
Route 111 from:
(a) The international boundary south of Calexico to Route 78 near Brawley passing east of Heber.
(b) Route 78 near Brawley to Route 86 near Mecca via the north shore of the Salton Sea.
(c) San Rafael Drive in Palm Springs to Route 10 near Whitewater.
Route 113 from Route 80 near Davis to Route 99 near Tudor.
Route 116 from:
(a) Route 181 near Forestville to Route 101 near Cotati.
(b) Route 101 near Petaluma to Route 121 near Schellville.
Route 120 from:
(a) Route 5 near Mossdale to the west boundary of Yosemite National Park.
(b) The east boundary of Yosemite National Park to Route 395 near Mono Lake.
Route 127 from Route 15 near Baker to Route 190 near Death Valley Junction.
Route 128 from:
(a) The mouth of the Navarro River to Route 101 near Cloverdale.
(b) Route 101 to Route 29 near Calistoga.
(c) Route 121 to Route 113 near Davis.
Route 132 from:
(a) Route 580 west of Vernalis to Route 99 at Modesto.
(b) Route 99 to Route 65.
SEC. 11. Section 253.8 of the Streets and Highways Code is amended to read:
253.8. The California freeway and expressway system shall also include:
Route 227 from Route 1 south of Oceano to Route 101 near Arroyo Grande.
Route 244 from Route 80 to Auburn Boulevard.
Route 299 from:
(a) Route 101 near Arcata to Route 5 at Redding.
(b) Route 5 at Redding to Route 395 at Alturas.
Route 395 from:
(a) Route 15 near Cajon Pass to the Nevada state line.

(b) Nevada state line northwest of Reno to Route 36 near Johnstonville.

(c) Route 36 near Termo to the Oregon state line.

Route 480 from Route 280 near Harrison Street in San Francisco to Bay Street and the Embarcadero.

Route 905 from Route 5 near the south end of San Diego Bay to the international boundary southerly of Brown Field.

SEC. 12. Section 263.4 of the Streets and Highways Code is amended to read:

263.4. The state scenic highway system shall also include:

Route 37 from:

(a) Route 251 near Nicasio to Route 101 near Novato.

(b) Route 101 near Ignacio to Route 29 near Vallejo.

Route 39 from Route 210 near Azusa to Route 2.

Route 40 from Barstow to Needles.

Route 41 from:

(a) Route 1 near Morro Bay to Route 101 near Atascadero.

(b) Route 46 near Cholame to Route 33.

(c) Route 49 near Oakhurst to Yosemite National Park.

Route 44 from Route 5 near Redding to Route 89 near Old Station.

Route 46 from:

(a) Route 1 near Cambria to Route 101 near Paso Robles.

(b) Route 101 near Paso Robles to Route 41 near Cholame.

Route 49 from:

(a) Route 41 near Oakhurst to Route 120 near Moccasin.

(b) Route 120 to Route 20 near Grass Valley.

(c) Route 20 near Nevada City to Route 89 near Sattley.

Route 50 from Route 49 near Placerville to the Nevada state line near Lake Tahoe.

Route 57 from Route 90 to Route 60 near Industry.

Route 58 from Route 14 near Mojave to Route 15 near Barstow.

Route 68 from Monterey to Route 101 near Salinas.

Route 70 from Route 149 near Wicks Corner to Route 89 near Blairsden.

Route 71 from Route 91 near Corona to Route 83 north of Corona.

SEC. 13. Section 263.5 of the Streets and Highways Code is amended to read:

263.5. The state scenic highway system shall also include:

Route 78 from Route 79 near Santa Ysabel to Route 86 passing near Julian.

Route 79 from:

(a) Route 8 near Descanso to Route 78 near Julian.

(b) Route 78 near Santa Ysabel to Route 371 near Aguanga.

Route 80 from:

(a) Route 280 near First Street in San Francisco to Route 61 in Oakland.

(b) Route 20 near Emigrant Gap to the Nevada state line near Verdi, Nevada.

Route 88 from Route 49 in Jackson to the Nevada state line via Pine

Grove, Silver Lake, and Kirkwood.

Route 91 from Route 55 near Santa Ana Canyon to Route 15 near Corona.

Route 92 from Route 1 near Half Moon Bay to Route 280 near Crystal Springs Lake.

Route 94 from Route 125 near Spring Valley to Route 8 west of Jacumba.

SEC. 14. Section 263.7 of the Streets and Highways Code is amended to read:

263.7. The state scenic highway system shall also include:

Route 138 from Route 2 near Wrightwood to Route 18 near Mt. Anderson.

Route 139 from Route 299 near Canby to the Oregon state line near Hatfield.

Route 140 from Route 49 at Mariposa to Yosemite National Park near El Portal.

Route 142 from the Orange-San Bernardino county line to Peyton Drive.

Route 146 from Pinnacles National Monument to Route 25 in Bear Valley.

Route 152 from:

(a) Route 1 to the Santa Clara county line at Hecker Pass.

(b) Route 156 near San Felipe to Route 5.

Route 160 from Route 4 near Antioch to Sacramento.

Route 163 from Ash Street in San Diego to Route 8.

Route 166 from Route 101 near Santa Maria to Route 33 in Cuyama Valley.

Route 168 from:

(a) Route 65 near Clovis to Huntington Lake.

(b) Camp Sabrina to Route 395.

(c) Route 395 at Big Pine to Route 266 at Oasis.

Route 178 from the east boundary of Death Valley National Monument to Route 127 near Shoshone.

Route 180 from:

(a) Route 65 near Minkler to General Grant Grove section of Kings Canyon National Park.

(b) General Grant Grove section of Kings Canyon National Park to Kings Canyon National Park boundary near Cedar Grove.

Route 190 from Route 65 near Porterville to Route 127 near Death Valley Junction.

Route 266 from the Nevada state line easterly of Oasis to Route 168 at Oasis.

SEC. 15. Section 336 of the Streets and Highways Code is amended to read:

336. Route 36 is from:

(a) Route 101 near Alton to Route 395 near Johnsonville passing near Forest Glen and Peanut via Red Bluff and Mineral, via the vicinity of Morgan Summit, and via Susanville.

(b) Route 139 north of Susanville to Route 395 near Termo.

SEC. 16. Section 341 of the Streets and Highways Code is amended to read:

341. Route 41 is from:

(a) Route 1 near Morro Bay to Route 46.

(b) Route 46 to Route 99 in Fresno.

(c) Route 99 in Fresno to Yosemite National Park.

SEC. 17. Section 344 of the Streets and Highways Code is amended to read:

344. Route 44 is from Route 5 at Redding to Route 36 west of Susanville, via the vicinity of Lassen Volcanic National Park.

SEC. 18. Section 347.1 of the Streets and Highways Code is amended to read:

347.1. Route 47 shall also include that portion of Henry Ford Avenue from Route 47 to Alameda Street and that portion of Alameda Street from Henry Ford Avenue to Route 91.

Route 47 shall not include that portion of the adopted route from Route 1 to Willow Street and that portion of the adopted alignment from Willow Street to Route 405.

SEC. 19. Section 372 of the Streets and Highways Code is amended to read:

372. Route 72 is from Route 39 to Downey Road near the City of Los Angeles, except as follows:

(a) Route 72 shall cease to be a state highway when Route 90 freeway is completed from Route 5 to Route 39.

(b) Notwithstanding subdivision (a), that portion of Route 72 from Atlantic Boulevard to Downey Road shall cease to be a state highway when the County of Los Angeles completes the reconstruction of Whittier Boulevard approximately between these two limits.

(c) Notwithstanding subdivision (a), any portion of Route 72 from Route 605 to Atlantic Boulevard shall cease to be a state highway when the County of Los Angeles, the City of Montebello, and the City of Pico Rivera complete the reconstruction of their respective portions of Whittier Boulevard approximately between these two limits.

SEC. 20. Section 382 of the Streets and Highways Code is amended to read:

382. Route 82 is from Route 101 near Blossom Hill Road in San Jose to Route 280 in San Francisco.

SEC. 21. Section 384 of the Streets and Highways Code is amended to read:

384. Route 84 is from:

(a) Route 1 near San Gregorio to Route 101 at Woodside Road in Redwood City.

(b) Route 101 at Marsh Road in Menlo Park to Route 880.

(c) Route 880 to Route 238.

(d) Route 238 to Route 680 near Scotts Corners via the vicinity of Sunol.

(e) Route 680 near Scotts Corners to Route 580 in Livermore.

(f) Route 580 in Livermore to Route 4 near Brentwood.

(g) Route 12 at Rio Vista to Route 80 near Bryte via Ryer Island.

SEC. 22. Section 385 of the Streets and Highways Code is amended to read:

385. Route 85 is from Route 101 near Bernal Road in San Jose to Route 101 near Moffett Boulevard in Mountain View.

SEC. 23. Section 387 of the Streets and Highways Code is amended to read:

387. Route 87 is from:

(a) Route 85 in the vicinity of Santa Teresa Boulevard to Route 101 in the vicinity of Guadalupe River.

(b) San Jose easterly of Route 101 to Route 237.

SEC. 24. Section 393 of the Streets and Highways Code is amended to read:

393. Route 93 is from:

(a) Route 77 near Moraga to Route 24 near Orinda.

(b) Route 24 near Orinda to Route 80 in Richmond and Pinole.

(c) Route 80 to Route 580 in Richmond via San Pablo and north Richmond.

SEC. 25. Section 399 of the Streets and Highways Code is amended to read:

399. Route 99 is from:

(a) Route 5 south of Bakersfield to Route 50 in Sacramento.

(b) Route 5 in Sacramento to Route 36 near Red Bluff, passing near Catlett and Tudor.

SEC. 26. Section 430 of the Streets and Highways Code is amended to read:

430. Route 130 is from Route 101 in San Jose to Route 33 near Patterson via the vicinity of Mount Hamilton.

SEC. 27. Section 441 of the Streets and Highways Code is repealed.

SEC. 28. Section 487 of the Streets and Highways Code is amended to read:

487. Route 187 is from the South city limits of the City of Santa Monica near Dewey Street to Route 10 via Pacific Avenue and Venice Boulevard; provided that, prior to the construction of any portion of this highway, the City of Los Angeles shall furnish to the State of California without charge all right-of-way necessary for that portion and the City of Los Angeles and the County of Los Angeles shall enter into a co-operative agreement with the department wherein the city and the county agree to pay one-half the cost of plans and construction.

SEC. 29. Section 537 of the Streets and Highways Code is amended to read:

537. Route 237 is from Route 82 in Mountain View to Route 680 in Milpitas.

SEC. 30. Section 624 of the Streets and Highways Code is amended to read:

624. Route 980 is from Route 880 to Route 580 in Oakland.

SEC. 31. Sections 7 to 30, inclusive, of this act shall become operative January 1, 1989.

SEC. 32. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 process for adopting the state transportation improvement program will be consistent with the transportation funding requirements prescribed by Chapter 24 of the Statutes of 1988, and in order to allow sufficient lead time with respect to implementing other provisions of that act, it is necessary that this act take effect immediately.

CHAPTER 107

An act to repeal and add Sections 74134, 74135, 74136, 74137, 74138, 74141, and 74143 of the Government Code, relating to courts.

[Approved by Governor May 17, 1988. Filed with Secretary of State May 17, 1988.]

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

SECTION 1. Section 74134 of the Government Code is repealed.

SEC. 2. Section 74134 is added to the Government Code, to read:

74134. In the Riverside Judicial District, the salary of the clerk/administrator—Riverside Judicial District shall be on range 360 and the clerk/administrator may appoint:

(a) One accounting technician on range 208.

(b) One assistant clerk/administrator—Riverside Judicial District on range 276.

(c) One municipal court branch manager on range 241.

(d) Twenty-seven municipal court clerks on range 165.

(e) Three municipal court division supervisors on range 225.

(f) Nine municipal courtroom clerks on range 211.

(g) One secretary I on range 203.

(h) One senior accounting clerk on range 178.

(i) Six senior municipal court clerks on range 186.

SEC. 3. Section 74135 of the Government Code is repealed.

SEC. 4. Section 74135 is added to the Government Code, to read:

74135. In the Riverside Judicial District, the salary of the marshal shall be fifty-five thousand seven hundred eighty-five dollars and sixty cents ($55,785.60) per year, and the marshal may appoint:

(a) Four accounting clerks on range 147.

(b) One correctional officer I on range 158.

(c) Two data terminal operators II on range 148.

(d) Twenty-nine deputy marshals II B on range 269.

(e) Four deputy marshals II B-S on range 278.

(f) Eight investigative assistants on range 170.
(g) Two marshal's captains B on range 348.
(h) Two marshal's lieutenants B on range 320.
(i) Seven marshal's sergeants B on range 300.
(j) One secretary I on range 203.
(k) Two senior accounting clerks on range 178.
(*l*) Seven typist clerks II on range 138.

SEC. 5. Section 74136 of the Government Code is repealed.

SEC. 6. Section 74136 is added to the Government Code, to read:

74136. In the Desert Judicial District, the salary of the clerk/administrator—Desert Judicial District shall be on range 360 and the clerk/administrator may appoint:

(a) One accounting clerk on range 147.
(b) One accounting technician on range 208.
(c) One assistant clerk/administrator—Desert Judicial District on range 276.
(d) Two court reporters at one thousand seven hundred thirteen dollars and sixty cents ($1,713.60) biweekly.
(e) Three municipal court branch managers on range 241.
(f) Thirty-five municipal court clerks on range 165.
(g) Two municipal court division supervisors on range 225.
(h) Six municipal courtroom clerks on range 211.
(i) Two senior accounting clerks on range 178.
(j) Eight senior municipal court clerks on range 186.
(k) One senior stenographer clerk on range 186.

SEC. 7. Section 74137 of the Government Code is repealed.

SEC. 8. Section 74137 is added to the Government Code, to read:

74137. In the Desert Judicial District, the salary of the marshal shall be fifty-two thousand eight hundred seventy-three dollars and sixty cents ($52,873.60) per year, and the marshal may appoint:

(a) One accounting clerk on range 147.
(b) One assistant marshal B on range 337.
(c) Thirteen deputy marshals II B on range 269.
(d) Two deputy marshals II B-S on range 278.
(e) One marshal's lieutenant B on range 320.
(f) Three marshal's sergeants B on range 300.
(g) One senior accounting clerk on range 178.
(h) Five typist clerks II on range 138.

SEC. 9. Section 74138 of the Government Code is repealed.

SEC. 10. Section 74138 is added to the Government Code, to read:

74138. In the Corona Judicial District, the salary of the clerk/administrator—Corona Judicial District shall be on range 300, and the clerk/administrator may appoint:

(a) One municipal court branch manager on range 241.
(b) Ten municipal court clerks on range 165.
(c) Two municipal court division supervisors on range 225.
(d) Three municipal courtroom clerks on range 211.
(e) One senior accounting clerk on range 178.

SEC. 11. Section 74141 of the Government Code is repealed.

SEC. 12. Section 74141 is added to the Government Code, to read:

74141. In the Mt. San Jacinto Judicial District the salary of the clerk/administrator—Mt. San Jacinto Judicial District shall be on range 300, and the clerk/administrator may appoint:

(a) Two accounting clerks on range 147.
(b) One bail clerk on range 162.
(c) Two municipal court branch managers on range 241.
(d) Twelve municipal court clerks on range 165.
(e) One municipal court division supervisor on range 225.
(f) Five municipal courtroom clerks on range 211.
(g) One senior accounting clerk on range 178.
(h) Four senior municipal court clerks on range 186.
(i) One traffic referee-assistant clerk on range 297.

SEC. 13. Section 74143 of the Government Code is repealed.

SEC. 14. Section 74143 is added to the Government Code, to read:

74143. In the Three Lakes Judicial District, the salary of the clerk/administrator—Three Lakes Judicial District shall be on range 300, and the clerk/administrator may appoint:

(a) One municipal court branch manager on range 241.
(b) Eight municipal court clerks on range 165.
(c) Two municipal court division supervisors on range 225.
(d) Two municipal courtroom clerks on range 211.
(e) One senior accounting clerk on range 178.
(f) One senior municipal court clerk on range 186.

SEC. 15. 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 108

An act to amend Section 454 of, and to add Section 454.3 to, the Public Utilities Code, relating to the Public Utilities Commission.

[Approved by Governor May 17, 1988 Filed with Secretary of State May 17, 1988.]

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

SECTION 1. Section 454 of the Public Utilities Code is amended to read:

454. (a) Except as provided in Sections 454.1 and 455, no public utility shall change any rate or so alter any classification, contract, practice, or rule as to result in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified. Whenever any electrical, gas, heat, telephone, water, or sewer system corporation files an application to change any rate,

other than a change reflecting and passing through to customers only new costs to the corporation which do not result in changes in revenue allocation, for the services or commodities furnished by it, the corporation shall furnish to its customers affected by the proposed rate change notice of its application to the commission for approval of the new rate. This notice requirement does not apply to any rate change proposed by a corporation pursuant to an advice letter submitted to the commission in accordance with commission procedures for this means of submission. The procedures for advice letters may include provision for notice to customers or subscribers on a case-by-case basis, as determined by the commission. The corporation may include the notice with the regular bill for charges transmitted to the customers within 45 days if the corporation operates on a 30-day billing cycle, or within 75 days if the corporation operates on a 60-day billing cycle. If more than one application to change any rate is filed within a single billing cycle, the corporation may combine the notices into a single notice if the applications are separately identified. The notice shall state the amount of the proposed rate change expressed in both dollar and percentage terms for the entire rate change as well as for each customer classification, a brief statement of the reasons the change is required or sought, and the mailing address of the commission to which any customer inquiries may be directed regarding how to participate in, or receive further notices regarding the date, time, or place of, any hearing on the application, and the mailing address of the corporation to which any customer inquiries relative to the proposed rate change may be directed.

(b) The commission may adopt rules it considers reasonable and proper for each class of public utility providing for the nature of the showing required to be made in support of proposed rate changes, the form and manner of the presentation of the showing, with or without a hearing, and the procedure to be followed in the consideration thereof. Rules applicable to common carriers may provide for the publication and filing of any proposed rate change together with a written showing in support thereof, giving notice of the filing and showing in support thereof to the public, granting an opportunity for protests thereto, and to the consideration of, and action on, the showing and any protests filed thereto by the commission, with or without hearing. However, the proposed rate change does not become effective until it has been approved by the commission.

(c) The commission shall permit individual public utility customers and subscribers affected by a proposed rate change, and organizations formed to represent their interests, to testify at any hearing on the proposed rate change, except that the presiding officer need not allow repetitive or irrevelant testimony and may conduct the hearing in an efficient manner.

SEC. 2. Section 454.3 is added to the Public Utilities Code, to read:

454.3. The commission may, after a hearing, approve an increase of from one-half of 1 percent to 1 percent in the rate of return otherwise allowed an electrical corporation on its electric plant for investment by the corporation in facilities meeting one of the following requirements:

(a) The facility is designed to generate electricity from a renewable resource, including, but not limited to, solar energy, geothermal steam, wind, and hydroelectric power at new or existing dams; the facility is subject to Resources Agency review of its environmental impacts and determination that the facility is environmentally acceptable; its capital costs, when added to its costs of operation and maintenance, result in a cost of electricity generated over the useful life of the facility less than that of electricity generated by existing facilities utilizing nuclear power or fossil fuel; and the facility is used and useful.

(b) The facility is capable of meeting the then applicable environmental pollution standards; its capital costs, when added to its costs of operation and maintenance, result in a cost of electricity generated over the useful life of the facility less than that of electricity generated by existing facilities utilizing nuclear power or fossil fuel; and the facility is used and useful.

(c) The facility is experimental and is, in the determination of the commission, reasonably designed to improve or perfect technology for the generation of electricity from renewable resources or to more efficiently utilize other resources in a manner which will decrease environmental pollution from and lower the costs of the electricity generated.

CHAPTER 109

An act to amend Section 22200 of the Business and Professions Code, and to amend Section 2.5 of Chapter 1033 of the Statutes of 1987, relating to plastic bags, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 17, 1988. Filed with Secretary of State May 17, 1988.]

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

SECTION 1. The Legislature finds that bags made of plastic material of an average gauge thinner than 0.001 inch which are large enough to fit over the heads of children are manufactured in mass quantities, stored in warehouses, and then distributed to customers on an as-needed basis.

The Legislature also finds that the printing of warning labels on plastic bags that are large enough to fit over the head of a child and are less than 0.001 inch requires specialized printing machinery.

The Legislature, therefore, finds that the members of the plastic bag industry, in order to fully comply with the provisions of Section 22200 of the Business and Professions Code, must be granted a 12-month grace period in order to adequately dispose of all plastic bags that were not required to have warning labels affixed to them prior to January 1, 1988.

SEC. 2. Section 22200 of the Business and Professions Code is amended to read:

22200. No bag made of plastic material of an average gauge thinner than 0.001 inch which is large enough to fit over a child's head shall be used by any business establishment as a container for products delivered to purchasers, or by any other business establishment to package articles delivered to customers or other persons doing business with the establishment, or, after January 1, 1988, shall be directly sold, delivered, or given to any business establishment located in the State of California by any manufacturer, supplier, or distributor after January 1, 1988, unless there is printed upon such bag, or upon a gummed label which is securely attached to such bag, in clear legible type the following: "CAUTION--KEEP AWAY FROM SMALL CHILDREN. THE THIN FILM MAY CLING TO NOSE AND MOUTH AND PREVENT BREATHING," or a similar warning that the bag is dangerous to small children. This section shall not apply to those plastic bags which are used exclusively for industrial purposes.

SEC. 3. Section 2.5 of Chapter 1033 of the Statutes of 1987 is amended to read:

Sec. 2.5. There shall be no cause of action nor criminal prosecution for any act committed prior to January 1, 1989, based on the amendments to Section 22200 of the Business and Professions Code made by Section 2 of 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 provide for the orderly and effective enforcement of laws regulating plastic bags large enough to fit over a child's head, it is necessary that this act take effect immediately.

CHAPTER 110

An act relating to workers' compensation, making an appropriation therefor, to take effect immediately, usual and current expenses.

[Approved by Governor May 17, 1988 Filed with Secretary of State May 17, 1988.]

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

SECTION 1. (a) The sum of four million one hundred thousand dollars ($4,100,000) is hereby appropriated from the General Fund to the Uninsured Employers Fund for the purpose of overcoming estimated deficiencies in the payment of workers' compensation benefits to injured workers for the 1987–88 fiscal year.

(b) The Director of Finance may withhold authorization for the expenditure of the funds provided by this section until the preliminary estimates of the potential deficiencies are verified, and shall authorize the expenditure of the funds only to the extent of the verified deficiencies.

SEC. 2. 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 111

An act to amend, add, and repeal Section 631 of, and to add and repeal Chapter 1.3 (commencing with Section 629) of Title 15 of Part 1 of, the Penal Code, relating to law enforcement.

[Approved by Governor May 20, 1988 Filed with Secretary of State May 23, 1988]

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

SECTION 1. This act shall be known and may be cited as the Presley-Felando-Eaves Wiretap Act of 1988.

SEC. 2. Chapter 1.3 (commencing with Section 629) is added to Title 15 of Part 1 of the Penal Code, to read:

CHAPTER 1.3. INTERCEPTION OF WIRE COMMUNICATIONS

629. Each application for an order authorizing the interception of a wire communication shall be made in writing upon the personal oath or affirmation of the Attorney General or Chief Assistant Attorney General, Criminal Law Division, or of a district attorney, to the presiding judge of the superior court or one other judge

designated by the presiding judge. Each application shall include all of the following information:

(a) The identity of the investigative or law enforcement officer making the application, and the officer authorizing the application.

(b) The identity of the law enforcement agency that is to execute the order.

(c) A statement attesting to a review of the application and the circumstances in support thereof by the chief executive officer, or his or her designee, of the law enforcement agency making the application. This statement shall name the chief executive officer or the designee who effected this review.

(d) A full and complete statement of the facts and circumstances relied upon by the applicant to justify his or her belief that an order should be issued, including (1) details as to the particular offense that has been, is being, or is about to be committed, (2) the fact that conventional investigative techniques had been tried and were unsuccessful, or why they reasonably appear to be unlikely to succeed or to be too dangerous, (3) a particular description of the nature and location of the facilities from which or the place where the communication is to be intercepted, (4) a particular description of the type of communication sought to be intercepted, and (5) the identity, if known, of the person committing the offense and whose communications are to be intercepted, or if that person's identity is not known, then the information relating to the person's identity that is known to the applicant.

(e) A statement of the period of time for which the interception is required to be maintained, and if the nature of the investigation is such that the authorization for interception should not automatically terminate when the described type of communication has been first obtained, a particular description of the facts establishing probable cause to believe that additional communications of the same type will occur thereafter.

(f) A full and complete statement of the facts concerning all previous applications known, to the individual authorizing and to the individual making the application, to have been made to any judge of a state or federal court for authorization to intercept wire communications involving any of the same persons, facilities, or places specified in the application, and the action taken by the judge on each of those applications.

(g) If the application is for the extension of an order, a statement setting forth the number of communications intercepted pursuant to the original order, and the results thus far obtained from the interception, or a reasonable explanation of the failure to obtain results.

The judge may require the applicant to furnish additional testimony or documentary evidence in support of the application.

629.02. Upon application made under Section 629, the judge may enter an ex parte order, as requested or modified, authorizing interception of wire communications within the territorial

jurisdiction of the court in which the judge is sitting, if the judge determines, on the basis of the facts submitted by the applicant, all of the following:

(a) There is probable cause to believe that an individual is committing, has committed, or is about to commit, one of the following offenses:

(1) Importation, possession for sale, transportation, manufacture, or sale of controlled substances in violation of Section 11351, 11351.5, 11352, 11378, 11378.5, 11379, 11379.5, or 11379.6 of the Health and Safety Code with respect to a substance containing heroin, cocaine, PCP, methamphetamine, or their analogs where the substance exceeds 10 gallons by liquid volume or three pounds of solid substance by weight.

(2) Conspiracy to commit any of the above-mentioned crimes.

(b) There is probable cause to believe that particular communications concerning the illegal activities will be obtained through that interception.

(c) There is probable cause to believe that the facilities from which, or the place where, the wire communications are to be intercepted are being used, or or about to be used, in connection with the commission of the offense, or are leased to, listed in the name of, or commonly used by the person whose communications are to be intercepted.

(d) Normal investigative procedures have been tried and have failed or reasonably appear either to be unlikely to succeed if tried or to be too dangerous.

629.04. Each order authorizing the interception of any wire communication shall specify:

(a) The identity, if known, of the person whose communications are to be intercepted, or if the identity is not known, then that information relating to the person's identity known to the applicant.

(b) The nature and location of the communication facilities as to which, or the place where, authority to intercept is granted.

(c) A particular description of the type of communication sought to be intercepted, and a statement of the illegal activities to which it relates.

(d) The identity of the agency authorized to intercept the communications and of the person making the application.

(e) The period of time during which the interception is authorized including a statement as to whether or not the interception shall automatically terminate when the described communication has been first obtained.

629.06. (a) Upon informal application by the Attorney General, the Chief Assistant Attorney General, Criminal Law Division, or a district attorney, the presiding judge of the superior court or one other judge designated by the presiding judge may grant oral approval for an interception, without an order, if he or she determines all of the following:

(1) There are grounds upon which an order could be issued under

this chapter.

(2) There is probable cause to believe that an emergency situation exists with respect to the investigation of an offense enumerated in this chapter.

(3) There is probable cause to believe that a substantial danger to life or limb exists justifying the authorization for immediate interception of a private wire communication before an application for an order could with due diligence be submitted and acted upon.

(b) Approval for an interception under this section shall be conditioned upon filing with the judge, within 48 hours of the oral approval, a written application for an order which, if granted consistent with this chapter, shall also recite the oral approval under this subdivision and be retroactive to the time of the oral approval.

629.08. No order entered under this chapter shall authorize the interception of any wire communication for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than 30 days. Extensions of an order may be granted, but only upon application for an extension made in accordance with Section 629 and upon the court making findings required by Section 629.02. The period of extension shall be no longer than the authorizing judge deems necessary to achieve the purposes for which it was granted and in no event any longer than 30 days. Every order and extension thereof shall contain a provision that the authorization to intercept shall be executed as soon as practicable, shall be conducted in such a way as to minimize the interception of communications not otherwise subject to interception under this chapter, and shall terminate upon attainment of the authorized objective, or in any event at the time expiration of the term designated in the order or any extensions.

629.10. Whenever an order authorizing an interception is entered, the order shall require reports in writing or otherwise to be made to the judge who issued the order showing what progress has been made toward achievement of the authorized objective, or a satisfactory explanation for its lack, and the need for continued interception. If the judge finds that such progress has not been made, that the explanation for its lack is not satisfactory, or that no need exists for continued interception, he or she shall order that the interception immediately terminate. The reports shall be made at the intervals that the judge may require, but not less than one for each period of 72 hours.

629.12. (a) The Attorney General shall prepare and submit an annual report to the Legislature, the Judicial Council, and the Director of the Administrative Office of the United States Court on interceptions conducted under the authority of this chapter during the preceding year. Information for this report shall be provided to the Attorney General by any prosecutorial agency seeking an order pursuant to this chapter.

(b) The report shall include all of the following data:

(1) The number of orders or extensions applied for.

(2) The kinds of orders or extensions applied for.

(3) The fact that the order or extension was granted as applied for, was modified, or was denied.

(4) The period of interceptions authorized by the order, and the number and duration of any extensions of the order.

(5) The offense specified in the order or application, or extension of an order.

(6) The identity of the applying law enforcement officer and agency making the application and the person authorizing the application.

(7) The nature of the facilities from which or the place where communications were to be intercepted.

(8) A general description of the interceptions made under the order or extension, including (A) the approximate nature and frequency of incriminating communications intercepted, (B) the approximate nature and frequency of other communications intercepted, (C) the approximate number of persons whose communications were intercepted, and (D) the approximate nature, amount, and cost of the manpower and other resources used in the interceptions.

(9) The number of arrests resulting from interceptions made under the order or extension, and the offenses for which arrests were made.

(10) The number of trials resulting from the interceptions.

(11) The number of motions to suppress made with respect to the interceptions, and the number granted or denied.

(12) The number of convictions resulting from the interceptions and the offenses for which the convictions were obtained and a general assessment of the importance of the interceptions.

(13) Except with regard to the initial report required by this section, the information required by paragraphs (8) to (12), inclusive, with respect to orders or extensions obtained in a preceding calendar year.

(14) Other data that the Legislature, the Judicial Council or the Director of the Administrative Office shall require.

(c) The annual report shall be filed no later than April of each year, and shall also include a summary analysis of the data reported pursuant to subdivision (b). The Attorney General may issue regulations prescribing the content and form of the reports required to be filed pursuant to this section by any prosecutorial agency seeking an order to intercept wire communications.

629.14. The contents of any wire communication intercepted by any means authorized by this chapter shall, if possible, be recorded on tape or other comparable device. The recording of the contents of any wire communication pursuant to this chapter shall be done in a way that will protect the recording from editing or other alterations and ensure that the audio tape recording can be immediately verified as to its authenticity and originality and that any alterations can be immediately detected. In addition, the monitoring or

recording device shall be of a type and shall be installed to preclude any interruption or monitoring of the interception by any unauthorized means. Immediately upon the expiration of the period of the order, or extensions thereof, the recordings shall be made available to the judge issuing the order and sealed under his or her directions. Custody of the recordings shall be where the judge orders. They shall not be destroyed except upon an order of the issuing or denying judge and in any event shall be kept for 10 years. Duplicate recordings may be made for use or disclosure pursuant to the provisions of Sections 629.24 and 629.26 for investigations. The presence of the seal provided for by this section, or a satisfactory explanation for the absence thereof, shall be a prerequisite for the use or disclosure of the contents of any wire communication or evidence derived therefrom under Section 629.28.

629.16. Applications made and orders granted pursuant to this chapter shall be sealed by the judge. Custody of the applications and orders shall be where the judge orders. The applications and orders shall be disclosed only upon a showing of good cause before a judge and shall not be destroyed except on order of the issuing or denying judge, and in any event shall be kept for 10 years.

629.18. Within a reasonable time, but no later than 90 days, after the termination of the period of an order or extensions thereof, or after the filing of an application for an order of approval under Section 629.06 which has been denied, the issuing judge shall cause to be served upon persons named in the order or the application, and other known parties to intercepted communications, an inventory which shall include notice of all of the following:

(a) The fact of the entry of the order.

(b) The date of the entry and the period of authorized interception.

(c) The fact that during the period wire communications were or were not intercepted.

The judge, upon filing of a motion, may, in his or her discretion, make available to the person or his or her counsel for inspection the portions of the intercepted communications, applications, and orders that the judge determines to be in the interest of justice. On an ex parte showing of good cause to a judge, the serving of the inventory required by this section may be postponed. The period of postponement shall be no longer than the authorizing judge deems necessary to achieve the purposes for which it was granted.

629.20. The contents of any intercepted wire communication or evidence derived from it shall not be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding, except a grand jury proceeding, unless each party, not less than 10 days before the trial, hearing, or proceeding, has been furnished with a transcript of the contents of the interception and with a copy of the court order and accompanying application under which the interception was authorized. This 10-day period may be waived by the judge if he or she finds that it was not possible to furnish the party

with the above information 10 days before the trial, hearing, or proceeding, and that the party will not be prejudiced by the delay in receiving that information.

629.22. Any person in any trial, hearing, or proceeding, may move to suppress some or all of the contents of any intercepted wire communications, or evidence derived therefrom, only on the basis that the contents or evidence were obtained in violation of the Fourth Amendment of the United States Constitution or of this chapter. The motion shall be made, determined, and be subject to review in accordance with the procedures set forth in Section 1538.5.

629.24. The Attorney General, any Deputy Attorney General, district attorney, or deputy district attorney, or any peace officer who, by any means authorized by this chapter, has obtained knowledge of the contents of any wire communication, or evidence derived therefrom, may disclose the contents to one of the individuals referred to in this section and to any investigative or law enforcement officer as defined in subdivision (7) of Section 2510 of Title 18 of the United States Code to the extent that the disclosure is permitted pursuant to Section 629.32 and is appropriate to the proper performance of the official duties of the individual making or receiving the disclosure. No other disclosure, except to a grand jury, of intercepted information is permitted prior to a public court hearing by any person regardless of how the person may have come into possession thereof.

629.26. The Attorney General, any Deputy Attorney General, district attorney, or deputy district attorney, or any peace officer who, by any means authorized by this chapter, has obtained knowledge of the contents of any wire communication or evidence derived therefrom may use the contents or evidence to the extent the use is appropriate to the proper performance or his or her official duties and is permitted pursuant to Section 629.32.

629.28. Any person who has received, by any means authorized by this chapter, any information concerning a wire communication, or evidence derived therefrom, intercepted in accordance with the provisions of this chapter, may, pursuant to Section 629.32, disclose the contents of that communication or derivative evidence while giving testimony under oath or affirmation in any criminal court proceeding or in any grand jury proceeding.

629.30. No otherwise privileged wire communication intercepted in accordance with, or in violation of, the provisions of this chapter shall lose its privileged character. When a peace officer, while engaged in intercepting wire communications in the manner authorized by this chapter, intercepts wire communications that are of a privileged nature he or she shall immediately cease the interception for at least two minutes. After a period of at least two minutes, interception may be resumed for up to 30 seconds during which time the officer shall determine if the nature of the communications is still privileged. If still of a privileged nature, the officer shall again cease interception for at least two minutes, after

which the officer may again resume interception for up to 30 seconds to redetermine the nature of the communication. The officer shall continue to go on-line and off-line in this manner until such time as the communication is no longer privileged or the communication ends. The recording device shall be metered in such a way as to authenticate upon review that interruptions occurred as set forth in this chapter.

629.32. (a) If a peace officer, while engaged in intercepting wire communications in the manner authorized by this chapter, intercepts wire communications relating to crimes other than those specified in the order of authorization, but which are enumerated in subdivision (a) of Section 629.02, (1) the contents thereof, and evidence derived therefrom, may be disclosed or used as provided in Sections 629.24 and 629.26 and (2) the contents and any evidence derived therefrom may be used under Section 629.28 when authorized by a judge if the judge finds upon subsequent application, that the contents were otherwise intercepted in accordance with the provisions of this chapter. The application shall be made as soon as practicable.

(b) If a peace officer, while engaged in intercepting wire communications in the manner authorized by this chapter, intercepts wire communications relating to crimes other than those specified in the order of authorization or enumerated in subdivision (a) of Section 629.02, the contents thereof, and evidence derived therefrom, may not be disclosed or used as provided in Sections 629.24 and 629.26, except to prevent the commission of a public offense. The contents and any evidence derived therefrom may not be used under Section 629.28, except where the evidence was obtained through an independent source or inevitably would have been discovered, and the use is authorized by a judge who finds that the contents were intercepted in accordance with this chapter.

(c) The use of the contents of an intercepted wire communication relating to crimes other than that specified in the order of authorization may be used to obtain a search or arrest warrant and entitles the person named in the warrant to notice of the intercepted wire communication and a copy of the contents thereof which were used to obtain the warrant as provided in Sections 629.18 and 629.20.

629.34. Any violation of this chapter is punishable by a fine not exceeding two thousand five hundred dollars ($2,500), or by imprisonment in the county jail not exceeding one year, or by imprisonment in the state prison, or by both such fine and imprisonment in the county jail or in the state prison.

629.36. Any person whose wire communication is intercepted, disclosed, or used in violation of this chapter shall have the following remedies:

(a) Have a civil cause of action against any person who intercepts, discloses, or uses, or procures any other person to intercept, disclose, or use the communications.

(b) Be entitled to recover, in that action, all of the following:

(1) Actual damages but not less than liquidated damages computed at the rate of one hundred dollars ($100) a day for each day of violation or one thousand dollars ($1,000), whichever is greater.

(2) Punitive damages.

(3) Reasonable attorney's fee and other litigation costs reasonably incurred.

A good faith reliance on a court order is a complete defense to any civil or criminal action brought under this chapter, or under Chapter 1.5 (commencing with Section 630) or any other law.

629.38. Nothing in Section 631 shall be construed as prohibiting any peace officer from intercepting any wire communication pursuant to an order issued in accordance with the provisions of this chapter. Nothing in Section 631 shall be construed as rendering inadmissible in any criminal proceeding in any court or before any grand jury any evidence obtained by means of an order issued in accordance with the provisions of this chapter. Nothing in Section 637 shall be construed as prohibiting the disclosure of the contents of any wire communication obtained by any means authorized by this chapter, if the disclosure is authorized by this chapter. Nothing in this chapter shall apply to any conduct authorized by Section 633.

629.39. No order issued pursuant to this chapter shall either directly or indirectly authorize covert entry into or upon the premises of a residential dwelling, hotel room, or motel room for installation or removal of any interception device or for any other purpose. Notwithstanding that such entry is otherwise prohibited by any other section or code, this chapter expressly prohibits covert entry of a residential dwelling, hotel room, or motel room to facilitate an order to intercept wire communications.

629.40. An order authorizing the interception of a wire communication shall direct, upon request of the applicant, that a public utility engaged in the business of providing communications services and facilities, a landlord, custodian, or any other person furnish the applicant forthwith all information, facilities, and technical assistance necessary to accomplish the interception unobtrusively and with a minimum of interference with the services which the public utility, landlord, custodian, or other person is providing the person whose communications are to be intercepted. Any such public utility, landlord, custodian, or other person furnishing facilities or technical assistance shall be fully compensated by the applicant for the reasonable costs of furnishing the facilities and technical assistance.

629.41. A good faith reliance on a court order issued in accordance with this chapter by any public utility, landlord, custodian, or any other person furnishing information, facilities, and technical assistance as directed by the order is a complete defense to any civil or criminal action brought under this chapter, Chapter 1.5 (commencing with Section 630), or any other law.

629.42. Notwithstanding any other provision of law, any court to

which an application is made in accordance with this chapter may take any evidence, make any finding, or issue any order required to conform the proceedings or the issuance of any order of authorization or approval to the provisions of the Constitution of the United States, any law of the United States, or this chapter.

629.44. (a) The Commission on Peace Officer Standards and Training, in consultation with the Attorney General, shall establish a course of training in the legal, practical, and technical aspects of the interception of private wire communications and related investigative techniques.

(b) The Attorney General shall set minimum standards for certification and periodic recertification of investigative or law enforcement officers as eligible to apply for orders authorizing the interception of private wire communications, to conduct the interceptions, and to use the communications or evidence derived from them in official proceedings.

(c) The Commission on Peace Officer Standards and Training may charge a reasonable enrollment fee for those students who are employed by an agency not eligible for reimbursement by the commission to offset the costs of the training. The Attorney General may charge a reasonable fee to offset the cost of certification.

629.46. If any provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the chapter, and the application of its provisions to other persons or circumstances, shall not be affected thereby.

629.48. This chapter shall remain in effect only until January 1, 1995, and as of that date is repealed.

SEC. 3. Section 631 of the Penal Code is amended to read:

631. (a) Any person who, by means of any machine, instrument, or contrivance, or in any other manner, intentionally taps, or makes any unauthorized connection, whether physically, electrically, acoustically, inductively, or otherwise, with any telegraph or telephone wire, line, cable, or instrument, including the wire, line, cable, or instrument of any internal telephonic communication system, or who willfully and without the consent of all parties to the communication, or in any unauthorized manner, reads, or attempts to read, or to learn the contents or meaning of any message, report, or communication while the same is in transit or passing over any such wire, line, or cable, or is being sent from, or received at any place within this state; or who uses, or attempts to use, in any manner, or for any purpose, or to communicate in any way, any information so obtained, or who aids, agrees with, employs, or conspires with any person or persons to unlawfully do, or permit, or cause to be done any of the acts or things mentioned above in this section, is punishable by a fine not exceeding two thousand five hundred dollars ($2,500), or by imprisonment in the county jail not exceeding one year, or by imprisonment in the state prison, or by both a fine and imprisonment in the county jail or in the state prison. If such person has previously been convicted of a violation of this

section or Section 632 or 636, he or she is punishable by fine not exceeding ten thousand dollars ($10,000), or by imprisonment in the county jail not exceeding one year, or by imprisonment in the state prison, or by both a fine and imprisonment in the county jail or in the state prison.

(b) This section shall not apply (1) to any public utility engaged in the business of providing communications services and facilities, or to the officers, employees or agents thereof, where the acts otherwise prohibited herein are for the purpose of construction, maintenance, conduct or operation of the services and facilities of the public utility, or where the public utility is acting in good faith reliance on a court order issued under Chapter 1.3 (commencing with Section 629), or (2) to the use of any instrument, equipment, facility, or service furnished and used pursuant to the tariffs of such a public utility, or (3) to any telephonic communication system used for communication exclusively within a state, county, city and county, or city correctional facility.

(c) Except as proof in an action or prosecution for violation of this section, no evidence obtained in violation of this section shall be admissible in any judicial, administrative, legislative or other proceeding.

(d) This section shall remain in effect only until January 1, 1995, and as of that date is repealed.

SEC. 4. Section 631 is added to the Penal Code, to read:

631. (a) Any person who, by means of any machine, instrument, or contrivance, or in any other manner, intentionally taps, or makes any unauthorized connection, whether physically, electrically, acoustically, inductively, or otherwise, with any telegraph or telephone wire, line, cable, or instrument, including the wire, line, cable, or instrument of any internal telephonic communication system, or who willfully and without the consent of all parties to the communication, or in any unauthorized manner, reads, or attempts to read, or to learn the contents or meaning of any message, report, or communication while the same is in transit or passing over any such wire, line, or cable, or is being sent from, or received at any place within this state; or who uses, or attempts to use, in any manner, or for any purpose, or to communicate in any way, any information so obtained, or who aids, agrees with, employs, or conspires with any person or persons to unlawfully do, or permit, or cause to be done any of the acts or things mentioned above in this section, is punishable by a fine not exceeding two thousand five hundred dollars ($2,500), or by imprisonment in the county jail not exceeding one year, or by imprisonment in the state prison, or by both such fine and imprisonment in the county jail or in the state prison. If such person has previously been convicted of a violation of this section or Section 632 or 636, he is punishable by fine not exceeding ten thousand dollars ($10,000), or by imprisonment in the county jail not exceeding one year, or by imprisonment in the state prison, or by both such fine and imprisonment in the county jail or

in the state prison.

(b) This section shall not apply (1) to any public utility engaged in the business of providing communications services and facilities, or to the officers, employees or agents thereof, where the acts otherwise prohibited herein are for the purpose of construction, maintenance, conduct or operation of the services and facilities of such public utility, or (2) to the use of any instrument, equipment, facility, or service furnished and used pursuant to the tariffs of such a public utility, or (3) to any telephonic communication system used for communication exclusively within a state, county, city and county, or city correctional facility.

(c) Except as proof in an action or prosecution for violation of this section, no evidence obtained in violation of this section shall be admissible in any judicial, administrative, legislative or other proceeding.

SEC. 5. Section 3 of this act shall become operative on January 1, 1995.

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

CHAPTER 112

An act to add Section 50710.5 to the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1988. Filed with Secretary of State May 24, 1988.]

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

SECTION 1. Section 50710.5 is added to the Health and Safety Code, to read:

50710.5. (a) Notwithstanding any other provision of law, no housing authority, housing authority commissioner, housing authority officer, or housing authority employee, acting in good faith, shall be civilly liable for any injury caused by the presence of lead-based paint, prior to January 1, 1989, in or upon any housing units or related facilities owned by an agency of the state and operated by the housing authority pursuant to a contract authorized by Section 50710 by and between the housing authority and the department.

(b) Subdivision (a) does not, however, limit or expand any liability which the state or the United States may have under other

laws on account of an injury specified in this subdivision.

(c) Subdivision (a) does not limit or expand any liability which arose prior to January 1, 1988.

(d) Any housing authority made a defendant in a civil action alleging civil liability on account of any alleged injury specified in subdivision (a), including injuries for which liability may exist under subdivision (c), shall immediately notify the department thereof and may request the state to provide legal representation to defend the housing authority in the litigation. In the event the Attorney General fails to provide legal representation pursuant to the housing authority's request, the department shall indemnify the housing authority for reasonable attorney fees and costs incurred by the housing authority to defend the lawsuit.

(e) Notwithstanding any other provision of law, any contract let by a housing authority to determine the existence of, or mitigate, potential health hazards which existed as of April 1, 1988, and caused by lead-based paint in or upon housing units and facilities specified in subdivision (a), shall not be subject to competitive bidding requirements.

SEC. 2. The sum of three million seven hundred fifty thousand dollars ($3,750,000) is hereby appropriated to the Department of Housing and Community Development from the General Fund to identify and mitigate the presence of lead-based paint in or upon any housing units or related facilities owned by the Department of Housing and Community Development and operated by a housing authority pursuant to a contract authorized by Section 50710 of the Health and Safety Code. These funds shall be expended only upon written authorization of the Department of Finance.

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

In order to prevent a severe shortage in several areas of affordable housing for farmworkers and to thereby avoid potential crop losses during the 1988 growing season, it is necessary that this act take effect immediately.

CHAPTER 113

An act to amend Sections 63, 990, 1086, 2322, 2467, and 2502 of, and to add Section 1089.5 to, the Civil Code, to amend Section 62708.5 of the Food and Agricultural Code, to amend Sections 26827 and 26827.4 of, and to add Section 26827.5 to, the Government Code, to amend Section 7902 of the Health and Safety Code, to amend Section 11580.3 of the Insurance Code, to amend Sections 1143, 2557, 3002, 9052, 9103, 11421, 13101, 13109, 13152, 13156, 13204, 13655, 15401, 17101, 21520, 21521, and 21525 of, and to add Sections 1211 and 13106.5 to, the Probate Code, and to amend Section 6254 of the Welfare and Institutions Code, relating to probate law and procedure, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1988. Filed with Secretary of State May 25, 1988.]

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

SECTION 1. Section 63 of the Civil Code is amended to read:

63. An emancipated minor shall be considered as being over the age of majority for the following purposes:

(a) For the purpose of consenting to medical, dental, or psychiatric care, without parental consent, knowledge, or liability.

(b) For the purpose of the minor's capacity to do any of the following:

(1) Enter into a binding contract.

(2) Buy, sell, lease, encumber, exchange, or transfer any interest in real or personal property, including, but not limited to, shares of stock in a domestic or foreign corporation or a membership in a nonprofit corporation.

(3) Sue or be sued in his or her own name.

(4) Compromise, settle, arbitrate, or otherwise adjust a claim, action, or proceeding by or against the minor.

(5) Make or revoke a will.

(6) Make a gift, outright or in trust.

(7) Convey or release contingent or expectant interests in property, including marital property rights and any right of survivorship incident to joint tenancy, and consent to a transfer, encumbrance, or gift of marital property.

(8) Exercise or release his or her powers as donee of a power of appointment unless the creating instrument otherwise provides.

(9) Create for his or her own benefit or for the benefit of others a revocable or irrevocable trust.

(10) Revoke a revocable trust.

(11) Elect to take under or against a will.

(12) Renounce or disclaim any interest acquired by testate or intestate succession or by inter vivos transfer, including exercising the right to surrender the right to revoke a revocable trust.

(13) Make an election referred to in Section 13502 of, or an election and agreement referred to in Section 13503 of, the Probate Code.

(c) For the purpose of the minor's right to support by his or her parents.

(d) For purposes of the rights of the minor's parents or guardian to the minor's earnings, and to control the minor.

(e) For the purpose of establishing his or her own residence.

(f) For purposes of the application of Sections 300 and 601 of the Welfare and Institutions Code.

(g) For purposes of applying for a work permit pursuant to Section 49110 of the Education Code without the request of his or her parents or guardian.

(h) For the purpose of ending all vicarious liability of the minor's parents or guardian for the minor's torts; provided, that nothing in this section shall affect any liability of a parent, guardian, spouse, or employer imposed by the Vehicle Code, or any vicarious liability which arises from an agency relationship.

(i) For the purpose of enrolling in any school or college.

SEC. 2. Section 990 of the Civil Code is amended to read:

990. (a) Any person who uses a deceased personality's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent from the person or persons specified in subdivision (c), shall be liable for any damages sustained by the person or persons injured as a result thereof. In addition, in any action brought under this section, the person who violated the section shall be liable to the injured party or parties in an amount equal to the greater of seven hundred fifty dollars ($750) or the actual damages suffered by the injured party or parties, as a result of the unauthorized use, and any profits from the unauthorized use that are attributable to the use and are not taken into account in computing the actual damages. In establishing these profits, the injured party or parties shall be required to present proof only of the gross revenue attributable to the use and the person who violated the section is required to prove his or her deductible expenses. Punitive damages may also be awarded to the injured party or parties. The prevailing party or parties in any action under this section shall also be entitled to attorneys' fees and costs.

(b) The rights recognized under this section are property rights, freely transferable, in whole or in part, by contract or by means of trust or testamentary documents, whether the transfer occurs before the death of the deceased personality, by the deceased personality or his or her transferees, or, after the death of the deceased personality, by the person or persons in whom the rights vest under this section or the transferees of that person or persons.

(c) The consent required by this section shall be exercisable by the person or persons to whom the right of consent (or portion

thereof) has been transferred in accordance with subdivision (b), or if no such transfer has occurred, then by the person or persons to whom the right of consent (or portion thereof) has passed in accordance with subdivision (d).

(d) Subject to subdivisions (b) and (c), after the death of any person, the rights under this section shall belong to the following person or persons and may be exercised, on behalf of and for the benefit of all of those persons, by those persons who, in the aggregate, are entitled to more than a one-half interest in the rights:

(1) The entire interest in those rights belong to the surviving spouse of the deceased personality unless there are any surviving children or grandchildren of the deceased personality, in which case one-half of the entire interest in those rights belong to the surviving spouse.

(2) The entire interest in those rights belong to the surviving children of the deceased personality and to the surviving children of any dead child of the deceased personality unless the deceased personality has a surviving spouse, in which case the ownership of a one-half interest in rights is divided among the surviving children and grandchildren.

(3) If there is no surviving spouse, and no surviving children or grandchildren, then the entire interest in those rights belong to the surviving parent or parents of the deceased personality.

(4) The rights of the deceased personality's children and grandchildren are in all cases divided among them and exercisable in the manner provided in Section 240 of the Probate Code according to the number of the deceased personality's children represented; the share of the children of a dead child of a deceased personality can be exercised only by the action of a majority of them.

(e) If any deceased personality does not transfer his or her rights under this section by contract, or by means of a trust or testamentary document, and there are no surviving persons as described in subdivision (d), then the rights set forth in subdivision (a) shall terminate.

(f) (1) A successor-in-interest to the rights of a deceased personality under this section or a licensee thereof may not recover damages for a use prohibited by this section that occurs before the successor-in-interest or licensee registers a claim of the rights under paragraph (2).

(2) Any person claiming to be a successor-in-interest to the rights of a deceased personality under this section or a licensee thereof may register that claim with the Secretary of State on a form prescribed by the Secretary of State and upon payment of a fee of ten dollars ($10). The form shall be verified and shall include the name and date of death of the deceased personality, the name and address of the claimant, the basis of the claim, and the rights claimed.

(3) Upon receipt and after filing of any document under this section, the Secretary of State may microfilm or reproduce by other techniques any of the filings or documents and destroy the original

filing or document. The microfilm or other reproduction of any document under the provision of this section shall be admissible in any court of law. The microfilm or other reproduction of any document may be destroyed by the Secretary of State 50 years after the death of the personality named therein.

(4) Claims registered under this subdivision shall be public records.

(g) No action shall be brought under this section by reason of any use of a deceased personality's name, voice, signature, photograph, or likeness occurring after the expiration of 50 years from the death of the deceased personality.

(h) As used in this section, "deceased personality" means any natural person whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death, whether or not during the lifetime of that natural person the person used his or her name, voice, signature, photograph, or likeness on or in products, merchandise or goods, or for purposes of advertising or selling, or solicitation of purchase of, products, merchandise, goods or service. A "deceased personality" shall include, without limitation, any such natural person who has died within 50 years prior to January 1, 1985.

(i) As used in this section, "photograph" means any photograph or photographic reproduction, still or moving, or any video tape or live television transmission, of any person, such that the deceased personality is readily identifiable. A deceased personality shall be deemed to be readily identifiable from a photograph when one who views the photograph with the naked eye can reasonably determine who the person depicted in the photograph is.

(j) For purposes of this section, a use of a name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account, or any political campaign, shall not constitute a use for which consent is required under subdivision (a).

(k) The use of a name, voice, signature, photograph, or likeness in a commercial medium shall not constitute a use for which consent is required under subdivision (a) solely because the material containing the use is commercially sponsored or contains paid advertising. Rather it shall be a question of fact whether or not the use of the deceased personality's name, voice, signature, photograph, or likeness was so directly connected with the commercial sponsorship or with the paid advertising as to constitute a use for which consent is required under subdivision (a).

(*l*) Nothing in this section shall apply to the owners or employees of any medium used for advertising, including, but not limited to, newspapers, magazines, radio and television networks and stations, cable television systems, billboards, and transit ads, by whom any advertisement or solicitation is violation of this section is published or disseminated, unless it is established that the owners or employees had knowledge of the unauthorized use of the deceased personality's name, voice, signature, photograph, or likeness as prohibited by this section.

(m) The remedies provided for in this section are cumulative and shall be in addition to any others provided for by law.

(n) This section shall not apply to the use of a deceased personality's name, voice, signature, photograph, or likeness, in any of the following instances:

(1) A play, book, magazine, newspaper, musical composition, film, radio or television program, other than an advertisement or commercial announcement not exempt under paragraph (4).

(2) Material that is of political or newsworthy value.

(3) Single and original works of fine art.

(4) An advertisement or commercial announcement for a use permitted by paragraph (1), (2), or (3).

SEC. 3. Section 1086 of the Civil Code is amended to read:

1086. As used in this article, the following terms have the meanings stated in this section:

(a) "Property" means real property or a mobilehome, as defined in Section 18008 of the Health and Safety Code.

(b) "Sell" and "sale" include lease and exchange.

(c) "Buyer" includes a lessee in case of a lease and the party with whom property is exchanged in case of an exchange.

(d) An "agent" is one authorized by law to act in that capacity for that type of property, and is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code or is a licensee, as defined in Section 18006 of the Health and Safety Code.

(e) A "listing" is a written contract between an owner of property and an agent by which the agent has been authorized to sell the property or to find or obtain a buyer.

A listing may be any of the following:

(1) An "exclusive right to sell listing" is a listing whereby the owner grants to an agent, for a specified period of time, the exclusive right to sell or to find or obtain a buyer for the property, and the agent is entitled to the agreed compensation if during that period of time the property is sold, no matter who effected the sale, or the listing agent receives and presents to the owner any enforceable offer from a ready, able, and willing buyer on terms authorized by the listing or accepted by the owner. The exclusive right to sell listing may provide for compensation of the listing agent if the property is sold within a specified period after termination of the listing to anyone with whom the agent has had negotiations before that termination.

(2) An "exclusive agency listing" is the same as an "exclusive right to sell listing," except that the owner reserves the right to sell directly but not through any other agent and, in that event, without obligation to pay compensation to the agent.

(3) An "open listing" is a listing which grants no exclusive rights or priorities to the listing agent, and a commission is payable to the agent only if the agent procures and presents to the owner an enforceable offer from a ready, able, and willing buyer on the terms

authorized by the listing or accepted by the owner, before the property is otherwise sold either through another agent or by the owner directly and before the listing expires by its terms or is revoked.

(f) A "listing agent" is one who has obtained a listing of property of the kind in respect of which he or she is authorized by law to act as an agent for compensation.

(g) A "selling agent" is an agent participant in a multiple listing service who acts in cooperation with a listing agent and who sells, or finds and obtains a buyer for, the property.

(h) "Sold" includes leased and exchanged. A property is sold when a legally binding commitment to sell the property comes into existence.

SEC. 4. Section 1089.5 is added to the Civil Code, to read:

1089.5. Subject to the limitations, conditions, and requirements of Chapter 18 (commencing with Section 10000) of Part 5 of Division 7 of the Probate Code, this article applies to property defined in Section 1086 that is covered by a contract described in Section 10150 of the Probate Code.

SEC. 5. Section 2322 of the Civil Code is amended to read:

2322. An authority expressed in general terms, however broad, does not authorize an agent to do any of the following:

(a) Act in the agent's own name, unless it is the usual course of business to do so.

(b) Define the scope of the agency.

(c) Violate a duty to which a trustee is subject under Section 16002, 16004, 16005, or 16009 of the Probate Code.

SEC. 6. Section 2467 of the Civil Code is amended to read:

2467. (a) In a statutory short form power of attorney, the language conferring general authority with respect to "estate transactions" shall be construed to mean that the principal authorizes the agent to do all of the following:

(1) To the extent that an agent is permitted by law thus to act for a principal, apply for and procure, in the name of the principal, letters of administration, letters testamentary, letters of trusteeship, or any other type of authority, either judicial or administrative, and act as a fiduciary of any sort.

(2) To the extent that an agent is permitted by law thus to act for a principal, represent and act for the principal in all ways and in all matters affecting any estate of a decedent, absentee, minor, or incompetent, or any trust or other fund, out of which the principal is entitled, or claims to be entitled, to some share or payment or with respect to which the principal is a fiduciary.

(3) Accept, reject, receive, receipt for, sell, assign, release, disclaim, renounce, pledge, exchange, or consent to a reduction in or modification of, any share in or payment from any estate, trust, or other fund, with or without consideration.

(4) Demand and obtain by action, proceeding, or otherwise, any money or other thing of value to which the principal is, may become,

or may claim to be entitled by reason of the death testate or intestate of any person or of any testamentary disposition or of any trust or by reason of the administration of the estate of a decedent or absentee or of the guardianship of a minor or the conservatorship of an incompetent or the administration of any trust or other fund; initiate, participate in, or oppose any proceeding, judicial or otherwise, for the ascertainment of the meaning, validity, or effect of any deed, will, declaration of trust, or other transaction affecting in any way the interest of the principal; initiate, participate in, or oppose any proceeding, judicial or otherwise, for the removal, substitution, or surcharge of a fiduciary; and conserve, invest, disburse, or utilize anything so received for purposes enumerated in this section and to reimburse the agent for any expenditures properly made in the execution of the powers conferred on the agent by the statutory short form power of attorney.

(5) Establish any trust with the assets of the principal for the benefit of the principal and the spouse and descendants of the principal, or any one or more of them, upon such terms as the agent determines are necessary or proper; transfer any asset in which the principal has an interest to any such trust or to any trust that the principal has created; and exercise in whole or in part, release, or let lapse any power the principal may have under any trust whether or not created by the principal, including any power of appointment, revocation, or withdrawal, but a trust created by the principal may only be modified or revoked by the agent as provided in the trust instrument.

(6) Purchase for the principal United States treasury bonds redeemable at par value in payment of federal estate taxes; borrow money from any source for that purpose; make, execute, endorse, and deliver promissory notes, bills of exchange, drafts, agreements, or other obligations for those bonds, and as security for them pledge, mortgage, and assign any stock, bonds, securities, insurance values, or other properties, real or personal, in which the principal may have an interest; and arrange for the safekeeping and custody of any of those treasury bonds.

(7) Prepare, sign, file, and deliver all reports, compilations of information, returns, or papers with respect to any interest had or claimed by or on behalf of the principal in any estate, trust, or other fund; and pay, compromise, or contest, and apply for refunds in connection with any tax or assessment with respect to (A) any interest had or claimed by or on behalf of the principal in any estate, trust, or other fund or by reason of the death of any person or (B) any property in which that interest is had or claimed.

(8) Agree and contract, in any manner, with any person, and on any terms, which the agent may select, for the accomplishment of the purposes enumerated in this section; and perform, rescind, reform, release, or modify any such agreement or contract or any other similar agreement or contract made by or on behalf of the principal.

(9) Execute, acknowledge, verify, seal, file, and deliver any consent, designation, pleading, notice, demand, election, conveyance, release, disclaimer, assignment, check, pledge, waiver, admission of service, notice of appearance, or other instrument the agent believes useful for the accomplishment of any of the purposes enumerated in this section.

(10) Submit to arbitration, settle, and propose or accept a compromise with respect to, any controversy or claim which affects the estate of a decedent, absentee, minor, or incompetent, or the administration of a trust or other fund, in which the principal has or claims to have an interest; and do any act which the agent believes desirable or necessary in effectuating the compromise.

(11) Hire, discharge, and compensate any attorney, accountant, expert witness, or other assistant, when the agent believes it necessary or desirable for the proper execution of any of the powers described in this section or for the keeping of needed records.

(12) In general, and in addition to all the specific acts enumerated in this section, do any other act which the principal can do through an agent with respect to the estate of a decedent, absentee, minor, or incompetent, or the administration of a trust or other fund, in any one of which the principal has or claims to have an interest or with respect to which the principal is a fiduciary.

(b) All powers described in this section are exercisable equally with respect to any estate of a decedent, absentee, minor, or incompetent, or the administration of any trust or other fund, in which the principal is interested at the time of the giving of the power of attorney or may thereafter become interested, whether located in this state or elsewhere.

SEC. 6.5. Section 2502 of the Civil Code is amended to read:

2502. (a) Notwithstanding paragraph (3) of subdivision (a) of Section 2432, a statutory form durable power of attorney for health care is valid, and the designated attorney in fact may make health care decisions pursuant to such authority, only if it (1) contains the date of its execution, (2) is signed by the principal, and (3) is signed by two qualified witnesses, each of whom executes, under penalty of perjury, the declaration set out in the first paragraph of the "Statement of Witnesses" in the form set out in Section 2500, and one of whom also executes the declaration under penalty of perjury set out in the second paragraph of the "Statement of Witnesses" in the form set out in Section 2500.

(b) Nothing in this section excuses compliance with the special requirements imposed by subdivisions (c) and (f) of Section 2432.

SEC. 7. Section 62708.5 of the Food and Agricultural Code is amended to read:

62708.5. (a) A producer-handler, for purposes of this chapter, shall also include, as a separate and distinct category of producer-handlers, any producer and any handler who purchases or handles fluid milk or fluid cream produced by this producer if all of the ownership of the handler and all of the ownership of the

producer is owned by the same person or persons and their ownership in the producer or handler is at least 95 percent identical for each person with their ownership in the handler or producer. This ownership shall not exceed 10 individual persons or owners of equitable interest in a partnership, corporation, or other legally constituted business association.

(b) The ownership required by this section may be through a partnership, corporation, or other legally constituted business association so long as the entities are owned by the same person or persons, and there is at least 95 percent identity of ownership for each person with their ownership in the handler or producer. For purposes of this section a "person" or "persons" includes the spouse, or other persons of lineal consanguinity of the first or second degree or collateral consanguinity to the fourth degree, and their spouses, and includes an adopted child the same as a natural child and kindred of the half blood equally with those of the whole blood of the owner and ownerships by persons so related shall be considered single ownership by one person. For purposes of this section, property pledged or hypothecated in any manner to others shall be considered "owned" so long as equitable ownership with management and control remain with the producer-handler.

(c) Ownership as provided in this section shall have existed at the time of the base period selected by the producer under Section 62707 and at all other times thereafter.

(d) Any such producer-distributor may, until August 6, 1969, do either of the following:

(1) Join and operate wholly within the pool.

(2) Have its entire original production base and pool quota determined during the base period it selected as a producer pursuant to Section 62707, established as a part of the pooling plan, and, nevertheless elect to operate entirely outside of the pool to the extent authorized by this section.

(e) Any producer-handler who qualifies under this section and elects to operate outside the pool, to the extent of the authority granted, shall have the right to make deductions as follows from its own class 1 sales, excluding sales to a handler, whether in bulk or packaged, before being required to account to the pool:

(1) If it has not sold production base and pool quota subsequent to February 9, 1977, it may deduct its original quota, and quota purchased prior to January 1, 1978, plus a daily deduction of 150 pounds milk fat and 375 pounds solids not fat.

(2) If it has sold production base and pool quota subsequent to February 9, 1977, it may only deduct its original pool quota, and quota purchased prior to January 1, 1978.

(f) The deductions from class 1 sales authorized pursuant to this section may be made irrespective of the fact that the average class 1 usage in the pool for that month may be less than 100 percent of the pool quota in that pool.

(g) Any production subject to this section from the

producer-handler selecting this option shall not have the right to participate in the quota pool, irrespective of the fact that the producer-handler did not sell all of the quota as class 1, and will participate in either the base pool or the overbase pool depending upon whether the total production base of the producer is sufficient to cover the milk delivered in excess of the class 1 usage exempted hereunder, otherwise the production in excess of the exempt producer-handler's own class 1 sales, as defined in this section, shall be accounted for as overbase milk.

(h) The fact that a producer-handler qualifies as to one of its milk production operations under this section does not prevent it from operating on an entirely separate nonqualifying basis (and therefore subject to pooling) at other milk production facilities, and with other nonqualifying persons at these other milk production facilities. A producer-handler can neither buy nor sell pool quota and transfer therewith the option granted under this division but this shall not prevent him or her from purchasing or selling pool quota or production base as otherwise provided in this chapter.

(i) If at any time ownership, as defined in this section, ceases, the producer-handler shall no longer be eligible for the options in this section, shall account to the pool as a separate handler, and shall be entitled to reentry into producer participation in the pool on the same basis as a producer-handler may under the last paragraph of Section 62708.

SEC. 8. Section 26827 of the Government Code is amended to read:

26827. (a) The total fee for filing the first petition for letters of administration, a petition for special letters of administration, a petition for letters testamentary, a first account of a testamentary trustee of a trust that is subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code, a petition for letters of guardianship, a petition for letters of conservatorship, a petition for compromise of a minor's claim, a petition pursuant to Section 13151 of the Probate Code, a petition pursuant to Section 13650 of the Probate Code (except as provided in Section 13652 of the Probate Code), or a petition to contest any will or codicil is the sum fixed by resolution pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any county where a fee is collected for the court reporter fund, the total fees shall not exceed eighty-six dollars ($86).

(2) In any county where a fee is not collected for the court reporter fund, the total fee shall not exceed sixty-one dollars ($61).

(b) The fee set forth in subdivision (a) shall also be charged for filing any subsequent petition of a type described in subdivision (a) in the same proceeding by a person other than the original petitioner.

SEC. 9. Section 26827.4 of the Government Code is amended to read:

26827.4. (a) The fee for filing a subsequent paper in a proceeding under the Probate Code which requires a court hearing is fourteen dollars ($14), except for papers for proceedings required by any of the following:

(1) Section 10501 of the Probate Code.

(2) Accountings of trustees of testamentary trusts that are subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code.

(3) Division 4 (commencing with Section 1400) of the Probate Code.

(b) Objections to any papers exempt from the fee imposed by this section are subject to the filing fee of fourteen dollars ($14). This section does not apply to petitions filed pursuant to subdivision (b) of Section 26827.

SEC. 10. Section 26827.5 is added to the Government Code, to read:

26827.5. Where the public administrator or an employee of the State Department of Mental Health is the petitioner in an official capacity in a proceeding described in Section 26827 or 26827.4, the fee is payable only out of the assets of the estate coming into the official's possession or control.

SEC. 11. Section 7902 of the Health and Safety Code is amended to read:

7902. Petitions for confirmation of sales shall be made to the superior court of the county or city and county in which the lands are situated, and the clerk of the court shall fix a day for and give notice of hearing in accordance with the provisions of Section 1230 of the Probate Code.

SEC. 12. Section 11580.3 of the Insurance Code is amended to read:

11580.3. When an insured entitled to recovery under uninsured motorists' coverage is a minor, an arbitration award upon the minor's claim is deemed to be a compromise and is governed by Part 8 (commencing with Section 3300) of Division 4 of the Probate Code; provided, however, that the court may disapprove the award only on the grounds specified in Section 1286.2 of the Code of Civil Procedure.

SEC. 13. 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 11420 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 11420, 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. 13.3. Section 1211 is added to the Probate Code, to read:

1211. If a notice is required by this code and no other type of notice is prescribed by law, by the Judicial Council, or by the court or judge, the notice shall be in substantially the following form:

SUPERIOR COURT
OF THE STATE OF CALIFORNIA
FOR THE (CITY AND) COUNTY OF _____

Estate of _____ No. _____

NOTICE OF HEARING

(If to be published, describe purport or character of the notice to be given.)

Notice is hereby given that (name of petitioner and representative capacity, if any) has filed herein a (nature of petition, application, report, or account), reference to which is made for further particulars, and that the time and place of hearing the same has been set for _____ (date) _____, at __.m., in the courtroom (of Department No. ____, if any) of said court, at (the courthouse, or state other location of the court), in the City of _____, California.

Dated _____

_____, Clerk
By _____, Deputy Clerk

SEC. 13.7. Section 2557 of the Probate Code is amended to read:

2557. (a) Whenever it is for the advantage, benefit, and best interests of the ward or conservatee and those legally entitled to support, maintenance, or education from the ward or conservatee, the guardian or conservator, after authorization by order of the court, may exchange any property of the estate for other property upon such terms and conditions as the court may prescribe. Such conditions may include the payment or receipt of part cash by the guardian or conservator.

(b) To obtain an order under this section, the guardian or conservator or any interested person may file a petition with the court. Except as provided in subdivision (c), notice of the hearing on the petition shall be given for the period and in the manner provided in Chapter 3 (commencing with Section 1460) of Part 1.

(c) If the petition is for authorization to exchange stocks, bonds, or other securities as defined in Section 10200 for different stocks, bonds, or other securities, the court, upon a showing of good cause, may order that the notice be dispensed with.

(d) After authorization by order of the court, the guardian or conservator may execute the conveyance or transfer to the person with whom the exchange is made to effectuate the exchange.

SEC. 14. Section 3002 of the Probate Code is amended to read:

3002. "Community property" means community real property and community personal property, including, but not limited to, a community property business that is or was under the sole management and control of one of the spouses, but does not include

community property in a revocable trust described in Section 5110.150 of the Civil Code.

SEC. 15. Section 9052 of the Probate Code is amended to read:

9052. The notice shall be in substantially the following form:

NOTICE OF ADMINISTRATION OF

ESTATE OF _____, DECEDENT

Notice to creditors:

Administration of the estate of _____ (deceased) has been commenced by _____ (personal representative) in Estate No. _____ in the Superior Court of California, County of _____. You must file your claim with the court and mail or deliver a copy to the personal representative within the last to occur of four months after _____ (the date letters were issued to the personal representative), or 30 days after the date this notice was mailed to you or, in the case of personal delivery, 30 days after the date this notice was delivered to you, as provided in Section 9100 of the California Probate Code. A claim form may be obtained from the court clerk. For your protection, you are encouraged to file your **claim by certified mail, with return receipt requested.**

(Date of mailing this notice)	**(Name and address of personal representative or attorney)**

SEC. 15.1. Section 9103 of the Probate Code is amended to read:

9103. (a) Upon petition by a creditor, the court may allow a claim to be filed after expiration of the time for filing a claim if the creditor establishes that all of the following conditions are satisfied:

(1) The creditor was out of the state during the entire four-month period after the date letters were first issued to a general personal representative.

(2) The creditor did not have knowledge of the administration of the estate within four months after the date letters were first issued to a general personal representative by reason of being out of the state.

(3) The claim does not arise out of the creditor's conduct of a trade, business, or profession in the state.

(b) The court shall not allow a claim to be filed under this section after the earlier of the following times:

(1) The time the court makes an order for final distribution of the estate.

(2) One year after the date letters are first issued to a general personal representative.

(c) Property distributed under court order and payments otherwise properly made before a claim is filed under this section are not subject to the claim, regardless of whether the claim is later established in whole or in part.

SEC. 15.3. Section 11421 of the Probate Code is amended to read:

11421. Subject to Section 11420, as soon as the personal representative has sufficient funds, after retaining sufficient funds to pay expenses of administration, the personal representative shall pay the following:

(a) Funeral expenses.

(b) Expenses of last illness.

(c) Family allowance.

(d) Wage claims.

SEC. 15.6. Section 13101 of the Probate Code is amended to read:

13101. (a) To collect money, receive tangible personal property, or have evidences of a debt, obligation, interest, right, security, or chose in action transferred under this chapter, an affidavit or a declaration under penalty of perjury under the laws of this state shall be furnished to the holder of the decedent's property stating all of the following:

(1) The decedent's name.

(2) The date and place of the decedent's death.

(3) "At least 40 days have elapsed since the death of the decedent, as shown in a certified copy of the decedent's death certificate attached to this affidavit or declaration."

(4) "No proceeding is now being or has been conducted in California for administration of the decedent's estate."

(5) "The gross value of the decedent's real and personal property in California, excluding the property described in Section 13050 of the California Probate Code, does not exceed sixty thousand dollars ($60,000)."

(6) A description of the property of the decedent that is to be paid, transferred, or delivered to the affiant or declarant.

(7) The name of the successor of the decedent (as defined in Section 13006 of the California Probate Code) to the described property.

(8) Either of the following, as appropriate:

(A) "The affiant or declarant is the successor of the decedent (as defined in Section 13006 of the California Probate Code) to the decedent's interest in the described property."

(B) "The affiant or declarant is authorized under Section 13051 of the California Probate Code to act on behalf of the successor of the decedent (as defined in Section 13006 of the California Probate Code) with respect to the decedent's interest in the described property."

(9) "No other person has a right to the interest of the decedent in the described property."

(10) "The affiant or declarant requests that the described property be paid, delivered, or transferred to the affiant or declarant."

(11) "The affiant or declarant affirms or declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct."

(b) Where more than one person executes the affidavit or declaration under this section, the statements required by subdivision (a) shall be modified as appropriate to reflect that fact.

(c) If the particular item of property to be transferred under this chapter is a debt or other obligation secured by a lien on real property and the instrument creating the lien has been recorded in the office of the county recorder of the county where the real property is located, the affidavit or declaration shall satisfy the requirements both of this section and Section 13106.5.

(d) A certified copy of the decedent's death certificate shall be attached to the affidavit or declaration.

SEC. 15.7. Section 13106.5 is added to the Probate Code, to read:

13106.5. (a) If the particular item of property transferred under this chapter is a debt or other obligation secured by a lien on real property and the instrument creating the lien has been recorded in the office of the county recorder of the county where the real property is located, the affidavit or declaration described in Section 13101 shall be recorded in the office of the county recorder of that county and, in addition to the contents required by Section 13101, shall include both of the following:

(1) The recording reference of the instrument creating the lien.

(2) A notary public's certificate of acknowledgment identifying each person executing the affidavit or declaration.

(b) The transfer under this chapter of the debt or obligation secured by a lien on real property has the same effect as would be given to an assignment of the right to collect the debt or enforce the obligation. The recording of the affidavit or declaration under subdivision (a) shall be given the same effect as is given under Sections 2934 and 2935 of the Civil Code to recording an assignment of a mortgage and an assignment of the beneficial interest under a deed of trust.

(c) If a deed of trust upon the real property was given to secure the debt and the requirements of subdivision (a) and of Sections 13100 to 13103, inclusive, are satisfied:

(1) The trustee under the deed of trust may rely in good faith on the statements made in the affidavit or declaration and has no duty to inquire into the truth of any statement in the affidavit or declaration.

(2) A good faith purchaser or lessee of the real property for value from, or a good faith lender to, the obligor on the debt may rely upon a recorded reconveyance of the trustee under the deed of trust.

(d) If a mortgage upon the real property was given to secure the debt and the requirements of subdivision (a) and of Sections 13100 to 13103, inclusive, are satisfied, a good faith purchaser or lessee of the real property for value from, or a good faith lender to, the obligor on the debt may rely upon a recorded discharge of the mortgage executed by the person or persons executing the affidavit or declaration as successor of the decedent or by their successors in interest.

SEC. 16. Section 13109 of the Probate Code is amended to read:

13109. A person to whom payment, delivery, or transfer of the decedent's property is made under this chapter is personally liable, to the extent provided in Section 13112, for the unsecured debts of the decedent. Any such debt may be enforced against the person in the same manner as it could have been enforced against the decedent if the decedent had not died. In any action based upon the debt, the person may assert any defenses, cross-complaints, or setoffs that would have been available to the decedent if the decedent had not died. Nothing in this section permits enforcement of a claim that is barred under Part 4 (commencing with Section 9000) of Division 7.

SEC. 16.5. Section 13152 of the Probate Code is amended to read:

13152. (a) The petition shall be verified by each petitioner, shall contain a request that the court make an order under this chapter determining that the particular item of property described in the petition is property passing to the petitioner and that no administration of the decedent's estate is necessary, and shall state all of the following:

(1) The facts necessary to determine that the petition is filed in the proper county.

(2) The gross value of the decedent's real and personal property in California, excluding the property described in Section 13050, as shown by the inventory and appraisement attached to the petition, does not exceed sixty thousand dollars ($60,000).

(3) A description of the particular item of property in this state which the petitioner alleges is property of the decedent passing to the petitioner.

(4) The facts upon which the petitioner bases the allegation that the described real property is property passing to the petitioner.

(5) A statement that no proceeding is being or has been conducted in this state for administration of the decedent's estate.

(6) Whether estate proceedings for the decedent have been commenced in any other jurisdiction and, if so, where those proceedings are pending or were conducted.

(7) The names, addresses, relationships, and ages of the heirs and devisees of the decedent, the names and addresses of all persons named as executors of the will of the decedent, and, if the petitioner is the trustee of a trust that is a devisee under the will of the decedent, the names and addresses of all persons interested in the trust, as determined in cases of future interests pursuant to paragraph (1), (2), or (3) of subdivision (a) of Section 15804, so far as known to any petitioner.

(b) There shall be attached to the petition an inventory and appraisement in the form set forth in Section 600 of the decedent's real and personal property in this state, excluding the property described in Section 13050. The inventory and appraisement shall be made by a probate referee selected by the petitioner from those probate referees appointed by the Controller under Section 1305 to

appraise property in the county where the real property is located. The appraisement shall be made as set forth in Chapter 9 (commencing with Section 600) of Division 3. The petitioner may appraise the assets which a personal representative could appraise under paragraph (1) of subdivision (a) of Section 605.

(c) If the petitioner bases his or her claim to the described particular item of property upon the will of the decedent, a copy of the will shall be attached to the petition.

SEC. 17. Section 13156 of the Probate Code is amended to read:

13156. (a) Subject to subdivisions (b), (c), and (d), the petitioner who receives the decedent's property pursuant to an order under this chapter is personally liable for the unsecured debts of the decedent.

(b) The personal liability of any petitioner shall not exceed the fair market value at the date of the decedent's death of the property received by that petitioner pursuant to an order under this chapter, less the amount of any liens and encumbrances on the property.

(c) In any action or proceeding based upon an unsecured debt of the decedent, the petitioner may assert any defense, cross-complaint, or setoff which would have been available to the decedent if the decedent had not died.

(d) Nothing in this section permits enforcement of a claim that is barred under Part 4 (commencing with Section 9000) of Division 7.

SEC. 18. Section 13204 of the Probate Code is amended to read:

13204. Each person who is designated as a successor of the decedent in a certified copy of an affidavit issued under Section 13202 is personally liable to the extent provided in Section 13207 for the unsecured debts of the decedent. Any such debt may be enforced against the person in the same manner as it could have been enforced against the decedent if the decedent had not died. In any action based upon the debt, the person may assert any defense, cross-complaint, or setoff that would have been available to the decedent if the decedent had not died. Nothing in this section permits enforcement of a claim that is barred under Part 4 (commencing with Section 9000) of Division 7.

SEC. 18.5. Section 13655 of the Probate Code is amended to read:

13655. (a) If a petition filed under this chapter is filed with a petition for probate of the deceased spouse's will, notice of the hearing on the petition shall be given in the manner prescribed by Sections 327 and 328 and shall be included in the notice required by those sections. If the petition filed under this chapter is filed with a petition for administration of the estate of the deceased spouse, notice of the hearing on the petition shall be given in the manner prescribed by Section 441 and shall be included in the notice required by that section.

(b) If proceedings for the administration of the estate of the deceased spouse are pending at the time a petition is filed under this chapter or, if the proceedings are not pending and if the petition filed under this chapter is not filed with a petition for probate of the

deceased spouse's will or for administration of the estate of the deceased spouse, the clerk shall set the petition for hearing. At least 15 days before the hearing, notice of the hearing on the petition filed under this chapter shall be personally served upon the following persons by the petitioner or mailed, postage prepaid, by the petitioner to the following persons, addressed to the addresses given in their request for special notice or notice of appearance, the addresses of their offices or places of residence, or, if neither of these addresses is known to the petitioner, the county seat of the county in which the proceedings are pending:

(1) Any personal representative who is not the petitioner.

(2) All devisees and known heirs of the deceased spouse and, if the petitioner is the trustee of a trust that is a devisee under the will of the decedent, all persons interested in the trust, as determined in cases of future interests pursuant to paragraph (1), (2), or (3) of subdivision (a) of Section 15804.

(3) All persons or their attorneys who have requested special notice pursuant to Section 1250.

(4) All persons or their attorneys who have given notice of appearance.

(c) The notice specified in subdivision (b) shall also be mailed as provided in subdivision (b) to the Attorney General, addressed to the office of the Attorney General at Sacramento, California, if the petitioner bases the allegation that all or part of the estate of the deceased spouse is property passing to the surviving spouse upon the will of the deceased spouse and the will involves or may involve either of the following:

(1) A testamentary trust of property for charitable purposes other than a charitable trust with a designated trustee, resident in this state.

(2) A devise for a charitable purpose without an identified devisee or beneficiary.

SEC. 19. Section 15401 of the Probate Code is amended to read:

15401. (a) A trust that is revocable by the settlor may be revoked in whole or in part by any of the following methods:

(1) By compliance with any method of revocation provided in the trust instrument.

(2) By a writing (other than a will) signed by the settlor and delivered to the trustee during the lifetime of the settlor. If the trust instrument explicitly makes the method of revocation provided in the trust instrument the exclusive method of revocation, the trust may not be revoked pursuant to this paragraph.

(b) A trust may not be modified or revoked by an attorney in fact under a power of attorney unless it is expressly permitted by the trust instrument.

(c) Nothing in this section limits the authority to modify or terminate a trust pursuant to Section 15403 or 15404 in an appropriate case.

(d) The manner of revocation of a trust revocable by the settlor

that was created by an instrument executed before July 1, 1987, is governed by prior law and not by this section.

SEC. 19.5. Section 17101 of the Probate Code is amended to read:

17101. If notice of the time and place of a hearing is required to be given, the notice shall be in the form prescribed by the Judicial Council or, if the Judicial Council has not prescribed an applicable form, in compliance with Section 1211.

SEC. 20. Section 21520 of the Probate Code is amended to read:

21520. As used in this chapter:

(a) "Marital deduction" means the federal estate tax deduction allowed for transfers under Section 2056 of the Internal Revenue Code or the federal gift tax deduction allowed for transfers under Section 2523 of the Internal Revenue Code.

(b) "Marital deduction gift" means a transfer of property that is intended to qualify for the marital deduction.

SEC. 21. Section 21521 of the Probate Code is amended to read:

21521. Sections 21524 and 21526 do not apply to a trust that qualifies for the marital deduction under Section 20.2056(e)-2(b) of the Code of Federal Regulations (commonly referred to as the "estate trust").

SEC. 21.5. Section 21525 of the Probate Code is amended to read:

21525. (a) If an instrument that makes a marital deduction gift includes a condition that the transferor's spouse survive the transferor by a period that exceeds or may exceed six months, other than a condition described in subdivision (b), the condition shall be limited to six months as applied to the marital deduction gift.

(b) If an instrument that makes a marital deduction gift includes a condition that the transferor's spouse survive a common disaster that results in the death of the transferor, the condition shall be limited to the time of the final audit of the federal estate tax return for the transferor's estate, if any, as applied to the marital deduction gift.

(c) The amendment of subdivision (a) made by the act that enacted this subdivision is declaratory of, and not a change in, either existing law or former Section 1036.

SEC. 22. Section 6254 of the Welfare and Institutions Code is amended to read:

6254. Wherever provision is made in this code for an order of commitment by a superior court, the order of commitment shall be in substantially the following form:

In the Superior Court of the State of California
for the County of _____

The People For the Best Interest and Protection of _____ as a _____ , and Concerning _____ and _____ , Respondents	Order for Care, Hospitalization or Commitment

The petition dated _____, alleging that _____, having been presented to this court on the _____ day of _____, 19__, and an order of detention issued thereon by a judge of the superior court of this county, and a return of the said order:

And it further appearing that the provisions of Sections 6250 to 6254, inclusive, of the Welfare and Institutions Code have been complied with;

And it further appearing that Dr. _____ and Dr. _____, two regularly appointed and qualified medical examiners of this county, have made a personal examination of the alleged _____, and have made and signed the certificate of the medical examiners, which certificate is attached hereto and made a part hereof;

Now therefore, after examination and certificate made as aforesaid the court is satisfied and believes that _____ is a _____ and is so _____.

It is ordered, adjudged and decreed:

That _____ is a _____ and that he

*(a) Be cared for and detained in _____, a county psychiatric hospital, a community mental health service, or a licensed sanitarium or hospital for the care of the mentally disordered until the further order of the court, or

*(b) Be cared for at _____, until the further order of the court, or

*(c) Be committed to the State Department of Mental Health for placement in a state hospital, or

*(d) Be committed to a facility of the Veterans Administration or other agency of the United States, to wit: _____ at _____.

It is further ordered and directed that _____ of this county, take, convey and deliver _____ to the proper authorities of the hospital or establishment designated herein to be cared for as provided by law.

Dated this _____ day of _____, 19__.

_____
Judge of the Superior Court

*Strike out where inapplicable.

SEC. 23. (a) Except as provided in subdivision (b), Sections 1 to 22, inclusive, of this act shall become operative on July 1, 1988.

(b) The following sections of this act shall become operative immediately:

(1) Section 5, amending Section 2322 of the Civil Code.

(2) Section 15.6, amending Section 13101 of the Probate Code.

(3) Section 15.7, adding Section 13106.5 to the Probate Code.

(4) Section 21.5, amending Section 21525 of the Probate Code.

SEC. 24. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 Chapter 923 of the Statutes of 1987, relating to probate law and procedure, which will become operative July 1, 1988, and other previously enacted statutes relating to probate law and procedure, it is necessary that this act go into immediate effect.

CHAPTER 114

An act to amend Section 22050 of the Elections Code, relating to precinct boards.

[Approved by Governor May 24, 1988. Filed with Secretary of State May 25, 1988.]

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

SECTION 1. Section 22050 of the Elections Code is amended to read:

22050. The election board conducting the elections of any city shall appoint a precinct board for each local, special, or consolidated election precinct, to consist of one inspector, one judge, and two clerks for each local, special, or consolidated election held within that city. The election board conducting the elections in any county shall appoint a precinct board to consist of one inspector, one judge, and two clerks for every local, special, or consolidated election not held exclusively within one or more cities. However, in any consolidated election not consolidated with a statewide direct primary or general election, in which an electronic, electromechanical, or punchcard voting system is used for counting the ballots, the officer in charge may provide that the precinct board shall be appointed pursuant to Section 15205. The members of the precinct board shall apportion among themselves the work required in the conduct of the election within their respective election precincts.

CHAPTER 115

An act to amend Sections 22511.5 and 22511.9 of the Vehicle Code, relating to vehicles.

[Approved by Governor May 24, 1988 Filed with Secretary of State May 25, 1988.]

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

SECTION 1. Section 22511.5 of the Vehicle Code is amended to read:

22511.5. (a) A disabled person is any of the following:

(1) Any person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, or who has a diagnosed disease or disorder which substantially impairs or interferes with mobility, or who is so severely disabled as to be unable to move without the aid of an assistant device.

(2) Any person who is blind to the extent that the person's central visual acuity does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees.

(3) Any person who suffers from lung disease to the extent that the person's forced (respiratory) expiratory volume for one second when measured by spirometry is less than one liter or the person's arterial oxygen tension (pO_2) is less than 60 mm/Hg on room air at rest.

(4) Any person who is impaired by cardiovascular disease to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards accepted by the American Heart Association.

(b) A disabled person shall be allowed to park for unlimited periods in a restricted zone described in subdivision (e) of Section 21458 or on streets upon which preferential parking privileges have been given pursuant to Section 22507. A disabled person shall be allowed to park for unlimited periods in parking zones restricted as to the length of time parking is permitted as indicated by a sign erected pursuant to a local ordinance. A disabled person shall be allowed to park in any metered parking space without being required to pay any parking meter fees. This section does not apply to those zones in which the stopping, parking, or standing of all vehicles is prohibited absolutely by state law or local ordinance or which are reserved for special types of vehicles.

(c) As a condition to this privilege, the vehicle shall display a distinguishing license plate which shall be issued for a vehicle registered to the disabled person, or a vehicle which is not registered

to the disabled person, but which is used primarily to transport a disabled person and which would otherwise qualify for a distinguishing license plate if the vehicle were registered to the disabled person. The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures adopted by the department.

(d) Any disabled person may also apply to the Department of Motor Vehicles for the issuance of a distinguishing placard. The placard may be used in lieu of the distinguishing license plate for parking purposes described in subdivision (b) when displayed on the dashboard of a vehicle. It is the intent of the Legislature to hereby encourage the use of these distinguishing placards which provide law enforcement officers with a more readily recognizable symbol for distinguishing vehicles qualified for the parking privilege. The placard shall be the size and color determined by the Department of Motor Vehicles.

The Department of Motor Vehicles may establish procedures for the issuance and renewal of the placards. The placards shall have a fixed expiration date of June 30 every two years. Whenever any application for a placard is submitted to the Department of Motor Vehicles on or after January 1 of the year of expiration, the fee shall be for the current and subsequent renewal period. The first renewal of placards issued between July 1, 1985, and December 31, 1986, shall be on or before June 30, 1987.

The fee for an original application or renewal application shall be six dollars ($6).

As used in this section, "year" means the period between the inclusive dates of July 1 through June 30.

No disabled person is eligible for more than one placard at any time. Organizations and agencies involved in the transportation of disabled persons may apply for a placard for each vehicle used for the purpose of transporting disabled persons.

(e) The Department of Motor Vehicles shall issue new placards to replace placards issued prior to July 1, 1985. The new placards shall be issued as soon as possible on or after July 1, 1985. All placards issued prior to July 1, 1985, shall expire on October 1, 1985. The Department of Motor Vehicles may charge a fee sufficient to cover its actual costs for issuance of substitute placards.

(f) Prior to issuing a disabled person a distinguishing license plate or placard, the Department of Motor Vehicles may require an applicant to submit a certificate signed by a physician or surgeon substantiating the disability. However, the disability of a person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, may also be certified by a licensed chiropractor. The blindness of any person applying shall be certified by a licensed physician or surgeon who specializes in diseases of the eye or a licensed optometrist.

(g) A person who is temporarily disabled for a period of less than

one year may apply for a placard as prescribed in subdivision (d).

(h) A disabled person shall be allowed to park a vehicle displaying a distinguishing disabled person license plate or placard issued by a foreign jurisdiction with the same parking privileges authorized in this code as a vehicle issued a distinguishing disabled person license plate or displaying a placard issued pursuant to subdivision (d) by the Department of Motor Vehicles.

SEC. 2. Section 22511.9 of the Vehicle Code is amended to read:

22511.9. (a) A disabled veteran is a veteran who, as a result of injury or disease suffered while on active service with the armed forces of the United States:

(1) Has a disability which has been rated, by the United States Veterans' Administration or the military service from which the veteran was discharged, at 100 percent due to a diagnosed disease or disorder which substantially impairs or interferes with mobility.

(2) Is so severely disabled as to be unable to move without the aid of an assistant device.

(3) Has lost, or has lost use of, one or more limbs or has suffered permanent blindness as defined in Section 19153 of the Welfare and Institutions Code.

(b) A disabled veteran shall be allowed to park for unlimited periods in a restricted zone described in subdivision (e) of Section 21458 or on streets upon which preferential parking privileges have been given pursuant to Section 22507. A disabled veteran shall be allowed to park for unlimited periods in parking zones restricted as to the length of time parking is permitted as indicated by a sign erected pursuant to a local ordinance. A disabled veteran shall be allowed to park in any metered parking space without being required to pay any parking meter fees. This section does not apply to those zones in which the stopping, parking, or standing of all vehicles is prohibited absolutely by state law or local ordinance or which are reserved for special types of vehicles.

(c) As a condition to this privilege, the vehicle shall display a distinguishing license plate which shall be issued for a vehicle registered to the disabled veteran. The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures adopted by the department.

(d) Any disabled veteran may also apply to the Department of Motor Vehicles for the issuance of a distinguishing placard issued pursuant to Section 22511.5. The placard may be used in lieu of the distinguishing license plate for parking purposes described in subdivision (b) when displayed on the dashboard of a vehicle. It is the intent of the Legislature to hereby encourage the use of these distinguishing placards which provide law enforcement officers with a more readily recognizable symbol for distinguishing vehicles qualified for the parking privilege.

(e) Prior to issuing a disabled veteran a distinguishing license plate or placard, the Department of Motor Vehicles may require an applicant to submit a certificate signed by a physician or surgeon

substantiating the disability.

(f) No disabled veteran is eligible for more than one placard at any time.

(g) A disabled veteran shall be allowed to park a vehicle displaying a distinguishing disabled veteran license plate or placard issued by a foreign jurisdiction with the same parking privileges authorized in this code as a vehicle issued a distinguishing disabled veteran license plate or displaying a placard issued pursuant to subdivision (d) by the Department of Motor Vehicles.

CHAPTER 116

An act to amend Sections 23357 and 23362 of, and to add Sections 23378.2 and 25503.21 to, the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1988. Filed with Secretary of State May 25, 1988]

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

SECTION 1. Section 23357 of the Business and Professions Code is amended to read:

23357. Licensed beer manufacturers may also sell beer to any person holding a license authorizing the sale of beer and may sell beer to consumers for consumption on the manufacturer's licensed premises or on premises owned by the manufacturer which are contiguous to the licensed premises and which are operated by and for the manufacturer. Licensed beer manufacturers may also sell beer and wine, regardless of source, to consumers for consumption at a bona fide public eating place on the manufacturer's licensed premises or at a bona fide public eating place on premises owned by the manufacturer which are contiguous to the licensed premises and which are operated by and for the manufacturer. Notwithstanding any other provision of this division, licensed beer manufacturers and holders of out-of-state beer manufacturer's certificates may be issued and may hold retail package off-sale beer and wine licenses. Alcoholic beverage products sold at or from the off-sale premises which are not produced and bottled by, or produced and packaged for, the beer manufacturer shall be purchased by the beer manufacturer only from a licensed wholesaler.

SEC. 2. Section 23362 of the Business and Professions Code is amended to read:

23362. Notwithstanding any other provisions of this division, a licensed winegrower or brandy manufacturer may be issued and may hold an off-sale general license or a retail package off-sale beer and wine license. The issuance of these off-sale general licenses shall

be subject to the pertinent provisions of Article 2 (commencing with Section 23815) of Chapter 5 of this division. Nothing in this division shall be construed to be retroactive or to affect the right of a licensed winegrower or brandy manufacturer to hold, renew or transfer any off-sale general license held by such licensed winegrower or brandy manufacturer on the 30th day of September, 1959.

SEC. 3. Section 23378.2 is added to the Business and Professions Code, to read:

23378.2. Notwithstanding any other provision of this division, a licensed wholesaler or importer may be issued and may hold retail package off-sale beer and wine licenses if the wholesaler or importer sells only wine at or from the retail premises.

SEC. 4. Section 25503.21 is added to the Business and Professions Code, to read:

25503.21. Notwithstanding any other provision of this division, a licensed 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, who prior to July 1, 1987, has entered into an active lease of premises to any holder of an off-sale license, may continue to lease premises or renew or otherwise modify such lease with any holder of an off-sale license so long as the lessor holds no financial interest other than such lease in the business of the lessee.

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:

Assembly Bill 1712 (Chapter 68 of the Statutes of 1987) inadvertently removed long-standing statutory authority for beer manufacturers, winegrowers and brandy manufacturers to hold off-sale retail package beer and wine licenses, and for wholesalers and importers of beer and wine to sell wine at retail off-sale premises. Removal of this authority will cause severe financial hardship for small manufacturers and wholesalers who depend on off-premises consumer sales for a substantial portion of their revenues. In addition, many small brewers, winegrowers, and wholesalers would be forced to divest themselves of essential elements of their current business operations. Therefore, it is necessary that this act go into immediate effect.

CHAPTER 117

An act to amend Section 30648 of the Public Utilities Code, relating to transit.

[Approved by Governor May 24, 1988. Filed with Secretary of State May 25, 1988.]

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

SECTION 1. Section 30648 of the Public Utilities Code is amended to read:

30648. (a) The Legislature recognizes that the district made specified representations regarding construction plans at the time it received authorization to proceed with the planning and construction of an exclusive public mass transit guideway system.

(b) The Legislature further recognizes that it is traditionally less expensive to construct exclusive public mass transit guideway systems using two construction crews working from each terminus to the middle.

(c) Within three years after the start of construction of any portion of the exclusive public mass transit guideway system-San Fernando Valley-Downtown Los Angeles Metro Rail project, the district shall start station construction on the segment of the system in the San Fernando Valley, as defined in Section 11093 of the Government Code. In the aggregate, within one year after the start of construction of any portion of the project, the funding in each year for below-ground construction on the North Hollywood terminus station, as defined on pages 2-7 and 2-57 of the final Environmental Impact Statement/Environmental Impact Report for the project, dated December 1983, and for tunneling and subway construction within this segment shall not be less than 15 percent of the amount of nonfederal funds allocated and spent in the previous year to construct the metro rail project. Any funds which would have been required to be spent on Valley Metro Rail construction pursuant to the requirements of Chapter 617 of the Statutes of 1984, shall be deposited in a trust fund which shall be spent on qualified Valley Metro Rail construction pursuant to this subdivision, except that any interest earned thereon may be used to subsidize commuter rail transportation serving the San Fernando Valley Statistical Area, as described in subdivision (d) of Section 76001 of the Government Code.

(d) If the entire public mass transit guideway system-San Fernando Valley-Downtown Los Angeles Metro Rail project is converted to an at-grade light rail system, then the construction to be done with the portion of the funds designated in subdivision (c) for tunneling and subway construction may be modified to conform to the mode of construction to be used on the entire route of the San Fernando Valley-Downtown Los Angeles Metro Rail project.

(e) Funding for this construction may include, but is not limited to, any of the following sources:

(1) Funds derived from Los Angeles County Transportation Commission revenue bonds.

(2) Funds derived from the Los Angeles County Transportation Commission one-half of 1 percent transactions and use tax.

(3) Funds allocated by the California Transportation Commission for exclusive public mass transit guideway construction pursuant to Article XIX of the California Constitution and funds for that construction allocated by the California Transportation Commission from the Transportation Planning and Development Account in the State Transportation Fund. However, the funds allocated by the California Transportation Commission shall not be available for deposit in the trust fund specified in subdivision (c).

SEC. 2. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections.

Reimbursement to the Southern California Rapid Transit District for any state-mandated local program costs incurred in compliance with this act shall come from the funds allocated to the district by the California Transportation Commission for the planning or construction of the exclusive public mass transit guideway system-San Fernando Valley-Downtown Los Angeles Metro Rail project.

CHAPTER 118

An act to repeal and add Section 72020 of the Education Code, relating to community colleges, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1988. Filed with Secretary of State May 25, 1988.]

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

SECTION 1. Section 72020 of the Education Code is repealed.

SEC. 2. Section 72020 is added to the Education Code, to read:

72020. Upon the formation of any new community college district that is coterminous with a unified school district, the governing board of the unified school district shall constitute the governing board of the community college district and, after organizing as a community college district governing board, shall have the management and control of the community college district, until a governing board for the community college district is elected. An election to elect a board of five members to govern the community college district shall be called and conducted by the county

superintendent of schools at the next regular election scheduled in that district, in the manner provided by law for the election of the first governing board of a newly formed community college district.

SEC. 3. The Legislature hereby finds and declares that the portion of the Peralta Community College District containing the Feather River Community College, being noncontiguous with other territory contained within the boundaries of that district and coterminous with the Plumas Unified School District, should be formed into a new community college district, and that this formation should be expedited.

SEC. 4. (a) Notwithstanding Section 74230 of the Education Code, the action to form a new community college district from that portion of the Peralta Community College District that contains the Feather River Community College, and is not contiguous with other territory contained within the boundaries of the Peralta Community College District, shall be deemed to be approved as provided by law, for purposes of Section 74250 of the Education Code, without election, when approval of that action is given by the Board of Governors of the California Community Colleges pursuant to Section 74205 of the Education Code.

(b) The action to form a new community college district, as described in subdivision (a), shall be submitted for voter approval at an election that shall be called by the county superintendent of schools upon the enactment of this act. The election shall be called in the manner prescribed in Part 4 (commencing with Section 5000) of the Education Code, and shall be conducted at the next available regular election scheduled in the territory of districts defined in the approved proposal according to the procedures prescribed by Sections 35757 to 35764, inclusive. In the event that, pursuant to that election, the voters fail to approve that action, the new community college district formed pursuant to subdivision (a) shall be deemed to be thereupon annexed by the Peralta Community College District.

(c) Notwithstanding Section 72020 of the Education Code, the election of the first governing board of the community college district formed pursuant to subdivision (a) shall be called and conducted together with the election provided for under subdivision (b).

(d) Notwithstanding any other provision of law, the condition set forth in paragraph (1) of subdivision (b) of Section 74157 of the Education Code does not apply to the action to form a new community college district described in subdivision (a). It is the intent of the Legislature that the formation of that district not adversely affect the state funding of community college districts in subsequent fiscal years.

SEC. 5. Due to unique circumstances concerning the Peralta Community College District and the operation of the Feather River Community College within that district, as set forth in Section 3 of this act, the Legislature finds and declares that a general statute

cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 6. 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. The sum of fifty thousand dollars ($50,000) is hereby appropriated to the Board of Governors of the California Community Colleges for the 1988–89 fiscal year to supplement the appropriation set forth in subdivision (a) of Item 6870-101-001 of the Budget Act of 1988, in order to account for any increase in the total statutory entitlement to state funding of community college districts that results from the community college district formation described in Sections 3 and 4 of 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:

In order to complete, prior to July 1, 1988, the formation of a new community college district containing the Feather River Community College, it is necessary that this act take effect immediately.

CHAPTER 119

An act to amend Section 43103 of the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 1988. Filed with Secretary of State May 27, 1988.]

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

SECTION 1. Section 43103 of the Health and Safety Code is amended to read:

43103. (a) Except as provided in subdivision (b), the state board may adopt a schedule of nonconformance fees applicable to manufacturers of heavy-duty vehicles and heavy-duty vehicle engines which are unable to comply with emissions standards adopted pursuant to Section 43101 for those vehicles and engines. Upon adoption and implementation of the schedule by the state board, a manufacturer of a heavy-duty vehicle or heavy-duty vehicle

engine to which a standard adopted pursuant to Section 43101 applies may, notwithstanding subdivision (a) of Section 43102, elect to pay to the state board the fee applicable to any vehicle or engine failing to meet the standard.

(b) The state board shall establish nonconformance fees only for those heavy-duty vehicles or engines for which it has adopted emission standards and test procedures which are identical to the corresponding federal emission standards and test procedures.

(c) Any regulations adopted by the state board under this section shall be identical to the nonconformance requirements, procedures, and fees established by the federal Environmental Protection Agency, pursuant to Section 206(g) of the federal Clean Air Act (42 U.S.C. Sec. 7525(g)) and Subparts A, K, and L of Part 86 of Title 40 of the Code of Federal Regulations, for the same heavy-duty vehicles or engines. Under the federal nonconformance fee program, the schedule of fees may be different in amount for each air pollutant tested, may be different for vehicles or engines of different classes or categories, and shall do all of the following:

(1) Take into account the extent to which actual emissions exceed the applicable standard.

(2) Provide for annual increases to achieve compliance with the applicable standard as quickly as is technologically feasible.

(3) Ensure that the manufacturers which are in compliance with the applicable standard suffer no competitive disadvantage from that compliance.

(d) Any warranty required under Section 43106 or 43204, and any action required by the state board under Section 43105, are applicable only to the emissions levels for which certification is granted under this section.

(e) All fees collected under this section shall be deposited in the Air Pollution Control Fund.

(f) 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.

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:

Under existing law, the State Air Resources Board is currently prohibited from implementing the nonconformance penalty provisions pursuant to subdivision (a) of Section 43103 of the Health and Safety Code because of a delay by the federal government in accepting the applicable provisions of California law. If implementation of those penalty provisions is delayed any longer, certain manufacturers who would be able to do business in California under those provisions would otherwise be required to cease selling their products in California, and California's economy would suffer as a result. In order to prevent this from occurring, it is necessary that this act take effect immediately.

CHAPTER 120

An act to amend Section 8103 of the Fish and Game Code, relating to commercial fishing.

[Approved by Governor May 27, 1988. Filed with Secretary of State May 27, 1988.]

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

SECTION 1. Section 8103 of the Fish and Game Code is amended to read:

8103. (a) The Legislature finds and declares as follows:

(1) The accidental death of a limited entry permittee results in great hardships on the permittee's family.

(2) Under the law as it existed immediately prior to January 1, 1987, if a member of the permittee's family has not been actively working in the fishery, the limited entry permit could not be transferred to a member of the family, an action which deprives the family of the opportunity to continue to derive a livelihood from the fishery and which imposes greater hardships.

(3) When there is an accidental death of a limited entry permittee, a transition period is necessary to allow a family member to join the fishery and to become acclimated, knowledgeable, and experienced in the fishery.

(b) Notwithstanding Section 8102, the department shall transfer a permit for a limited entry fishery, upon application, to a parent, spouse, child, or sibling of a permittee whose death was the result of an accident which occurred after January 1, 1986.

(c) Application for the transfer of a permit pursuant to subdivision (b) shall be made on or before January 1, 1987, or not more than one year after the death of the permittee, whichever is later.

(d) The director may authorize another person, when requested by the new permittee, to serve in the place of the new permittee and to engage in fishing activities under the authority of the limited entry permit for not more than two years from the date of the permit transfer.

(e) "Accidental death" means death resulting directly and solely from any of the following:

(1) An accidental injury visible on the surface of the body or disclosed by an autopsy, sustained solely by external, violent, and accidental means.

(2) A disease or infection resulting directly from an accidental injury and beginning within 30 days after the date of the injury.

(3) An accidental drowning.

CHAPTER 121

An act to amend Section 2933 of the Penal Code, relating to sentencing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 31, 1988 Filed with Secretary of State May 31, 1988.]

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

SECTION 1. Section 2933 of the Penal Code is amended to read:

2933. (a) It is the intent of the Legislature that persons convicted of a crime and sentenced to state prison, under Section 1170, serve the entire sentence imposed by the court, except for a reduction in the time served in the custody of the Director of Corrections for performance in work, training or education programs established by the Director of Corrections. Worktime credits shall apply for performance in work assignments and performance in elementary, high school, or vocational education programs. Enrollment in a two- or four-year college program leading to a degree shall result in the application of time credits equal to that provided in Section 2931. For every six months of full-time performance in a credit qualifying program, as designated by the director, a prisoner shall be awarded worktime credit reductions from his or her term of confinement of six months. A lesser amount of credit based on this ratio shall be awarded for any lesser period of continuous performance. Less than maximum credit should be awarded pursuant to regulations adopted by the director for prisoners not assigned to a full-time credit qualifying program. Every prisoner who refuses to accept a full-time credit qualifying assignment or who is denied the opportunity to earn worktime credits pursuant to subdivision (a) of Section 2932 shall be awarded no worktime credit reduction. Every prisoner who voluntarily accepts a half-time credit qualifying assignment in lieu of a full-time assignment shall be awarded worktime credit reductions from his or her term of confinement of three months for each six-month period of continued performance. Except as provided in subdivision (a) of Section 2932, every prisoner willing to participate in a full-time credit qualifying assignment but who is either not assigned to a full-time assignment or is assigned to a program for less than full time, shall receive no less credit than is provided under Section 2931. Under no circumstances shall any prisoner receive more than six months' credit reduction for any six-month period under this section.

(b) Worktime credit is a privilege, not a right. Worktime credit must be earned and may be forfeited pursuant to the provisions of Section 2932. Except as provided in subdivision (a) of Section 2932, every prisoner shall have a reasonable opportunity to participate in a full-time credit qualifying assignment in a manner consistent with

institutional security and available resources.

(c) Under regulations adopted by the Department of Corrections, which shall require a period of not more than one year free of disciplinary infractions, worktime credit which has been previously forfeited may be restored by the director. The regulations shall provide for separate classifications of serious disciplinary infractions as they relate to restoration of credits; the time period required before forfeited credits or a portion thereof may be restored; and the percentage of forfeited credits that may be restored for such time periods. For credits forfeited for commission of a felony specified in paragraph (1) of subdivision (a) of Section 2932, the Department of Corrections may provide that up to 180 days of lost credit shall not be restored and up to 90 days of credit shall not be restored for a forfeiture resulting from conspiracy or attempts to commit one of those acts; provided that no credits may be restored if they were forfeited for a serious disciplinary infraction in which the victim died or was permanently disabled. Upon application of the prisoner and following completion of the required time period free of disciplinary offenses, forfeited credits eligible for restoration under the regulations shall be restored unless, at a hearing, it is found that the prisoner refused to accept or failed to perform in a credit qualifying assignment or extraordinary circumstances are present that require that credits not be restored. "Extraordinary circumstances" shall be defined in the regulations adopted by the director.

The prisoner may appeal the finding through the Department of Corrections review procedure, which shall include a review by an individual independent of the institution who has supervisorial authority over the institution.

(d) The provisions of subdivision (c) shall also apply in cases of credit forfeited under Section 2931 for offenses and serious disciplinary infractions occurring on or after January 1, 1983.

(e) Any person sentenced to a term in the state prison under subdivision (a) of Section 190 shall be eligible only for credit pursuant to subdivisions (a), (b), and (c) of Section 2931.

SEC. 2. So as not to prejudice pending litigation, the Legislature hereby declares that it is expressing no opinion as to whether the amendment to Section 2933 of the Penal Code made by Section 1 alters existing law.

SEC. 3. Section 1 of this act, amending Section 2933 of the Penal Code, shall only become operative if the amendments to Section 190 of the Penal Code, as proposed by Chapter 1006 of the Statutes of 1987, are adopted by the voters at the June 7, 1988, direct primary election.

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 this act may be effective at the time of the June 7, 1988, direct primary election, thereby clarifying the

inapplicability of worktime credits to persons who are convicted and sentenced under Section 190 of the Penal Code at the time of that election, it is essential that this act take effect immediately.

CHAPTER 122

An act to amend Sections 226 and 5353 of the Public Utilities Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 31, 1988. Filed with Secretary of State May 31, 1988]

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 also applies to a vehicle having a seating capacity of more than 15 passengers if the driver files with the commission evidence of liability insurance protection in the same amount and in the same manner as required for a passenger stage corporation, and the vehicle undergoes and passes an annual safety inspection by the Department of the California Highway Patrol. The insurance filing shall be accompanied by a one-time filing fee of seventy-five dollars ($75). 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 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 also applies to a vehicle having a seating capacity of more than 15 passengers if the driver files with the commission evidence of liability insurance protection in the same amount and in the same manner as required for a passenger stage corporation, and the vehicle undergoes and passes an annual safety inspection by the Department of the California Highway Patrol. The insurance filing shall be accompanied by a one-time filing fee of seventy-five dollars ($75). 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. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 quickly respond to the need for larger capacity ridesharing vehicles and protect the public by imposing insurance and safety requirements on these vehicles, it is necessary that this act take effect immediately.

CHAPTER 123

An act to amend Section 1363 of, and to add Section 1373 to, the Civil Code, relating to common interest developments.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 1363 of the Civil Code is amended to read:

1363. (a) A common interest development shall be managed by an association which may be incorporated or unincorporated. Unless the governing documents provide otherwise, and regardless of whether the association is incorporated or unincorporated, the association may exercise the powers granted to a nonprofit mutual benefit corporation, as enumerated in Section 7140 of the Corporations Code, except that an unincorporated association may not adopt or use a corporate seal or issue membership certificates in accordance with Section 7313 of the Corporations Code. An association, whether incorporated or unincorporated, may exercise the powers granted to an association by Section 374 of the Code of Civil Procedure and the powers granted to the association in this title.

(b) An association, whether incorporated or unincorporated, shall prepare a budget pursuant to Section 1365 and disclose information, if requested, in accordance with Section 1368.

SEC. 2. Section 1373 is added to the Civil Code, to read:

1373. Sections 1356, 1365, 1365.5, 1366.1, and 1368, and subdivision (b) of Section 1363, and subdivision (b) of Section 1366 are not applicable to common interest developments that are expressly zoned as industrial developments and limited in use to industrial purposes or expressly zoned as commercial developments and limited in use to commercial purposes.

The Legislature finds that those aforementioned provisions may be appropriate to protect purchasers in residential common interest developments, however, the provisions are not necessary to protect purchasers in commercial or industrial developments since the application of those provisions results in unnecessary burdens and costs for these types of developments.

CHAPTER 124

An act to amend Sections 4502, 12220, 12500, and 12520 of the Penal Code, relating to firearms.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 4502 of the Penal Code is amended to read:

4502. Every person confined in a state prison or who, while being conveyed to or from any state prison or while at any prison road camp, prison forestry camp, or other prison camps or prison farms or while being conveyed to or from any such place or while under the custody of prison officials, officers or employees, possesses or carries upon his person or has under his custody or control any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sandbag, or metal knuckles, any explosive substance, or fixed ammunition, any dirk or dagger or sharp instrument, any pistol, revolver or other firearm, or any tear gas or tear gas weapon, is guilty of a felony and shall be punishable by imprisonment in a state prison for two, three, or four years to be served consecutively.

SEC. 2. Section 12220 of the Penal Code is amended to read:

12220. Any person, firm or corporation, who within this state sells, offers for sale, possesses or knowingly transports a machinegun, except as provided by this chapter, is guilty of a public offense and upon conviction thereof shall be punished by imprisonment in the state prison, or by a fine not to exceed ten thousand dollars ($10,000), or by both such fine and imprisonment.

SEC. 3. Section 12500 of the Penal Code is amended to read:

12500. The term "silencer" as used in this chapter means any device or attachment of any kind designed, used, or intended for use in silencing, diminishing, or muffling the report of a firearm. The term "silencer" also includes any combination of parts, designed or redesigned, and intended for use in assembling a silencer or fabricating a silencer and any part intended only for use in such assembly or fabrication.

SEC. 4. Section 12520 of the Penal Code is amended to read:

12520. Any person, firm, or corporation who within this state possesses a silencer for firearms is guilty of a felony and upon conviction thereof shall be punished by imprisonment in the state prison or by a fine not to exceed ten thousand dollars ($10,000) or by both.

SEC. 5. The amendments to Sections 4502, 12220, 12500, and 12520 of the Penal Code made by this act do not constitute a change in, but are declaratory of, existing law.

CHAPTER 125

An act to amend Section 2932.6 of the Civil Code, relating to real property.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 2932.6 of the Civil Code is amended to read:

2932.6. (a) Notwithstanding any other provision of law, a financial institution may undertake to repair any property acquired through foreclosure under a mortgage or deed of trust.

(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.

(c) The rights granted to a financial institution by this section are in addition to, and not in derogation of, the rights of a financial institution which otherwise exist.

CHAPTER 126

An act to amend Section 22660 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988]

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

SECTION 1. Section 22660 of the Vehicle Code is amended to read:

22660. Notwithstanding any other provision of law, a city, county, or city and county may adopt an ordinance establishing procedures for the abatement and removal, as public nuisances, of abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof from private or public property, and for the recovery, pursuant to Section 25845 or 38773.5 of the Government Code, or assumption by the local authority, of costs of administration and the removal.

CHAPTER 127

An act to amend Section 12008 of the Fish and Game Code, and to amend Section 597 of the Penal Code, relating to animals.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 12008 of the Fish and Game Code is amended to read:

12008. Except as otherwise provided in Section 597 of the Penal Code, the punishment for a violation of any of the following provisions is a fine of not more than five thousand dollars ($5,000) or imprisonment in the county jail for not more than one year, or both the fine and imprisonment:

(a) Chapter 1.5 (commencing with Section 2050) of Division 3.

(b) Section 3511.

(c) Chapter 8 (commencing with Section 4700) of Part 3 of Division 4.

(d) Chapter 2 (commencing with Section 5050) of Division 5.

(e) Section 5515.

SEC. 2. 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 the person or which is the property of another, or maliciously and intentionally kills an animal which is the property of the person or 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 twenty thousand dollars ($20,000), 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, 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 twenty thousand dollars ($20,000), or by both the fine and imprisonment.

(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.

CHAPTER 128

An act to amend Section 877.6 of the Code of Civil Procedure, relating to settlements.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 877.6 of the Code of Civil Procedure is amended to read:

877.6. (a) Any party to an action wherein it is alleged that two or more parties are joint tortfeasors or co-obligors on a contract debt shall be entitled to a hearing on the issue of the good faith of a settlement entered into by the plaintiff or other claimant and one or more alleged tortfeasors or co-obligors, upon giving notice thereof in the manner provided in Sections 1010 and 1011 at least 20 days before the hearing. In addition, the notice may be served by mail pursuant to Section 1012, but in those cases the period of notice shall be at least 25 days if the place of address is within the State of California, at least 30 days if the place of address is outside the State of California but within the United States, and at least 40 days if the place of address is outside the United States. The provisions of Section 1005 and the provisions of subdivision (a) of Section 1013, extending the time within which a right may be exercised or an act may be done, do not apply to this section. Upon a showing of good cause, the court may shorten the time for giving the required notice to permit the determination of the issue to be made before the commencement of the trial of the action, or before the verdict or judgment if settlement is made after the trial has commenced.

(b) The issue of the good faith of a settlement may be determined by the court on the basis of affidavits served with the notice of hearing, and any counteraffidavits filed in response thereto, or the court may, in its discretion, receive other evidence at the hearing.

(c) A determination by the court that the settlement was made in good faith shall bar any other joint tortfeasor or co-obligor from any further claims against the settling tortfeasor or co-obligor for equitable comparative contribution, or partial or comparative indemnity, based on comparative negligence or comparative fault.

(d) The party asserting the lack of good faith shall have the burden of proof on that issue.

(e) When a determination of the good faith or lack of good faith of a settlement is made, any party aggrieved by the determination may petition the proper court to review the determination by writ of mandate. The petition for writ of mandate shall be filed within 20 days after service of written notice of the determination, or within such additional time not exceeding 20 days as the trial court may allow.

(1) The court shall, within 30 days of the receipt of all materials to be filed by the parties, determine whether or not the court will hear the writ and notify the parties of its determination.

(2) If the court grants a hearing on the writ, the hearing shall be given special precedence over all other civil matters on the calendar of the court except those matters to which equal or greater precedence on the calendar is granted by law.

(3) The running of any period of time after which an action would be subject to dismissal pursuant to Section 583 shall be tolled during the period of review of a determination pursuant to this subdivision.

CHAPTER 129

An act to amend Section 846 of the Civil Code, relating to real property.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 846 of the Civil Code is amended to read:

846. An owner of any estate or any other interest in real property, whether possessory or nonpossessory, owes no duty of care to keep the premises safe for entry or use by others for any recreational purpose or to give any warning of hazardous conditions, uses of, structures, or activities on such premises to persons entering for such purpose, except as provided in this section.

A "recreational purpose," as used in this section, includes such activities as fishing, hunting, camping, water sports, hiking, spelunking, sport parachuting, riding, including animal riding, snowmobiling, and all other types of vehicular riding, rock collecting, sightseeing, picnicking, nature study, nature contacting, recreational gardening, gleaning, hang gliding, winter sports, and viewing or enjoying historical, archaeological, scenic, natural, or scientific sites.

An owner of any estate or any other interest in real property, whether possessory or nonpossessory, who gives permission to another for entry or use for the above purpose upon the premises does not thereby (a) extend any assurance that the premises are safe for such purpose, or (b) constitute the person to whom permission has been granted the legal status of an invitee or licensee to whom a duty of care is owed, or (c) assume responsibility for or incur liability for any injury to person or property caused by any act of such person to whom permission has been granted except as provided in this section.

This section does not limit the liability which otherwise exists (a) for willful or malicious failure to guard or warn against a dangerous condition, use, structure or activity; or (b) for injury suffered in any

case where permission to enter for the above purpose was granted for a consideration other than the consideration, if any, paid to said landowner by the state, or where consideration has been received from others for the same purpose; or (c) to any persons who are expressly invited rather than merely permitted to come upon the premises by the landowner.

Nothing in this section creates a duty of care or ground of liability for injury to person or property.

CHAPTER 130

An act to amend Section 22280 of the Water Code, relating to irrigation districts.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 22280 of the Water Code is amended to read:

22280. Any district may in lieu in whole or in part of levying assessments fix and collect charges for any service furnished by the district, including, but not limited to, all of the following:

(a) Use, sale, or lease of water, which may include a stand-by charge whether the water is actually used or not.

(b) Delivery of water for irrigation in excess of a specified quantity per unit of land.

(c) Water and the service thereof required by law or provisions of agreements under which all or part of the water supply of the district was acquired to be furnished outside its boundaries to consumers whose rights to service were at the time the supply of water was acquired by the district enforceable by reason of their status as persons of the class for whose benefit the water was appropriated or dedicated.

(d) Use of water for power purposes.

(e) Sale of electric power.

(f) Connections to new pipelines or extensions of existing pipelines required to serve water to lands in the district not adjacent to existing distribution works and which have been constructed in whole or in part at the expense of the district.

(g) Services performed under contracts made pursuant to Section 22234.

(h) Use of water for groundwater recharge.

CHAPTER 131

An act to amend Section 25307 of the Government Code, relating to meetings.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 25307 of the Government Code is amended to read:

25307. All meetings conducted by the board pertaining to salaries of county employees shall be open and public except as provided in Section 54957.6. These meetings shall be announced by the board at its regular meeting next preceding the meeting regarding the salaries or included in the regular posted agenda of the board.

CHAPTER 132

An act to amend Section 66477.1 of the Government Code, and to amend Sections 941 and 948 of the Streets and Highways Code, relating to highways.

[Approved by Governor June 1, 1988 Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 66477.1 of the Government Code is amended to read:

66477.1. (a) At the time the legislative body approves a final map, it shall also accept, accept subject to improvement, or reject any offer of dedication. The clerk of the legislative body shall certify or state on the map the action by the legislative body.

(b) The legislative body of a county, or a county officer designated by the legislative body, may accept into the county road system, pursuant to Section 941 of the Streets and Highways Code, any road for which an offer of dedication has been accepted or accepted subject to improvements.

SEC. 1.5. Section 941 of the Streets and Highways Code is amended to read:

941. (a) Boards of supervisors shall, by proper order, cause those highways which are necessary to public convenience to be established, recorded, constructed, and maintained in the manner provided in this division.

(b) No public or private road shall become a county highway until and unless the board of supervisors, or its designee, by appropriate

action, has caused the road to be accepted into the county road system. No county shall be held liable for failure to maintain any road unless and until it has been accepted into the county road system by action of the board of supervisors or its designee.

(c) The acceptance of any road or the acceptance of any road subject to improvements pursuant to Section 66477.1 of the Government Code does not constitute the acceptance of the road into the county road system in the absence of the adoption of a resolution by the board of supervisors accepting the road into the county road system.

(d) In lieu of the procedures set forth in subdivisions (b) or (c), boards of supervisors may, by ordinance, designate a county officer to accept, on behalf of the board, roads or portions thereof, into the county road system and to record conveyances to the county of real property interests for road uses and purposes. The designee shall, prior to recording any conveyance under this section, affix a certificate to the instrument stating the acceptance into the county road system and designating the name or number, or both, of the county road. The designee shall report all acceptances and recordings to the board at the end of the fiscal year, or at more frequent intervals as determined by the board.

SEC. 2. Section 948 of the Streets and Highways Code is amended to read:

948. The board of supervisors of each county shall cause to be recorded with the county recorder, in relation to every county highway within the county, proper evidences of title to every right-of-way, and all incidents thereto. The board of supervisors may, by ordinance, delegate this duty to a county officer or employee.

In cases of acquisitions by conveyance or condemnation, the property or incidents conveyed or condemned shall be particularly described in the instruments recorded.

CHAPTER 133

An act to amend Sections 8764 and 8764.5 of the Business and Professions Code, relating to land surveying.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 1, 1988.]

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

SECTION 1. Section 8764 of the Business and Professions Code is amended to read:

8764. The record of survey shall show the applicable provisions of the following consistent with the purpose of the survey:

(a) All monuments found, set, reset, replaced, or removed, describing their kind, size, and location, and giving other data

relating thereto.

(b) Bearing or witness monuments, basis of bearings, bearing and length of lines, scale of map, and north arrow.

(c) Name and legal designation of the property in which the survey is located, and the date or time period of the survey.

(d) The relationship to those portions of adjacent tracts, streets, or senior conveyances which have common lines with the survey.

(e) Memorandum of oaths.

(f) Statements required by Section 8764.5.

(g) Any other data necessary for the intelligent interpretation of the various items and locations of the points, lines, and areas shown, or convenient for the identification of the survey or surveyor, as may be determined by the civil engineer or land surveyor preparing the record of survey.

The record of survey shall also show, either graphically or by note, the reason or reasons, if any, why the mandatory filing provisions of subdivisions (a) to (e), inclusive, of Section 8762 apply.

The record of survey need not consist of a survey of an entire property.

SEC. 2. Section 8764.5 of the Business and Professions Code is amended to read:

8764.5. Statements shall appear on the map as follows:

SURVEYOR'S STATEMENT

This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Land Surveyors' Act at the request of _____
Name of Person Authorizing Survey

in _____, 19__.

(Signed and sealed) _____
L.S. (or R.C.E.) No. _____
License expiration date _____

COUNTY SURVEYOR'S STATEMENT

This map has been examined in accordance with Section 8766 of the Land Surveyors' Act this _____ day of _____, 19__.

(Signed and sealed) _____
County Surveyor
L.S. (or R.C.E.) No. _____
License expiration date _____

RECORDER'S STATEMENT

Filed this _____ day of _____, 19__, at _____.m. in Book _____ of _____ at page _____, at the request of _____.

(Signed) _____
County Recorder

No other statements may appear on the face of the map except those required or authorized by this article.

CHAPTER 134

An act to amend Sections 32, 201, 202, 203, 204, and 700 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987), relating to flood control, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 1, 1988. Filed with Secretary of State June 2, 1988]

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

SECTION 1. Section 32 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 32. The district shall comprise generally the valley lands within the watershed of the Colusa Basin which are tributary to the mouth of the Colusa Basin Drain at the Knights Landing Outfall Gates. The boundary of the district is delineated on United States Geological Survey Quadrangles on file with the Northern District office of the Department of Water Resources in Red Bluff. The boundary of the district is described generally as commencing at the State Highway Route 113 bridge across the Knights Landing Ridge Cut, thence along the Knights Landing Ridge Cut between the Colusa Basin and the Cache Creek watersheds southerly and westerly through the town of Yolo to the intersection of the westerly boundary of the United States Bureau of Reclamation (USBR) Tehama-Colusa Canal Service Area (as shown on the USBR map of the Sacramento River Division, Sacramento Canals Unit, California, Tehama-Colusa Canal Service Area, including Sacramento River Water Districts [dated September 11, 1969, Rev. 9-82, drawing #602-208-1766]), thence northerly and westerly along that boundary until it intersects the ridge separating the Stony Creek and Colusa Basin watersheds approximately four miles east of Orland, except that where Colusa Basin water, irrigation, reclamation, or drainage district boundaries or the Tehama-Colusa Canal are west of the USBR Service Area boundary, that the westernmost boundary of either will prevail, thence along the ridge separating lands that are tributary to the Colusa Basin from those tributary to Stony Creek or the Sacramento River to where the ridge intersects the northernmost end of the westerly or right bank levee of the Sacramento River near the town of Ordbend, thence southerly along the westerly or right bank levee of the Sacramento River to the Knights Landing outfall gates, thence along the southerly bank of the Colusa Basin Drain to the northerly end of the Knights Landing Ridge Cut, thence along the easterly bank of the Knights Landing

Ridge Cut to the State Highway Route 113 bridge. The assessors of Glenn, Colusa, and Yolo Counties shall conform the boundary of the district to the boundaries nearest the exterior watershed boundary, as described above, of the assessment parcels lying totally within the watershed and situated nearest to that exterior boundary, except as to the easterly boundary which shall be the westerly or right bank levee of the Sacramento River. Each county assessor shall, within a reasonable time after January 1, 1988, hold a hearing within the respective county for the purpose of conforming the district boundary to the assessment parcel boundaries as provided herein. Notice shall be published once a week for two successive weeks in a newspaper of general circulation within the county stating that a hearing will be held for the purpose of conforming the district boundary to the boundaries of the nearest assessment parcels. Notice shall also be given by mail at least two weeks prior to the hearing to the owners of those assessment parcels within the respective county directly affected by this conformance, mailed to the address shown on the records of the assessor. At the hearing, the assessor shall present a map showing the proposed boundary as conformed to the boundaries of the nearest assessment parcels, and shall hear any objections which may be made to that boundary. Following the hearing the assessor shall describe the precise boundary of the district as conformed to the nearest assessment parcels, and shall record in the records of that particular county the description of the boundary of the district within that county, including the westerly or right bank levee of the Sacramento River as the most easterly boundary. The costs of notice, hearing, and preparation of the description shall be included as formation costs of the district.

SEC. 2. Section 201 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 201. (a) One director each shall be appointed by the Board of Supervisors of Colusa County, the Board of Supervisors of Glenn County, and the Board of Supervisors of Yolo County.

(b) The three directors initially appointed shall determine, by lot, the expiration dates for their initial terms. The term of one director shall expire on January 1, 1990, and the terms of the other two directors shall expire on January 1, 1992.

SEC. 3. Section 202 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 202. (a) Three directors shall be selected by the governing boards of the water, irrigation, reclamation, and drainage districts located, in whole or in part, within the district. These directors shall be selected so as to provide representation to varied geographical areas within the district.

(b) Except as provided in subdivision (c), not less than 90 days prior to the time for a general election to be held under the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code), representatives of all those districts shall, after notice by the district, convene for the purpose of

selecting three directors. Each district shall have one vote to be cast by a proxy designated by resolution of the governing board of that district.

(c) The initial three directors shall be selected not later than September 15, 1988. The meeting to make these selections shall be convened by the Director of Water Resources or his or her representative.

(d) The three directors initially selected shall determine, by lot, the expiration dates for their initial terms. The term of one director shall expire on January 1, 1990, and the terms of the other two directors shall expire on January 1, 1992.

SEC. 4. Section 203 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 203. (a) Three directors shall be elected by the eligible voters in the district. One director shall be elected by the eligible voters within each of the following divisions:

(1) Division I, comprising all of that portion of the district within Glenn County.

(2) Division II, comprising all of that portion of the district within Colusa County except for the precincts of Arbuckle, Grimes, and College City as they exist on January 1, 1988.

(3) Division III, comprising all that portion of the district within Yolo County and that portion of the district within Colusa County not included within Division II.

(b) The three directors initially elected shall take office not later than October 1, 1988, and shall determine, by lot, the expiration dates for their initial terms. The term of one director shall expire on January 1, 1990, and the terms of the other two directors shall expire on January 1, 1992.

SEC. 5. Section 204 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 204. The six directors appointed or selected pursuant to Sections 201 and 202 shall be appointed or selected not later than September 15, 1988.

The initial election of three directors pursuant to Section 203 shall be conducted by all mailed ballot not later than September 15, 1988, and shall otherwise be conducted pursuant to the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code).

SEC. 6. Section 700 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 700. The district may levy benefit assessments on a districtwide basis or within any zone, upon land only, as follows:

(a) An initial assessment for formation costs may be levied on the basis of an equal amount per acre as shown on the county assessment rolls, but not to exceed ten cents ($0.10) per acre. It is hereby declared for that purpose that the benefit of formation is received equally by all land.

(b) A benefit assessment pursuant to this part, based upon the

respective acreages of the lands assessed and the categories and land use factors as set forth in Section 701 for the purpose of preparing the initial plan described in Section 610, except that the assessment to finance the initial plan may not be utilized for more than five years from the organization of the full board and may not be imposed in an amount which would exceed ten cents ($0.10) per unirrigable acre per year.

(c) Annual assessments pursuant to Sections 703 to 708, inclusive.

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:

In order to provide for the effective control of drainage, storm, flood, and other waters within the Colusa Basin Drainage District at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 135

An act to amend Section 56826 of the Government Code, relating to local government.

[Became law without Governor's signature. Filed with Secretary of State June 6, 1988.]

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

SECTION 1. Section 56826 of the Government Code is amended to read:

56826. (a) The commission shall not review a reorganization which includes an annexation to any city in Santa Clara County of unincorporated territory which is within the urban service area of the city if the reorganization is initiated by resolution of the legislative body of the city.

(b) The city council shall be the conducting authority for the reorganization and the proceedings for the reorganization shall be initiated and conducted as nearly as may be practicable in accordance with Part 4 (commencing with Section 57000).

The city council, in adopting the resolution approving the reorganization, shall make all of the following findings:

(1) That the unincorporated territory is within the urban service area of the city as adopted by the commission.

(2) That the county surveyor has determined the boundaries of

the proposal to be definite and certain, and in compliance with the road annexation policies of the commission. The city shall reimburse the county for the actual costs incurred by the county surveyor in making this determination.

(3) That the proposal does not split lines of assessment or ownership.

(4) That the proposal does not create islands or areas in which it would be difficult to provide municipal services.

(5) That the proposal is consistent with the adopted general plan of the city.

(6) That the territory is contiguous to existing city limits.

(7) That the city has complied with all conditions imposed by the commission for inclusion of the territory in the urban service area of the city.

(c) All reorganizations which involve territory for which the land use designation in the general plan of the city has changed from the time that the urban service area of the city was last adopted by the commission, and which are processed by a city pursuant to this section shall be subject to an appeal to the commission upon submission of a petition of appeal, signed by at least 50 registered voters in the county.

(d) An appeal to the commission may also be made by submission of a resolution of appeal adopted by the legislative body of a special district solely for the purpose of determining whether some or all of the territory contained in the reorganization proposal should also be annexed or detached from that special district.

(e) Any petition submitted under subdivision (c) or resolution submitted under subdivision (d) shall be submitted to the executive officer within 15 days of the adoption by the city council of the resolution approving the annexation. The executive officer shall schedule the hearing for the next regular meeting of the commission as is practicable. The commission may set a reasonable appeal fee.

(f) This section shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1994, deletes or extends that date.

CHAPTER 136

An act to amend Section 22794.1 of the Government Code, relating to public employees.

[Approved by Governor June 8, 1988. Filed with Secretary of State June 8, 1988.]

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

SECTION 1. Section 22794.1 of the Government Code is amended to read:

22794.1. Prior to the approval of proposed benefits and rate readjustments authorized under Section 22794, the board shall notify the Legislature, the Trustees of the California State University, and the Department of Personnel Administration of the proposed changes in writing.

CHAPTER 137

An act to amend Sections 679.02 and 3058.6 of, and to add Sections 679.03 and 3058.8 to, the Penal Code, relating to crimes.

[Approved by Governor June 8, 1988. Filed with Secretary of State June 8, 1988.]

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

SECTION 1. Section 679.02 of the Penal Code is amended to read:

679.02. (a) The following are hereby established as the statutory rights of victims and witnesses of crimes:

(1) To be notified as soon as feasible that a court proceeding to which he or she has been subpoenaed as a witness will not proceed as scheduled, provided the prosecuting attorney determines that the witness' attendance is not required.

(2) Upon request of the victim or a witness, to be informed by the prosecuting attorney of the final disposition of the case, as provided by Section 11116.10.

(3) For the victim, the victim's parents or guardian if the victim is a minor, or the next of kin of the victim if the victim has died, to be notified of all sentencing proceedings, and of the right to appear, to reasonably express his or her views, and to have the court consider his or her statements, as provided by Section 1191.1.

(4) For the victim, the victim's parents or guardian if the victim is a minor, or the next of kin of the victim if the victim has died, to be notified of all juvenile disposition hearings in which the alleged act would have been a felony if committed by an adult, and of the right to attend and to express his or her views, as provided by Section 656.2 of the Welfare and Institutions Code.

(5) Upon request by the victim or the next of kin of the victim if the victim has died, to be notified of any parole eligibility hearing and of the right to appear, to reasonably express his or her views, and to have his or her statements considered, as provided by Section 3043 of this code and by Section 1767 of the Welfare and Institutions Code.

(6) Upon request by the victim or the next of kin of the victim if the crime was a homicide, to be notified of an inmate's placement in a reentry or work furlough program, or notified of the inmate's escape as provided by Section 11155.

(7) To be notified that he or she may be entitled to witness fees

and mileage, as provided by Section 1329.1.

(8) For the victim, to be provided with information concerning the victim's right to civil recovery and the opportunity to be compensated from the Restitution Fund pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code and Section 1191.2 of this code.

(9) To the expeditious return of his or her property which has allegedly been stolen or embezzled, when it is no longer needed as evidence, as provided by Chapter 12 (commencing with Section 1407) and Chapter 13 (commencing with Section 1417) of Title 10 of Part 2.

(10) To an expeditious disposition of the criminal action.

(11) To be notified, if applicable, in accordance with Sections 679.03 and 3058.8 if the defendant is to be placed on parole.

Nothing in this paragraph is intended to affect the right of the people and the defendant to an expeditious disposition as provided in Section 1050.

(b) The rights set forth in subdivision (a) shall be set forth in the information and educational materials prepared pursuant to Section 13897.1. The information and educational materials shall be distributed to local law enforcement agencies and local victims' programs by the Victims' Legal Resource Center established pursuant to Chapter 11 (commencing with Section 13897) of Title 6 of Part 4.

(c) Local law enforcement agencies shall make available copies of the materials described in subdivision (b) to victims and witnesses.

(d) Nothing in this section is intended to affect the rights and services provided to victims and witnesses by the local assistance centers for victims and witnesses.

SEC. 2. Section 679.03 is added to the Penal Code, to read:

679.03. With respect to the conviction of a defendant involving a violent offense, as defined in subdivision (b) of Section 12021.1, the probation department shall inform each witness involved in the conviction who was threatened by the defendant following the defendant's arrest and each victim or next of kin of the victim of that offense of the right to request and receive a notice pursuant to Section 3058.8.

SEC. 3. Section 3058.6 of the Penal Code is amended to read:

3058.6. (a) Whenever any person confined to state prison is serving a term for the conviction of a violent felony listed in subdivision (c) of Section 667.5, the Board of Prison Terms, with respect to inmates sentenced pursuant to subdivision (b) of Section 1168 or the Department of Corrections, with respect to inmates sentenced pursuant to Section 1170, shall notify the sheriff or chief of police, or both, and the district attorney, having jurisdiction over the community in which the person is scheduled to be released on parole or rereleased following a period of confinement pursuant to a parole revocation without a new commitment. Except as provided in subdivision (b), the notification shall be made at least 15 days prior

to the scheduled release date and, in all cases, shall include the name of the person who is scheduled to be released, whether or not the parolee is required to register with law enforcement, and the community in which the person will reside.

(b) When an inmate serving a term for the conviction of a violent felony listed in subdivision (c) of Section 667.5 is scheduled to be released pursuant to subdivision (b) of Section 3003 to a county other than the county from which he or she was committed, the board or department shall provide written notice of that release to the sheriff or police chief, or both, and to the district attorney, having jurisdiction over the community in which the inmate is scheduled to be released. The notification shall be made at least 45 days prior to the scheduled release date and, in all cases, shall include the name of the person who is scheduled to be released, whether or not the person is required to register with local law enforcement, and the community in which the person will reside.

Those agencies receiving the notice referred to in this subdivision shall have 15 days from receipt of the notice to provide written comment to the board or department regarding the impending release. Those comments shall be considered by the board or department which may, based on those comments, modify its decision regarding the community in which the person is scheduled to be released.

(c) In the event that the court orders the immediate release of an inmate, the department shall notify the sheriff or chief of police, or both, and the district attorney, having jurisdiction over the community in which the person is scheduled to be released on parole at the time of release.

(d) The notification required by this section shall be made whether or not a request has been made under Section 3058.5.

(e) The time limits imposed by this section are not applicable where the release date of an inmate has been advanced by restoration of behavior credits, presentence credits, or other process or procedure that could not have reasonably been anticipated by the Department of Corrections and where, as the result of the time adjustments, there is less than 30 days remaining on the sentence before the inmate's release on parole, but notice shall be given as soon as practicable. In no case shall notice required by this section to the appropriate agency be later than the day of release on parole. If, after the 45-day notice is given to law enforcement and to the district attorney relating to an out-of-county placement, there is change of county placement, notice to the ultimate county of placement shall be made upon the determination of the county of placement.

SEC. 4. Section 3058.8 is added to the Penal Code, to read:

3058.8. At the time a notification is sent pursuant to subdivision (a) of Section 3058.6, the Board of Prison Terms or the Department of Corrections, as the case may be, shall also send a notice to persons described in Section 679.03 who have requested a notice informing

those persons of the fact that the person who committed the violent offense is scheduled to be released and specifying the proposed date of release. Notice of the community in which the person is scheduled to reside shall also be given only if it is (1) in the county of residence of a witness, victim, or family member of a victim who has requested notification; or (2) within 25 miles of the actual residence of a witness, victim, or family member of a victim who has requested notification. If, after providing the witness, victim, or next of kin with the notice, there is any change in the release date or the community in which the person is to reside, the board or the department shall provide the witness, victim, or next of kin with the revised information.

In order to be entitled to receive the notice set forth in this section, the requesting party shall keep the department or board informed of his or her current mailing address.

SEC. 5. 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 138

An act to amend Sections 19596.5, 19596.6, 19598, and 19641 of, and to add Section 19619.8 to, the Business and Professions Code, relating to horseracing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 8, 1988. Filed with Secretary of State June 8, 1988]

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

SECTION 1. Section 19596.5 of the Business and Professions Code, as amended by Chapter 19 of the Statutes of 1988, 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 for wagering on races conducted in the northern zone at its racetrack inclosure, except during the part of the day racing is being conducted at its racetrack, and may, with the approval of the Department of Food and Agriculture, authorize any county fair, district agricultural association fair, or citrus fruit fair in the northern zone eligible for

an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting or authorized pursuant to Section 19596.7, to locate a satellite wagering facility at its fairgrounds for wagering on races conducted in the northern zone, if all of the following conditions are met:

(1) An organization described in subdivision (c) of Section 19596.4 has executed agreements, which are approved by the board, with the association conducting a racing meeting in the northern zone and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and 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 wagering 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, except that the association or fair operating the satellite wagering facility may appeal the withholding of consent to the board which may determine that consent is not required.

(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.

(5) Except as provided in Section 19596.9, any association or fair which conducts satellite wagering shall conduct wagering on all racing offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or night meeting, as long as that loss is reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses which would be incurred regardless of the acceptance of night wagers shall be considered.

(b) Notwithstanding subdivision (a), during periods of the day when there is no night racing in the northern zone, the live audiovisual signal of night harness or quarter horse races in the central or southern zone may be offered to satellite wagering

facilities in the northern zone, provided, however, (1) that racing associations may accept that audiovisual signal, but are not required to do so and (2) that satellite wagering facilities located at fairs are not required to accept more than five night racing programs per week.

(c) The total percentage deducted 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 and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.4 of 1 percent shall be distributed to the breeders in the form of breeders' awards, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses and Appaloosas, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of quarter horses and Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition to the distributions in paragraph (1) or (2), on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent of the total amount handled by the satellite wagering facility shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the

promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(d) On thoroughbred meetings only, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(e) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses at the association conducting the racing meeting.

(f) Except as provided in subdivisions (g) and (h), all revenues payable to the state as license fees 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 from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraph (1) and (2):

(1) For repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred, for the purpose of constructing improvements only at a fair's racetrack inclosure, for the purpose of construction of satellite wagering facilities at fairs, and for health and safety repair projects and handicapped access compliance at fairs. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at fairs.

(4) For support purposes of fairs generally.

(g) Seven and one-half percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in the General Fund.

(h) Up to 10 percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a special account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings to achieve the purposes of subdivision (i). 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 (i).

(i) It is the intent of the Legislature that funds allocated pursuant to subdivision (h) 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. The funds shall be used among all breeds. For fair racing meetings in the northern zone with a daily average handle of three hundred thousand dollars ($300,000) or less, it is the intent of the Legislature to bring the purses to a level of at least 25 percent of purses for similar classes of horses at private racing associations in the northern zone.

SEC. 2. Section 19596.6 of the Business and Professions Code, as amended by Chapter 19 of the Statutes of 1988, is amended to read:

19596.6. (a) Notwithstanding any other provision of law, subject to the conditions and limitations set forth in this section and Section 19596.7, the following entities in the central or southern zone are eligible to be licensed to operate a satellite wagering facility for wagering on races conducted in the central or southern zone:

(1) Any county fair, district agricultural association fair, or citrus fruit fair which conducted general fair activities in 1986 within the central or southern zone, and which is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting, may locate a satellite wagering facility at its fairgrounds.

(2) Any association licensed to conduct a racing meeting in the central or southern zone.

(b) The board may authorize an eligible association or, with the approval of the Department of Food and Agriculture, an eligible fair, to operate a satellite wagering facility under all of the following conditions:

(1) A racing association licensed to conduct a racing meeting shall conduct satellite wagering only within its racing inclosure.

(2) An organization described in subdivision (c) of Section 19596.4 has executed an agreement approved by the board with the association conducting a racing meeting and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at

the satellite wagering facility are included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(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 have been approved by the board.

(5) Any association or fair that operates a satellite wagering facility shall conduct wagering on all racing conducted in the central or southern zone that is offered to that satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or a night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or a night meeting, as long as that loss is not reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility which would be incurred regardless of the acceptance of night wagers shall be considered.

(c) Notwithstanding subdivision (a), a satellite wagering facility may not be located within the County of Los Angeles or within the County of Orange, except as follows:

(1) If all other conditions in subdivision (b) are met, the Fiftieth District Agricultural Association may be authorized to operate a satellite wagering facility upon its fairgrounds in the City of Lancaster and to accept wagers on races conducted in the southern and central zones.

(2) If all other conditions are met, any fair or association licensed to conduct racing meetings in the County of Los Angeles and any racing association other than a fair which is licensed to conduct racing in the County of Orange may be authorized to operate a satellite wagering facility for the limited purpose of conducting satellite wagering on races conducted at the Twenty-Second District Agricultural Association fairgrounds at Del Mar in the County of San Diego, except that, when a fair in Orange County is licensed for a racing meeting, a satellite wagering facility located within the racing inclosure where the racing meeting is conducted may not operate on the days that racing is conducted.

(d) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount

handled by the satellite wagering facility on conventional wagers and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.40 of 1 percent shall be distributed to the breeders in the form of breeders' awards, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, and 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses and Appaloosas, 0.4 of 1 percent shall be distributed as breeders awards to breeders of quarter horses and Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition, on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) On thoroughbred meetings only, the funds remaining after distribution of the amounts in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums

shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting. All of the funds distributed for purses from satellite wagering facilities shall go to the purse program of the association conducting the racing meeting except that all sums for distribution as purses at satellite wagering facilities which are racing fairs in the County of Los Angeles shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings in Los Angeles and Orange Counties. The department shall distribute these funds on an equal basis to each racing fair in these counties for distribution in all nonstakes races and among all breeds.

(f) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses participating in the racing meeting.

(g) Notwithstanding subdivision (e), when satellite wagering is conducted on thoroughbred meetings, an amount, not to exceed 1.25 percent of the total amount handled by all satellite wagering facilities, shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, with each party having meaningful representation on the board of the organization, to administer, pursuant to supervision of the board, a fund to provide reimbursement for offsite stabling at board-approved auxiliary training facilities of licensed racing associations for additional stalls beyond the number of usable stalls the association is required to make available and maintain pursuant to Section 19535, and for the vanning of starters from these additional stalls on race days for thoroughbred horses.

(h) The funds distributed to the organization formed pursuant to subdivision (g) shall be used to reimburse racing associations who are operating offsite stabling providing additional stalls for the incremental increase in operating costs directly resulting from providing the stabling. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity operating the offsite stabling facility where the injury occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

The funds shall also reimburse horsemen for the cost of vanning starting horses from a board-approved auxiliary training facility operated by a licensed racing association to the track conducting the

racing meeting. Horsemen may use carriers of their own choice, except that the amount of reimbursement to horsemen is limited to the amount that the organization determines is generally charged by carriers for vanning from the auxiliary training facility to the track conducting the racing meeting. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity actually engaged in vanning horses, shall be liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

The training facilities and amenities provided for offsite stabling and training purposes shall be equivalent in character to those provided during racing meetings of the association.

Upon the request of any party within the organization, the board shall adjudicate any dispute regarding costs, or other matters relating to the furnishing of offsite stabling or vanning. The board may, if necessary, appoint an independent auditor to assist in the resolution of disputes. The auditor shall be reimbursed from the funds of the organization.

The organization may maintain a reserve fund of up to 10 percent of the total estimated annual vanning and stabling costs. In addition to the reserve fund, if the funds generated for offsite stabling and vanning are insufficient to fully reimburse racing associations for expenses incurred during the offsite vanning and stabling program, the organization is entitled to accumulate sufficient funds to fully reimburse these expenses.

The amount initially deducted and distributed to the organization shall be 1.25 percent of the total amount handled by satellite wagering facilities authorized under this section on thoroughbred racing, but that allocation may be adjusted by the board, in its discretion, but the adjusted amount may not exceed 1.25 percent of the total amount handled by satellite wagering facilities, to pay expenses and maintain the reserve fund for the continuing support of the program.

(i) Forty-two percent of the revenue payable to the state from license fees from satellite wagering facilities located at fairs under the authority of this section shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1) and (2):

(1) For repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred for the purpose of constructing improvements only at a fair's racetrack inclosure, or for the purpose of construction of satellite wagering facilities at fairs, and for health and safety repair

projects and handicapped access compliance at fairs. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at the fair.

(4) For support purposes of the fair generally.

(j) The remaining 58 percent of the revenues payable to the state from satellite wagering facilities at fairs and all revenues payable to the state from satellite wagering facilities located under the authority of this section at sites other than fairs shall be deposited in the General Fund.

(k) Notwithstanding subdivision (b) of Section 19641, the state shall receive as additional license fees 50 percent of any redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility, subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, and the funds shall be deposited in the General Fund. The remaining 50 percent of redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility shall be paid to a welfare fund established by the horsemen's organization contracting with the association conducting the racing meeting for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

(*l*) Of the total breakage arising in a parimutuel pool which includes wagers at satellite wagering facilities, that percentage of breakage equal to the percentage that wagers placed at satellite wagering facilities constitute of the total parimutuel pool shall be distributed equally among the state as an additional license fee deposited in the General Fund, the track conducting the racing meeting as a commission, and the horsemen participating in the racing meeting in the form of purses. The remainder of the breakage shall be distributed in the same manner as breakage arising from wagers at the track conducting the racing meeting.

(m) Notwithstanding subdivision (c) of Section 19596.5 and subdivision (d) of this section, if the total revenues from horseracing for deposit in the General Fund for the 1988–89 fiscal year, as determined by the board, do not equal or exceed one hundred fifteen million dollars ($115,000,000), the license fees distributed to the state for all wagers under subdivision (c) of Section 19596.5 and subdivision (d) of this section shall be increased by one-half of 1 percent for meetings commencing after July 1, 1989. The board shall determine if the total revenues from horseracing for deposit in the General Fund during the 1989–90 fiscal year and subsequent fiscal years equal or exceed one hundred fifteen million dollars ($115,000,000), and in fiscal years when that amount is not equaled or exceeded, the license fees distributed to the state for all wagers

under subdivision (c) of Section 19596.5 and subdivision (d) of this section shall be increased by one-half of 1 percent for meetings commencing after July 1 of the following fiscal year.

SEC. 3. Section 19598 of the Business and Professions Code is amended to read:

19598. Any person claiming to be entitled to any part of a redistribution from a parimutuel pool operated by a licensee under this chapter, who fails to claim the money due the person prior to the completion of the horse racing meeting at which the pool was formed, may, within 120 days after the close of that meeting, file a claim with the association issuing the person's ticket.

SEC. 4. Section 19619.8 is added to the Business and Professions Code, to read:

19619.8. Notwithstanding any other provision of this chapter, this section applies to all racing fairs in the northern zone with an average daily handle of more than three hundred thousand dollars ($300,000).

(a) All purse money generated from both live racing and satellite wagering handles in 1987 for any racing fair in the northern zone with an average daily handle of more than three hundred thousand dollars ($300,000) and not distributed in 1987, shall be retroactively distributed not later than June 14, 1988, by each racing fair pro rata to owners of horses earning purses in 1987.

(b) Prior to June 1, 1988, the racing fairs in the northern zone and the organizations representing horsemen racing at these fairs shall enter into agreements establishing a minimum purse schedule for each racing breed, subject to the approval of the board. These schedules shall provide purses for thoroughbred horses at a level of at least 80 percent of purses for similar classes of horses at private racing associations in the northern zone, and shall include purses for all classes and all breeds racing at fairs in the northern zone.

(c) Fair purse schedules established pursuant to subdivision (b) shall be adjusted annually by the board to maintain the 80 percent level for thoroughbred horses of similar classes at private racing associations in the northern zone. All changes in purse schedules for thoroughbred horses shall be applied in equal percentage changes for all classes of all breeds of horses racing at fairs in the northern zone. The board shall determine the levels of purses at private associations to be used in making this adjustment which shall be made not later than the first day in April in each year.

(d) Any purse money required by law to be paid by any fair in the northern zone with an average daily handle of more than three hundred thousand dollars ($300,000) which has been accumulated from racing meetings prior to 1987, shall be added by that fair, in equal amounts, to purses to be distributed at its next four racing meetings.

(e) In 1988 and subsequent years, a fair in the northern zone with an average daily handle of more than three hundred thousand dollars ($300,000) shall annually distribute purses equivalent to all purse

money generated at their meetings from live racing and satellite wagering during that year, and from other sources as provided in this section. All these fairs shall distribute purses at the levels provided by schedules established pursuant to subdivision (b) or subdivision (c), or both subdivisions, or at higher levels when additional purse funds are available.

(f) All remaining funds in the special account in the fund generated pursuant to subdivision (d) of Section 19596.5 that were designated for the purpose of supplementing purses at fairs, are hereby appropriated to the Department of Food and Agriculture for distribution for thoroughbred purses at fairs in the northern zone with an average daily handle of more than three hundred thousand dollars ($300,000) as provided in this section, for purses at fairs with daily average handles of three hundred thousand dollars ($300,000) or less as provided in subdivision (i) of Section 19596.5, and for purposes of subdivision (g).

(g) Any fair in the northern zone with an average daily handle of more than three hundred thousand dollars ($300,000) which, at the start of its 1988 meeting, has a cumulative overpayment of thoroughbred purses that is required by law to be reimbursed to that fair, shall be repaid from the purse funds appropriated by subdivision (f). Any fair which, at the start of its 1988 meeting, has a cumulative overpayment of purses for other breeds that is required by law to be reimbursed to that fair, shall deduct that overpayment from the purses required to be paid at its 1988 meeting.

(h) In 1988, purse funds needed to meet the schedules established pursuant to subdivision (b) shall, after using funds provided pursuant to subdivisions (d), (e), and (g), be provided from the funds continuously appropriated to the Department of Food and Agriculture pursuant to subdivision (h) of Section 19596.5. After using all available funds from the above sources identified in this subdivision, any additional purse funds required in 1988 to meet the schedules established by subdivision (b) shall be provided from purse funds appropriated by subdivision (f).

(i) In 1989, one-third of the remaining purse funds appropriated pursuant to subdivision (f) shall be distributed in equal amounts to each fair in the northern zone with a daily average of three hundred thousand dollars ($300,000) or more for purses for thoroughbred horses at these fairs. In 1990, one-half of the remaining purse funds appropriated pursuant to subdivision (f) shall be distributed in equal amounts to each fair in the northern zone with a daily average handle of three hundred thousand dollars ($300,000) or more for purses for thoroughbred horses racing at these fairs. In 1991, the remaining balance of purse funds appropriated pursuant to subdivision (f) shall be distributed in equal amounts to each fair in the northern zone with a daily average handle of three hundred thousand dollars ($300,000) or more for purses for thoroughbred horses at these fairs.

(j) In 1989 and subsequent years, purse funds needed to meet the

schedules established pursuant to subdivision (c) shall, after using funds provided pursuant to subdivisions (d), (e), and (i), be provided from funds continuously appropriated to the Department of Food and Agriculture pursuant to subdivision (h) of Section 19596.5.

(k) In any year in which purse funds from all sources provided in subdivisions (d) to (j), inclusive, are insufficient to meet the schedules established pursuant to subdivisions (b) and (c), 50 percent of any deficiency shall be provided by increasing, as determined by the Department of Food and Agriculture, the percentage established for deposit in the special account in the fund of state license fees from satellite wagering facilities at fairs pursuant to sudivision (h) of Section 19596.5, and the other 50 percent of the deficiency shall be provided from money generated from satellite wagering facilities at private associations in the northern zone.

(*l*) In 1988 and subsequent years, a fair in the northern zone may advertise estimated purses at specified levels, but shall make retroactive payments of purses in order to distribute all available purse funds during each year of racing. Any retroactive distribution required to be made by this subdivision shall be made not later than 14 days after the close of that fair meeting.

SEC. 5. Section 19641 of the Business and Professions Code is amended to read:

19641. (a) Except as provided in subdivision (b), 120 days after the close of any horseracing meeting, any redistributable money in a parimutuel pool subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, shall be paid to the board.

The money received by the board under this subdivision resulting from thoroughbred, harness, or quarter horse meetings, but excluding the meetings of the California Exposition and State Fair or of a county, district agricultural association, or citrus fruit fair, shall be used by the board to support research on matters pertaining to horseracing and racetrack security, but this money is subject to annual budgetary review by the Legislature. All the redistributable money received by the board from other meetings shall be paid immediately into the State Treasury to the credit of the General Fund.

(b) One hundred twenty days after the close of any horseracing meeting, one-half of the redistributable money resulting from the thoroughbred, harness, or quarter horse meetings, but excluding the meetings of the California Exposition and State Fair or county, district agricultural association, or citrus fruit fair meetings, shall be distributed to a welfare fund established by the horsemen's organization contracting with the association with respect to the conduct of racing meetings for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

SEC. 6. This act is an urgency statute necessary for the

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

In order that this act may be implemented during the 1988 racing season already underway, it is necessary that this act take effect immediately.

CHAPTER 139

An act to amend Sections 11810.6, 11811, 11811.1, 11818, 11841, 11862, and 11878, to add Section 11977 to, and to repeal Sections 11879, 11977, and 11978 of, the Health and Safety Code, relating to drug abuse.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988.]

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

SECTION 1. Section 11810.6 of the Health and Safety Code is amended to read:

11810.6. The county alcohol program administrator, in accordance with the planning process approved by the board of supervisors, shall develop the county alcohol program plan. The county alcohol program plan shall contain all of the following:

(a) A description of the proposed uses of alcohol funds which addresses all of the following:

(1) A statement of the goals and objectives of the county alcohol program.

(2) A description of the alcohol programs, activities and services supported by this plan, and characteristics of the individuals to be served.

(3) Criteria and methods for the distribution of funds, including a description of the alcohol service needs of women, adolescents, ethnic minorities, the elderly, the disabled, and any other specific populations, a plan for how these needs will be met, both if new funds are available and if no new funds are available, and the time span within which the needs will be met.

(4) Criteria to evaluate the effective performance of programs and services supported by this program plan.

(5) Beginning in fiscal year 1985–86, a description of how the county has met the goals, objectives, and needs in the use of funds for the previous year as identified in that year's program plan.

(6) That the federally required percentage of the federal portion of grant funds shall be for prevention and early intervention services.

(b) Certification of compliance with all of the following requirements:

(1) The county shall conduct a public hearing on the proposed use

and distribution of funds and any changes shall be made public within the county on a timely basis and in a manner which facilitates comments from interested persons.

(2) The county shall administer the county alcohol program in accordance with this division, and all other applicable state and federal requirements, including civil rights.

(3) The review of the planning process of the program plan by the county alcohol advisory board and approval by the board of supervisors.

(4) Agreement to permit, and cooperate with, specified state reviews and audits.

(5) Monitoring of all services programs receiving state or federal funds or funds available pursuant to Section 1463.16 of the Penal Code.

(6) Agreement to any additional assurances which may become necessary as a result of changes in laws, regulations, or procedures.

(c) Budget information on the programs, activities, and services supported by this program plan and assurance that its submission satisfies the program plan requirements.

SEC. 2. Section 11811 of the Health and Safety Code is amended to read:

11811. Counties shall have broad discretion in the choice of services they utilize to alleviate the alcohol problems of specific population groups and the community identified pursuant to the planning process described in Section 11810.5. Those services shall include, but need not be limited to services to problem drinkers and their families, and activities frequently referred to as prevention and early intervention.

"Prevention" means activities and processes designed to reduce or minimize the incidence of new alcohol problems and negative consequences of drinking. "Early intervention" means activities designed to provide only identification and appropriate service for alcohol problems prior to the appearance of major problems.

SEC. 3. Section 11811.1 of the Health and Safety Code is amended to read:

11811.1. The major purpose of prevention and early intervention activities includes, but is not limited to, all of the following:

(a) To facilitate positive change in community and individual understanding, values, attitudes, environmental factors, and behavior concerning alcohol and its inappropriate use.

(b) To reduce the likelihood of the inappropriate use of alcohol by developing and implementing public policies designed to reduce or limit alcohol consumption.

(c) To lessen the stigmatization of persons who seek help for problems related to inappropriate alcohol use.

(d) To provide information so that the public may make informed personal and public policy decisions regarding the inappropriate use and nonuse of alcoholic beverages.

(e) To enlighten the "helping professions" to recognize persons

with alcohol problems and to offer them appropriate services.

(f) To encourage persons to seek early help for their alcohol problems.

The Legislature recognizes that the effective provision of these activities will result in an increased demand upon, and utilization of, existing services to problem drinkers and their families. However, the Legislature believes that provision of effective prevention and early intervention activities over the next decade will result in saving taxpayers funds which might otherwise have to be expended for higher health and safety costs.

SEC. 4. Section 11818 of the Health and Safety Code is amended to read:

11818. (a) Expenditures made by counties and contract providers which may be reimbursed from funds under this part shall include expenditures for personnel, facilities, supplies, maintenance, utilities, and management services which are necessary to the provision of services and activities specified in this article. The expenditures for facilities shall be determined through rent or depreciation as established in the state's uniform accounting manual, disregarding depreciation on such a facility to the extent it was financed by state funds under this part, and any other expenditures which may be approved by the director. Reimbursement shall not be made for expenditures for the purchase or construction of buildings, except for such equipment items and remodeling expenses as may be provided for in regulations, or for expenditures for purposes for which state reimbursement is claimed under any other provision of law.

(b) The cost of services specified in the county alcohol program plan shall be actual costs as determined with standard accounting practices or a negotiated rate. Negotiated rate is a specific and fixed dollar rate for a specified unit of service provided. Negotiated rates may be used as the cost of services only between the county and private providers. The negotiated rate shall be approved by the county prior to commencing services for reimbursement and the rate shall be based upon the projected cost of providing the services and projected revenues realized as a result of providing the services. The provider shall make available to the county information on prior years' actual cost of providing the services and actual revenues where the information is available.

SEC. 5. Section 11841 of the Health and Safety Code is amended to read:

11841. (a) It is the intent of the Legislature that all programs funded under this part shall be partially self-supporting by raising revenues in addition to the funds allocated by the department. These revenues may include, but are not limited to, fees for services, private contributions, grants, or other governmental funds. These revenues shall be used in support of additional alcohol services or facilities.

(b) (1) Each program funded under this part which provides

alcohol services to individuals and their families shall assess fees to participants in the programs. The fee requirement shall not apply to prevention and early intervention activities.

(2) County-operated and contract providers of services shall set fees and follow fee assessment and collection practices that promote recovery from problem drinking. Counties and contract providers of services may utilize a variety of methods to set and collect fees, provided, that the methods do not result in the withholding of alcohol services because of the participant's present inability to pay for the services.

(3) The county alcohol program administrator shall approve the criteria of each provider for fee collection, which shall describe how the provider charges and collects fees. In collecting fees, providers shall take into account a client's income and expenses. The written criteria shall be a public record and shall be made available to the department or any individual upon request.

(c) Each county shall identify in its annual report of expenditures the types and amounts of revenues raised by all the providers of services funded under this part.

SEC. 6. Section 11862 of the Health and Safety Code is amended to read:

11862. (a) There is in state government a State Advisory Board on Drug Programs which shall consist of 15 members, of which five members shall be appointed by the Governor, five members by the Senate Rules Committee, and five members by the Speaker of the Assembly.

(b) Initial appointments to the advisory board shall be made as follows:

(1) The Governor shall appoint two members for one-year terms, two members for two-year terms, and one member for a three-year term.

(2) The speaker shall appoint two members for one-year terms, one member for a two-year term, and two members for three-year terms.

(3) The Senate Rules Committee shall appoint one member for a one-year term, two members for two-year terms, and two members for three-year terms.

(4) Subsequent appointments shall be made as prescribed in subdivision (a) for a term of three years. A member of the board may be replaced by the appointing power, upon recommendation of the board, for failure to attend board meetings.

(c) Members shall have a professional or personal interest in, and commitment to, alleviating drug problems, and shall include representatives of law enforcement agencies, public drug programs, private drug programs, education, and the general public. It is the intent of the Legislature that the appointing powers make appointments that include representatives of nongovernmental organizations or groups and of public agencies concerned with the prevention and treatment of drug abuse and drug dependence, from

various economic, social, and occupational groups, and allow for the geographic distribution of members throughout the state. Representatives from public and private drug prevention or treatment programs shall not comprise more than 33⅓ percent of the total membership. These members shall comply with existing conflict of interest laws when participating in the tasks and functions of the board.

(d) The board shall constitute the drug abuse prevention advisory council as described in federal Public Laws 92-255 and 94-237, as amended. In the interest of continuity relating to the functions of the board pursuant to subdivision (j), those members of the former Technical Advisory Committee/Drug Abuse Prevention Advisory Council reconstituted by this part, and who have remaining terms of one or two years, shall be considered in the appointments under this section.

(e) The board shall meet at least once every three months and may meet as often as required, as a full board or in committees, to implement the provisions of this section. All meetings of the board, and any committees thereof, shall be open to the public and adequate notice shall be provided in advance to interested persons.

(f) The members shall select the chair of the board annually and adopt bylaws as appropriate to carry out their duties.

(g) Members of the board shall serve without compensation, but shall receive reimbursement for travel and other necessary expenses actually incurred in the performance of their official duties.

(h) The board shall have the powers and authority necessary to carry out the duties imposed upon it by this chapter, including, but not limited to, the following:

(1) Advise the director on the major policy issues relating to the implementation by the department of the provisions of this part and on any other related matters that the director refers to it, or that the board may raise, encourage public understanding of the nature of drug problems, and encourage support throughout the state for the development and implementation of effective drug programs. Upon request of the chair of the board, the department shall respond in writing to the board regarding each of its recommendations.

(2) Periodically review drug abuse services in California.

(3) Recommend to the director rules, regulations, and standards for the administration of this division.

(4) Review the annual state and federal drug abuse plans and budgets, and all amendments thereto, and advise the director on the development of the state drug abuse plan and the system of priorities contained in that plan.

(5) Submit an annual report to the department and the Legislature in November of each year which describes its accomplishments and includes its recommendations regarding the department's role in alleviating drug problems.

(i) The department shall provide administrative, technical, and other personnel as may be necessary for the board's performance of

its powers and duties.

(j) The department shall provide appropriate training to the board members relating to their charge so as to assure their understanding of the state drug program. It is the intent of the Legislature that each member of the board learn about the elements of the drug program and the nature of drug problems in his or her county of residence, to assist him or her in understanding the major policies to be examined by the board.

(k) This section shall remain in effect until December 31, 1991, and as of that date is repealed, unless a later enacted statute, which is chaptered on or before September 30, 1991, deletes or extends that date.

SEC. 7. Section 11878 of the Health and Safety Code is amended to read:

11878. The department shall not license the establishment of a methadone program without a written application by the treatment facility which meets evaluative criteria required by the department.

The department shall not require disclosure of the identity of patients or former patients or of any records containing identifying information except as provided in Section 11977.

SEC. 8. Section 11879 of the Health and Safety Code is repealed.

SEC. 9. Section 11977 of the Health and Safety Code is repealed.

SEC. 10. Section 11977 is added to the Health and Safety Code, to read:

11977. (a) The identity and records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any drug abuse treatment or prevention effort or function conducted, regulated, or directly or indirectly assisted by the department shall, except as provided in subdivision (c), be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subdivision (b).

(b) The content of any records referred to in subdivision (a) may be disclosed in accordance with the prior written consent of the client with respect to whom the record is maintained, but only to the extent, and under the circumstances, and for the purposes as clearly stated in the release of information signed by the client.

(c) Whether or not the client, with respect to whom any given record referred to in subdivision (a) is maintained gives his or her written consent, the content of the record may be disclosed as follows:

(1) In communications between qualified professional persons employed by the treatment or prevention program in the provision of service.

(2) To qualified medical persons not employed by the treatment program to the extent necessary to meet a bona fide medical emergency.

(3) To qualified personnel for the purpose of conducting scientific research, management audits, financial and compliance audits, or

program evaluation, but the personnel may not identify, directly or indirectly, any individual client in any report of the research, audit, or evaluation, or otherwise disclose patient identities in any manner. For purposes of this paragraph, the term "qualified personnel" means persons whose training and experience are appropriate to the nature and level of work in which they are engaged, and who, when working as part of an organization, are performing that work with adequate administrative safeguards against unauthorized disclosures.

(4) If the recipient of services is a minor, ward, or conservatee, and his or her parent, guardian, or conservator designates, in writing, persons to whom his or her identity in records or information may be disclosed, except that nothing in this section shall be construed to compel a physician and surgeon, psychologist, social worker, nurse, attorney, or other professional person to reveal information which has been given to him or her in confidence by members of the client's family.

(5) If authorized by a court of competent jurisdiction granted after application showing probable cause therefor, as provided in subdivision (c) of Section 1524 of the Penal Code.

(d) Except as authorized by a court order granted under paragraph (5) of subdivision (c), no record referred to in subdivision (a) may be used to initiate or substantiate any criminal charges against a client or to conduct any investigation of a client.

(e) The prohibitions of this section shall continue to apply to records concerning any individual who has been a client, irrespective of whether he or she ceases to be a client.

SEC. 11. Section 11978 of the Health and Safety Code is repealed.

CHAPTER 140

An act to amend Section 2017 of the Fish and Game Code, and to amend Section 602 of the Penal Code, relating to trespassing.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988.]

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

SECTION 1. Section 2017 of the Fish and Game Code is amended to read:

2017. It is unlawful to take any mammal or bird or to discharge any firearm upon any land (whether fenced, cultivated, or not) where signs, at least 8½ inches by 11 inches in size and reading: "PRIVATE PROPERTY NO HUNTING" are displayed at intervals not less than three to the mile along all exterior boundaries and at all roads and trails entering the land.

This section applies to all persons, including the owner or the

person in lawful possession of the land, and any person obtaining permission, written or oral, from the owner or the person in lawful possession of the land, so long as the signs remain posted on the land.

Nothing in this section prohibits the owner or his or her agent from taking nonprotected mammals or birds on the land.

SEC. 2. Section 602 of the Penal Code is amended to read:

602. Every person who willfully commits a trespass by any of the following acts is guilty of a misdemeanor:

(a) Cutting down, destroying, or injuring any kind of wood or timber standing or growing upon the lands of another.

(b) Carrying away any kind of wood or timber lying on those lands.

(c) Maliciously injuring or severing from the freehold of another anything attached to it, or its produce.

(d) Digging, taking, or carrying away from any lot situated within the limits of any incorporated city, without the license of the owner or legal occupant, any earth, soil, or stone.

(e) Digging, taking, or carrying away from land in any city or town laid down on the map or plan of the city, or otherwise recognized or established as a street, alley, avenue, or park, without the license of the proper authorities, any earth, soil, or stone.

(f) Maliciously tearing down, damaging, mutilating, or destroying any sign, signboard, or notice placed upon, or affixed to, any property belonging to the state, or to any city, county, city and county, town, or village, or upon any property of any person, by the state or by an automobile association, which sign, signboard, or notice is intended to indicate or designate a road or a highway, or is intended to direct travelers from one point to another, or relates to fires, fire control, or any other matter involving the protection of the property, or putting up, affixing, fastening, printing, or painting upon any property belonging to the state, or to any city, county, city and county, town, or village, or dedicated to the public, or upon any property of any person, without license from the owner, any notice, advertisement, or designation of, or any name for any commodity, whether for sale or otherwise, or any picture, sign, or device intended to call attention to it.

(g) Entering upon any lands owned by any other person whereon oysters or other shellfish are planted or growing; or injuring, gathering, or carrying away any oysters or other shellfish planted, growing, or on any of those lands, whether covered by water or not, without the license of the owner or legal occupant; or destroying or removing, or causing to be removed or destroyed, any stakes, marks, fences, or signs intended to designate the boundaries and limits of any of those lands.

(h) Willfully opening, tearing down, or otherwise destroying any fence on the enclosed land of another, or opening any gate, bar, or fence of another and willfully leaving it open without the written permission of the owner, or maliciously tearing down, mutilating, or destroying any sign, signboard, or other notice forbidding shooting

on private property.

(i) Building fires upon any lands owned by another where signs forbidding trespass are displayed at intervals not greater than one mile along the exterior boundaries and at all roads and trails entering the lands, without first obtaining written permission from the owner of the lands, the owner's agent, or the person in lawful possession.

(j) Entering any lands, whether unenclosed or enclosed by fence, for the purpose of injuring any property or property rights or with the intention of interfering with, obstructing, or injuring any lawful business or occupation carried on by the owner of the land, the owner's agent, or the person in lawful possession.

(k) Entering any lands under cultivation or enclosed by fence, belonging to, or occupied by, another, or entering upon uncultivated or unenclosed lands where signs forbidding trespass are displayed at intervals not less than three to the mile along all exterior boundaries and at all roads and trails entering the lands without the written permission of the owner of the land, the owner's agent, or the person in lawful possession, and

(1) Refusing or failing to leave the lands immediately upon being requested by the owner of the land, the owner's agent, or the person in lawful possession to leave the lands, or

(2) Tearing down, mutilating, or destroying any sign, signboard, or notice forbidding trespass or hunting on the lands, or

(3) Removing, injuring, unlocking, or tampering with any lock on any gate on or leading into the lands, or

(4) Discharging any firearm.

(*l*) Entering and occupying real property or structures of any kind without the consent of the owner, the owner's agent, or the person in lawful possession.

(m) Driving any vehicle, as defined in Section 670 of the Vehicle Code, upon real property belonging to or lawfully occupied by another and known not to be open to the general public, without the consent of the owner, the owner's agent, or the person in lawful possession.

(n) Refusing or failing to leave land, real property, or structures belonging to or lawfully occupied by another and not open to the general public, upon being requested to leave by (1) a peace officer at the request of the owner, the owner's agent, or the person in lawful possession, and upon being informed by the peace officer that he or she is acting at the request of the owner, the owner's agent, or the person in lawful possession or (2) the owner, the owner's agent, or the person in lawful possession. The owner, the owner's agent, or the person in lawful possession shall make a separate request to the peace officer on each occasion when the peace officer's assistance in dealing with a trespass is requested. However, a single request for a peace officer's assistance may be made to cover a limited period of time not to exceed 30 days and identified by specific dates, during which there is a fire hazard or the owner, owner's agent, or person in lawful possession is absent from the premises or property. In

addition, a single request for a peace officer's assistance may be made for a period not to exceed six months when the premises or property is closed to the public and posted as being closed. However, this subdivision shall not be applicable to persons engaged in lawful labor union activities which are permitted to be carried out on the property by the California Agricultural Labor Relations Act (Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code) or by the National Labor Relations Act.

(o) Entering upon any lands declared closed to entry as provided in Section 4256 of the Public Resources Code, if the closed area has been posted with notices declaring the closure, at intervals not greater than one mile along the exterior boundaries or along roads and trails passing through the lands.

(p) Refusing or failing to leave a public building of a public agency during those hours of the day or night when the building is regularly closed to the public upon being requested to do so by a regularly employed guard, watchman, or custodian of the public agency owning or maintaining the building or property, if the surrounding circumstances indicate to a reasonable person that the person has no apparent lawful business to pursue.

(q) Knowingly skiing in an area or on a ski trail which is closed to the public and which has signs posted indicating the closure.

(r) Refusing or failing to leave a hotel or motel where he or she has obtained accommodations and has refused to pay for those accommodations, upon request of the proprietor or manager, and the occupancy is exempt, pursuant to subdivision (b) of Section 1940 of the Civil Code, from Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of Division 3 of the Civil Code.

(s) Entering upon private property, including contiguous land, real property, or structures thereon belonging to the same owner, whether or not generally open to the public, after having been informed by a peace officer at the request of the owner, the owner's agent, or the person in lawful possession, and upon being informed by the peace officer that he or she is acting at the request of the owner, the owner's agent, or the person in lawful possession, that the property is not open to the particular person; or refusing or failing to leave the property upon being asked to leave the property in the manner provided in this subdivision.

This subdivision shall apply only to a person who has been convicted of a violent felony, as specified in subdivision (c) of Section 667.5, committed upon the particular private property. A single notification or request to the person as set forth above shall be valid and enforceable under this subdivision, unless and until rescinded by the owner, the owner's agent, or the person in lawful possession of the property.

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 141

An act to amend Section 2823 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988.]

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

SECTION 1. Section 2823 of the Revenue and Taxation Code is amended to read:

2823. The county assessor shall determine a separate valuation on the parcel, and shall determine the valuation of the remaining parcel. The sum of the valuations of the parcels shall equal their total valuation before separation.

A separate valuation shall not be made of any parcel covered by a subdivision map filed for record after the next preceding lien date. In connection with the recording of a final subdivision map a segregation may nevertheless be made so as to include all of the land within the subdivision in a single parcel.

A separate valuation shall not be made dividing any piece of property separately assessed in the original assessment into more than four parcels. However, this prohibition shall not apply in any county in which the board of supervisors so provides in an ordinance adopted by a majority vote of the board.

With respect to nonresidential subdivisions, without regard to the number of parcels involved, which are covered by special assessment liens the bonds for which are owned by a county, the board of supervisors of that county may authorize the county assessor, auditor, and tax collector to prorate the amounts for past due property taxes and assessment liens, plus any interest and penalties that may have accrued thereon, among the various parcels in the subdivision. Notwithstanding any other provision of law, the tax collector may then enter into an installment payment agreement with respect to the pending subdivision map and thereupon the agreement shall be deemed the equivalent of a certificate pursuant to Section 66492 of the Government Code for purposes of permitting the filing of the final map and shall be recorded together with the final map, provided that the past due property taxes, assessment liens, and the special assessment lien shall not be discharged of record by the agreement, but shall be prorated among the parcels created by the final map.

If the application requested that the tax created by the assessment of personal property, or leasehold improvements, or possessory

interests be allowed to remain as a lien on the parcel sought to be separately valued, and the assessor determines that the value of the parcel is sufficient to secure the payment of the tax, the assessor shall set forth the value of such personal property, or leasehold improvements, or possessory interests opposite the assessor's determination of the value of the parcel.

SEC. 2. This act shall apply to property valuations for the 1989–90 fiscal year and fiscal years thereafter.

CHAPTER 142

An act to add Section 24807.5 to the Education Code, relating to teachers' retirement.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988.]

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

SECTION 1. Section 24807.5 is added to the Education Code, to read:

24807.5. Notwithstanding the provisions of Section 24807, the annuity reserve fund board may adopt rules allowing participants who have reached 70 years of age to withdraw their benefits.

CHAPTER 143

An act to amend Section 9 of Chapter 129 of the Statutes of 1867-1868, as added by Chapter 598 of the Statutes of 1963, relating to Tehama County.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988]

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

SECTION 1. Section 9 of Chapter 129 of the Statutes of 1867-1868, as added by Chapter 598 of the Statutes of 1963, is amended to read:

Sec. 9. The Presiding Judge of the Superior Court in and for the County of Tehama, as successor to the county judge of said county, is hereby authorized to, and upon the written application of the Board of Supervisors of Tehama County shall, convey to the County of Tehama, all right, title, and interest in and to the "courthouse square" as shown on the "Official Map of the Town and Townsite of Red Bluff," filed in the office of the Tehama County Recorder on May 29, 1878 in Book "A" of Maps at Page 79, as is still held in trust by him for the several use and benefit of the occupants of the town

site of Red Bluff according to their respective interests under the patent issued to Warner Earll, Judge of the County Court of Tehama County, September 20, 1866, by Pre-emption Certificate No. 1490 as recorded in Book A of Patents, on page 125, in the office of the County Recorder of Tehama County. The Tehama County Board of Supervisors shall have the discretion to apply the "courthouse square," or any part thereof, to such uses as it deems to be in the public interest. This power specifically includes, but is not limited to, the power to lease or convey said "courthouse square" or any part thereof upon such terms and conditions the board deems appropriate in the public interest.

Excepting for the "courthouse square" described above, the Presiding Judge of the Superior Court in and for the County of Tehama, as successor to the county judge of said county, is hereby authorized to convey to the City of Red Bluff, all right, title, and interest in and to any real property still held in trust by him or her for the several use and benefit of the occupants of the townsite of Red Bluff according to their respective interests under the patent issued to Warner Earll, Judge of the County Court of Tehama County, September 20, 1866, by Pre-emption Certificate No. 1490 as recorded in Book A of Patents, on page 125, in the office of the County Recorder of Tehama County. The City Council of Red Bluff may vacate any streets or alleys included within this act, and may convey title thereto, and to any other property included within this act, upon such terms and conditions as it deems appropriate in the public interest.

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 144

An act to amend Sections 29803, 29804, 53910, and 53912 of the Government Code, relating to local agency finances.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988.]

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

SECTION 1. Section 29803 of the Government Code is amended to read:

29803. Except as provided in Section 53912, the auditor shall issue warrants on the treasurer in favor of the persons entitled thereto in payment of all claims chargeable against the county which have been legally examined, allowed, and ordered paid by the board of

supervisors.

SEC. 2. Section 29804 of the Government Code is amended to read:

29804. Except as provided in Section 53912, the auditor shall issue warrants on the treasurer for all debts and demands against the county when the amounts are fixed by law or are authorized by law to be allowed by a person or tribunal other than the board.

SEC. 3. Section 53910 of the Government Code is amended to read:

53910. In addition to any other provision of law for the issuance and payment of warrants of any county, city and county, city, district, or other political subdivision of the state, the governing body thereof, or, in the case of school districts not issuing their own warrants, the governing body of the appropriate issuing officer, may by resolution authorize practices with respect to form, issuance, delivery, endorsement and payment of warrants it deems convenient, efficient and in the public interest, conforming substantially to those practices specified in Sections 53911, 53912, 53913, or 53915.

SEC. 4. Section 53912 of the Government Code is amended to read:

53912. The governing body, or, in the case of school districts not issuing their own warrants, the governing body of the appropriate issuing officer, may provide that when funds are available for the payment of approved claims, the approval of claims for payment shall, without the issuance of any warrant, be authority to the custodian of its funds to pay the claims by check or electronic transfer. Registers and transfers shall contain substantially the same information as required by law to be maintained for a warrant.

CHAPTER 145

An act to repeal the Solvang Municipal Improvement District Act (Chapter 1635 of the Statutes of 1951), relating to improvement districts.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988.]

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

SECTION 1. The Solvang Municipal Improvement District Act (Chapter 1635 of the Statutes of 1951) is repealed.

CHAPTER 146

An act to amend 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 June 9, 1988. Filed with Secretary of State June 9, 1988.]

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 amended 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, 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 1068.97 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 Canon 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 218.35 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 southwesterly 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 southwesterly 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 Beach 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.

CHAPTER 147

An act to amend Sections 1010, 1014, 1023, 1030, 1035, 1035.05, 1035.2, 1035.3, 1035.4, 1035.5, 1039.3, 1044, 1046, 1047, 1049, and 1050 of the Military and Veterans Code, relating to veterans and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 9, 1988. Filed with Secretary of State June 9, 1988.]

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

SECTION 1. Section 1010 of the Military and Veterans Code is amended to read:

1010. As used in this chapter:

(a) "Home" means the Veterans' Home of California.

(b) "Administrator" means the Administrator of the Veterans' Home of California.

(c) "Department" means the Department of Veterans Affairs.

(d) "Director" means the Director of Veterans Affairs.

(e) "Veteran" means a member of the home.

SEC. 2. Section 1014 of the Military and Veterans Code is amended to read:

1014. The home shall be under the management and control of the department and, subject to the policies adopted by the California Veterans Board and the direction of the director, shall be administered by the administrator.

SEC. 3. Section 1023 of the Military and Veterans Code is amended to read:

1023. (a) The department may sue and be sued in any of the courts of this state. All property held by the department for the home shall be held in trust for the state and for the use and benefit of the home. The administrator shall manage the home and administer its affairs, and, subject to the direction of the director, adopt rules and regulations for the government of the home in conformity as nearly as possible to the rules and regulations of the United States Veterans' Administration for their facilities.

(b) The Director of General Services may lease or let any real property held by the department for the home, and not needed for any direct or immediate purpose of the home, to any entity or person upon terms and conditions determined to be in the best interests of the home. In any leasing or letting, primary consideration shall be given to the use of real property for agricultural purposes, and all money received in connection therein shall be deposited in the General Fund to the credit of, and shall augment the current appropriation for the support of, the home.

SEC. 4. Section 1030 of the Military and Veterans Code is amended to read:

1030. The department shall report to the Governor before the

first day of January of each year stating all receipts and expenditures, the condition of the home, the number of veterans received and discharged during the preceding fiscal year, and any other matters touching upon the management, conduct, and interest of the home that the department determines to be proper, or which are required by the Governor.

The department shall also make any other reports which the Governor requires. All reports shall be verified by the director and shall be certified by the administrator.

SEC. 5. Section 1035 of the Military and Veterans Code is amended to read:

1035. (a) All moneys and other personal property of any veteran held by the home, or by its authority, or left by the veteran upon the premises of the home, shall, upon the death of the veteran, be held by the home in trust to be paid or delivered by the home upon proof determined to be proper to the administrator, directly and without probate, to the heirs of the veteran, except that the administrator may disburse funds of any deceased veteran for payment of funeral expenses or any obligation owed to the home, including the cost of any care rendered by the home in excess of the fees paid by the veteran to the home. Any funds of the deceased veteran representing the cost of care rendered by the home in excess of the fees paid by the veteran to the home shall be paid to the post fund.

This subdivision applies only to veterans becoming members of the home on or after January 1, 1984.

(b) All moneys and other personal property of any veteran held by the home, or by its authority, or left by the veteran upon the premises of the home, shall, upon the death of the veteran, be held by the home in trust to be paid or delivered by the home upon proof determined to be proper to the administrator, directly and without probate, to the spouse, children, grandchildren, or father or mother of the veteran, except that the administrator may disburse funds of any deceased veteran for payment of funeral expenses or any obligation owed to the home.

This subdivision applies only to veterans who have become members of the home prior to January 1, 1984.

SEC. 6. Section 1035.05 of the Military and Veterans Code is amended to read:

1035.05. (a) All moneys and other personal property of any veteran other than that described in Section 1035 shall, upon the death of the veteran, first be paid to the administrator for payment of funeral expenses or any obligation owed to the home remaining unpaid after the disbursement required by Section 1035 is completed; and second, in the absence of an heir or heirs or a will, pass and descend to and become the property of the home for credit to the post fund. If the total value of that property in the state over and above any amounts due the veteran for services in the armed forces of the United States or from any other employment does not exceed three thousand dollars ($3,000), the home may, without

procuring letters of administration, collect any money due the decedent, receive the property of the decedent, and have any evidences of interest, indebtedness, or right transferred to it upon furnishing the person, representative, corporation, official, or body owning the money, having custody of the property, or acting as registrar or transfer agent of the evidence of that interest, indebtedness, or right, with an affidavit showing the right of the home to receive the money or property or to have the evidences transferred. The receipt of the home shall constitute sufficient acquittance for any payment of money or delivery of property made pursuant to this section and shall fully discharge that person, representative, corporation, officer, or body from any further liability with reference thereto, without the necessity of inquiring into the truth of any of the facts stated in the affidavit. However, that payment or transfer does not preclude administration when necessary to enforce payment of the decedent's debts, and the administrator may, upon proof determined to be sufficient, pay the debts directly and without administration.

This subdivision applies only to veterans becoming members of the home on or after January 1, 1984.

(b) All moneys and other personal property of any veteran other than that described in Section 1035 shall, upon the death of the veteran, in the absence of a spouse, children, grandchildren, or father or mother, pass and descend to and become the property of the home for credit to the post fund. If the total value of that property in the State of California over and above any amounts due the veteran for services in the armed forces of the United States or from any other employment does not exceed three thousand dollars ($3,000), the home may, without procuring letters of administration or awaiting probate of any will, collect any money due the decedent, receive the property of the decedent and have any evidences of interest, indebtedness, or right transferred to it upon furnishing the person, representative, corporation, official, or body owning the money, having custody of the property, or acting as registrar or transfer agent of that evidence of interest, indebtedness, or right, with an affidavit showing the right of the home to receive the money or property or to have the evidences transferred. The receipt of the home shall constitute sufficient acquittance for any payment of money or delivery of property made pursuant to this section and shall fully discharge the person, representative, corporation, officer, or body from any further liability with reference thereto, without the necessity of inquiring into the truth of any of the facts stated in the affidavit. However, that payment or transfer does not preclude administration when necessary to enforce payment of the decedent's debts, and the administrator may, upon proof determined to be sufficient, pay the debts directly and without administration.

This subdivision applies only to veterans who have become members of the home prior to January 1, 1984.

SEC. 7. Section 1035.2 of the Military and Veterans Code is

amended to read:

1035.2. Any personal property held by the home pursuant to Section 1035 which the administrator determines to be of no substantial monetary value may be immediately delivered to any heir, devisee, or legatee under a will of the deceased veteran, or to any other interested person who makes application therefor, or if unclaimed within one year, may be destroyed or used, as the administrator directs, for the benefit of the home or its members.

SEC. 8. Section 1035.3 of the Military and Veterans Code is amended to read:

1035.3. (a) If no will or heir is discovered within two years after the death of the veteran, any moneys not exceeding three thousand dollars ($3,000) held by the home pursuant to Section 1035 and not paid or otherwise delivered to the heir or heirs or pursuant to the will of the deceased veteran, or otherwise disbursed by the administrator pursuant to Section 1035, shall be paid to the post fund.

If no will or heir is discovered within five years after the death of the veteran, any moneys exceeding three thousand dollars ($3,000) held by the home pursuant to Section 1035 and not paid or otherwise delivered to the heir or heirs or pursuant to the will of the deceased veteran, or otherwise disbursed by the administrator pursuant to Section 1035, shall be paid to the post fund.

This subdivision applies only to veterans becoming members of the home on or after January 1, 1984.

(b) If no spouse, child, grandchild, or father or mother is discovered within two years after the death of the veteran, any moneys not exceeding three thousand dollars ($3,000) held by the home pursuant to Section 1035 and not paid or otherwise delivered to the spouse, children, grandchildren, or father or mother, or otherwise disbursed by the administrator pursuant to Section 1035, shall be paid to the post fund.

If no spouse, child, grandchild, or father or mother is discovered within five years after the death of the veteran, any moneys exceeding three thousand dollars ($3,000) held by the home pursuant to Section 1035 and not paid or otherwise delivered to the spouse, children, grandchildren, or father or mother, or otherwise disbursed by the administrator pursuant to Section 1035, shall be paid to the post fund.

This subdivision applies only to veterans who have become members of the home prior to January 1, 1984.

SEC. 9. Section 1035.4 of the Military and Veterans Code is amended to read:

1035.4. (a) All personal property held or received by the home pursuant to Section 1035, other than moneys or property described in Section 1035.2, which is unclaimed by, or not otherwise delivered to, the heir or heirs or pursuant to the will of a deceased veteran within one year after death, may be sold by the administrator by public auction or private sale. The sale shall take place at a public place in the home, and notice of the sale shall be posted in that place

at least 10 days previous to the date of the sale. The proceeds of the sale shall be credited to the post fund.

This subdivision applies only to veterans becoming members of the home on or after January 1, 1984.

(b) All personal property held or received by the home pursuant to Section 1035, other than moneys or property described in Section 1035.2, which is unclaimed by, or not otherwise delivered to, the spouse, children, grandchildren, or father or mother of a deceased veteran within one year after death, may be sold by the administrator by public auction or private sale. The sale shall take place at a public place in the home, and notice of the sale shall be posted in that place at least 10 days previous to the date of the sale. The proceeds of the sale shall be credited to the post fund.

This subdivision applies only to veterans who have become members of the home prior to January 1, 1984.

SEC. 10. Section 1035.5 of the Military and Veterans Code is amended to read:

1035.5. (a) The administrator shall provide to the heirs or devisees of every deceased veteran who became a member of the home on or after January 1, 1984, a statement or accounting of all charges made against the veteran's money or personal property under Sections 1035 to 1035.4, inclusive.

(b) Every veteran applying for membership in the home on or after January 1, 1984, shall be furnished a written explanation of the limitations and restrictions on the right to dispose of money and personal property contained in Sections 1035 to 1035.4, inclusive.

SEC. 11. Section 1039.3 of the Military and Veterans Code is amended to read:

1039.3. The administrator, subject to the approval of the director, may accept cash donations or other gifts to be used for the welfare of the veterans. Cash shall be paid into such trust funds as the administrator may establish and shall be expended for promoting the welfare of the veterans and for the purpose designated by the donor.

SEC. 12. Section 1044 of the Military and Veterans Code is amended to read:

1044. The administrator, in accordance with the policies adopted by the California Veterans Board and subject to the direction of the director, may adopt rules and regulations governing the admission of applicants and may prescribe the conditions upon which they may enter and remain with the home.

SEC. 13. Section 1046 of the Military and Veterans Code is amended to read:

1046. (a) If it appears necessary or proper that a guardian or conservator of the estate of a veteran be appointed, the court in its discretion may, upon application of the administrator, or officer designated by the administrator, appoint the home as guardian or conservator of the veteran's estate and cause letters of guardianship or conservatorship of the estate to be issued to the home.

(b) For the purposes of this chapter, the home is a corporation

and, acting through an officer designated by the administrator, may act as guardian or conservator of estates, assignee, receiver, depositary, or trustee under appointment of any court or by authority of any law of this state and may transact business in that capacity in the same manner as an individual, and for this purpose may sue and be sued in any court of this state.

(c) The home shall be appointed as guardian, conservator, assignee, receiver, depositary, or trustee without bond. The home shall receive reasonable fees for its expenses for filing fees and attorneys' fees. The fees paid to the home may be used as a trust account from which may be drawn expenses for filing fees and attorneys' fees in all estates it undertakes to administer. Whenever the balance remaining in the trust account exceeds a sum determined to be necessary by the administrator for the payment of the filing fees and attorneys' fees incurred in the various estates, the excess shall be paid annually into the post fund of the home.

(d) The home, when acting as guardian or conservator of a veteran, may deposit the funds of the estate in the special deposit fund of the home, and may invest and reinvest the funds in securities which are legal investments for savings banks in this state.

SEC. 14. Section 1047 of the Military and Veterans Code is amended to read:

1047. The administrator shall maintain a post fund which shall be used, at the discretion of the administrator subject to the approval of the director, to provide for the general welfare of the home and its veterans, including, but not limited to, providing for operations of the Veterans' Home Exchange, motion picture theater, library, and band, and to pay for newspapers, chapel expenses, welfare and entertainment expenses, sport activities, celebrations, and any necessary insurance to protect property of the fund or the Veterans' Home Exchange, and any other activity for the benefit of the home or its members.

SEC. 15. Section 1049 of the Military and Veterans Code is amended to read:

1049. The post fund may be used to establish or operate a Veterans' Home Exchange which may conduct any lawful endeavor which, in the judgment of the administrator, will benefit the veterans. The administrator may establish the Veterans' Home Exchange to operate at a profit.

SEC. 16. Section 1050 of the Military and Veterans Code is amended to read:

1050. The Veterans' Home Allied Council, which is established pursuant to the constitution of the Allied Council, Veterans' Home of California, and which is composed of members of the home, is hereby recognized as an established advisory body to the administrator.

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 the statutory designation of the Administrator of the Veterans' Home of California, it is necessary that this act take effect immediately.

CHAPTER 148

An act to amend Sections 18904 and 18905, and to repeal Section 18907 of the Government Code, relating to state employees.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988]

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

SECTION 1. Section 18904 of the Government Code is amended to read:

18904. For each class there shall be maintained a separate departmental reemployment list within a given state agency, which shall consist of the names of persons on the general reemployment list but employed in that state agency at the time of separation. There shall also be maintained a separate subdivisional reemployment list within a given state agency which shall consist of the names of persons employed in a subdivision of a state agency at the time of separation if subdivisions for that state agency have been set up with the approval of the Department of Personnel Administration for layoff purposes.

SEC. 2. Section 18905 of the Government Code is amended to read:

18905. The order in which names appear on reemployment lists shall be determined by the relative order of the scores determined as for layoff in accordance with Section 19997.3 and Department of Personnel Administration rules.

SEC. 3. Section 18907 of the Government Code is repealed.

CHAPTER 149

An act to repeal Title 12 (commencing with Section 93000) of the Government Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1988 Filed with Secretary of State June 10, 1988.]

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

SECTION 1. This act shall be known as the California-Nevada Super Speed Ground Transportation Act.

SEC. 2. (a) It is found and declared that the passage of this act is a declaration of legislative intent that the States of California and Nevada jointly consider, and if justified, pursue the development of a super speed ground transportation system connecting southern California with southern Nevada.

(b) The system will serve the following public purposes:

(1) Provide economic benefits to both southern California and southern Nevada.

(2) Reduce reliance on gasoline and diesel fueled engines and encourage the use of alternative energy sources.

(3) Reduce congestion on Interstate 15 between southern California and Las Vegas.

(4) Provide a working example for a state-of-the-art transportation system that could play an essential role in the development of future commuter service in the Los Angeles basin and the Las Vegas valley.

(5) Provide quick and convenient transportation service for residents and visitors visiting in southern California and southern Nevada.

SEC. 3. As used in this act:

(a) "Commission" means the California-Nevada Super Speed Ground Transportation Commission.

(b) "Southern California" means the Counties of Los Angeles, Orange, Riverside, and San Bernardino.

(c) "Super Speed Ground Transportation System" means a system that is capable of speeds of at least 180 miles-per-hour and primarily carries passengers and operates on a grade separated, dedicated guideway.

SEC. 4. (a) There is created the California-Nevada Super Speed Ground Transportation Commission.

(b) The governing body of the commission shall be constituted as follows:

(1) California delegation:

(A) Four members appointed by the Governor of California who shall all be residents of southern California, at least one of whom shall be a resident of the County of Orange.

(B) Two members appointed by the Senate Committee on Rules, one of whom shall be a resident of the County of San Bernardino and one of whom shall be a resident of the County of Riverside.

(C) Two members appointed by the Speaker of the Assembly, at least one of whom shall be a resident of the County of Los Angeles.

(2) Nevada delegation of eight members appointed as required by Nevada law.

(3) The commission shall elect one of its members to be the chairperson.

(4) All commission members shall be appointed before June 1, 1988.

SEC. 5. (a) The commission may prepare a plan for the construction and operation of a super speed ground transportation system at no expense to the State of California principally following the route of Interstate Highway 15 between the City of Las Vegas, Nevada, and a point in southern California. The commission shall not include in the final plan any site for the western terminus unless the board of supervisors of the county of the proposed site after public hearings approves that site selection.

(b) The final plan shall be submitted to, and ratified by, the California Legislature, by statute, and the Nevada Legislature or Nevada Legislative Commission, as required by Nevada law, before the commission or a franchisee of the commission begins construction and obtains certificates and permits necessary for construction or use of public right-of-way.

(c) Subject to subdivisions (a) and (b), the commission may do any of the following:

(1) Conduct engineering and other studies related to the selection and acquisition of right-of-way and the selection of a franchisee, including, but not limited to, environmental impact studies, socioeconomic impact studies, and financial feasibility studies. All local, state, and federal environmental requirements shall be met by the commission.

(2) Evaluate alternative super speed rail technologies, systems, and operators, and select a franchisee to build and operate the super speed rail system between southern California and Las Vegas.

(3) Establish criteria for the award of a franchise.

(4) Accept grants, gifts, fees, and allocations from Nevada or its political subdivisions, the federal government, foreign governments, and any other private sources. There shall be no public cost to the State of California or any of its political subdivisions.

(5) Issue debt, but this debt shall not constitute an obligation of the States of California or Nevada, or any of their political subdivisions.

(6) Hire an executive officer, other staff, and any consultants deemed appropriate.

(7) Select a proposed franchisee, a proposed route, and proposed terminal sites.

(d) The commission shall incorporate under the nonprofit corporation laws of California. It shall have all the powers and duties of a nonprofit corporation under California law.

(e) All meetings of the commission shall be open to the public to the extent required by the law of the State of California or the State of Nevada, whichever imposes the greater requirement applicable to local governments at the time meetings are held.

(f) All members of the commission who are California-elected officials shall be subject to the provisions of the Political Reform Act (Title 9 (commencing with Section 81000) of the Government

Code).

SEC. 6. Title 12 (commencing with Section 93000) of the Government Code is repealed.

SEC. 7. Sections 1 to 5 of this act shall remain in effect only until January 1, 1992, and as of that date are repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

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 that a transportation plan can be developed between this state and the State of Nevada at the earliest possible time, so as to reduce congestion on Interstate 15 between Southern California and Las Vegas and provide several other benefits, it is necessary that this act take effect immediately.

CHAPTER 150

An act to add and repeal Section 20205.81 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988]

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

SECTION 1. Section 20205.81 is added to the Government Code, to read:

20205.81. (a) The board may maintain not more than 1 percent of the investment assets of the system, or five hundred million dollars ($500,000,000), whichever is less, in small business venture capital.

(b) The board shall annually submit to the Legislature on or before December 1, a report on the effectiveness of meeting the goal established by this section. This report shall include the percentage of funds invested in California firms.

(c) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1992, deletes or extends that date.

CHAPTER 151

An act to add Section 101.9 to the Streets and Highways Code, relating to highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 101.9 is added to the Streets and Highways Code, to read:

101.9. (a) The department shall adopt rules and regulations to allow, in rural areas, the placement, on interstate and primary highways near public exits, of guide signs indicating the existence, within one-half mile of that exit, of a fire station which is open 24 hours each day of the year.

(b) Upon the request of the Department of Forestry and Fire Protection or a city or county, the department may place and maintain the signs in accordance with the adopted rules and regulations. The department shall bear the costs of placing and maintaining the signs.

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

In order for the Department of Transportation to implement the public safety benefits of this act as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 152

An act relating to transportation.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. (a) The Department of Transportation shall prepare a study and present recommendations to the Legislature on ways to improve the efficiency of the environmental review process for state highway projects. The study shall focus on the ability of the department to eliminate time consuming layers of review and approval and shall consider, but not be limited to, the following areas of interest:

(1) Delegating authority for approving interim documents to

district management and to district coordinators who are knowledgeable of, and experienced in, the environmental review process.

(2) Establishing procedures to fully inform consultants and local agencies of the environmental process requirements before project development outside the department begins.

(3) Obtaining authority from the Federal Highway Administration for the state to approve environmental documents for federally funded projects, as specified in the National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.).

(b) The department shall complete its study and present its findings and recommendations to the California Transportation Commission for review and comment prior to presenting recommendations to the Legislature on ways to improve the efficiency of the environmental review process for state highway projects by January 1, 1990. The commission's comments shall be submitted with the report.

SEC. 2. The study prepared by the Department of Transportation pursuant to Section 1 of this act shall include any recommended changes deemed advisable by the department in the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and the National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.).

CHAPTER 153

An act to amend Sections 4606, 4721, 4800.9, and 4801.6 of, and to add Section 4704.5 to, the Civil Code, and to amend Section 674 of the Code of Civil Procedure, relating to family law.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 4606 of the Civil Code is amended to read:

4606. In any initial or subsequent proceeding under this part where there is in issue the custody of or visitation with a minor child, the court may, if it determines it would be in the best interests of the minor child, appoint private counsel to represent the interests of the minor child. When the court appoints counsel to represent the minor, counsel shall receive a reasonable sum for compensation and expenses, the amount of which shall be determined by the court. The amount shall be paid by the parties in the proportions as the court deems just.

SEC. 2. Section 4704.5 is added to the Civil Code, to read:

4704.5. The duty imposed by Section 196 shall continue to exist as

to any unmarried child who has attained the age of 18, is a full-time high school student, and resides with a parent, until such time as he or she completes the 12th grade or attains the age of 19, whichever first occurs. This obligation may be enforced in the manner described in Section 196a or by any manner described in this part.

This section does not apply to support agreements made or judgments entered before March 4, 1972. Nothing in this section shall be interpreted so as to limit a parent's ability to agree to provide additional support or to limit the court's power to inquire whether such an agreement has been made.

SEC. 3. Section 4721 of the Civil Code is amended to read:

4721. In determining the ability of parents to pay the mandatory minimum child support award and to calculate the actual monthly payments to be made by each parent, all of the following provisions apply:

(a) The annual gross income of each parent shall be determined and then adjusted to obtain the annual net disposable income. To determine and apportion the mandatory minimum child support award, as defined in Section 4722, the court shall also consider, to the extent consistent with the best interests of the child or children, the earning capacity of either or both parents. The annual gross income means income from whatever source derived, except as specified in subdivision (b), and includes, but is not limited to, all of the following:

(1) Income such as commissions, salaries, royalties, wages, bonuses, rents, dividends, pensions, interest, trust income, annuities, workers' compensation benefits, unemployment insurance benefits, disability insurance benefits, and spousal support actually received from a person not a party to the order.

(2) Income from the proprietorship of a business, such as gross receipts from the business reduced by expenditures required for the operation of the business.

(3) To the extent that income derived from paragraphs (1) and (2) is insufficient to produce a mandatory minimum child support award at the AFDC standard for the same number of children, upon the request of either party, the court may consider investment assets of either or both parties which could be liquidated. To determine and apportion the mandatory minimum child support award at the AFDC level, the court shall also consider, to the extent consistent with the best interests of all of the children, the earning capacity of either or both parents.

(b) Annual gross income shall not include any income derived from child support payments actually received and income derived from any public assistance program, eligibility for which is based on a determination of need.

(c) The annual net disposable income of each parent shall be computed by deducting from his or her annual gross income the actual amounts attributable only to the following items, after which the remainder shall be adjusted to reflect the monthly net disposable

income of each parent:

(1) The state and federal income taxes attributed to the parent. Federal and state income tax deductions shall bear an accurate relationship to the tax status of the parties (that is, single, married, married filing separately, or head of household) and number of dependents.

(2) Deductions attributed to the employee's contribution or the self-employed worker's contribution pursuant to the Federal Insurance Contributions Act (FICA), or an amount not to exceed that allowed under FICA for persons not subject to FICA, provided that the deducted amount is used to secure retirement or disability benefits for the parent.

(3) Deductions for mandatory union dues and retirement benefits, provided that they are required as a condition of employment.

(4) Deductions for health insurance premiums and state disability insurance premiums.

(5) Any child or spousal support actually being paid by the parent pursuant to a court order, to or for the benefit of any person who is not a subject of the award to be established by the court. In the absence of a court order, any child support actually being paid, not to exceed the amount established by the county support guidelines applicable in the county of the child's residence, for a natural or adopted child or children of the parent not residing in that parent's home, who is not the subject of the award to be established by the court, and for whom the parent has a duty of support.

(d) For the purposes of verifying total gross income and amounts allowed for deductions, copies of the parents' federal and state income tax returns for the previous two years, copies of present wage stubs, and any other relevant documents shall be subject to discovery by the parties. Further, the court may require copies of the parents' federal and state tax returns for the previous two years, copies of present wage stubs, and such other documentation as it may deem necessary, including a current income and expense declaration in the form prescribed by the Judicial Council for family law matters.

(e) For the purpose of determining the parent's annual gross income, in calculating the mandatory minimum child support award, the court shall not include any portion of the earned income and income derived from the separate property of the current spouse or the nonmarital partner of either parent. This requirement does not apply to a child support obligation arising from the marriage between the obligated parents.

(f) The court shall inquire of each party as to the total number of minor children he or she is legally obligated to support.

SEC. 4. Section 4800.9 of the Civil Code is amended to read:

4800.9. (a) Notwithstanding Section 4800, in any case in which the parties do not agree in writing to a voluntary division of the community property and quasi-community property of the parties, the issue of the character, the value, and the division of the property

may be submitted by the court to arbitration for resolution pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, if the total value of the community property in the opinion of the court does not exceed fifty thousand dollars ($50,000). The decision of the court as to the value of the community property for purposes of this section shall not be appealable.

(b) The court may submit the matter to arbitration at anytime it believes the parties are unable to agree upon a division of the property.

SEC. 5. Section 4801.6 of the Civil Code is amended to read:

4801.6. (a) In any proceeding where the court has ordered a party to pay any amount of spousal support to the other party, the court, upon a showing of good cause, may order the party required to make a payment of spousal support to assign to either the person to whom support has been ordered to have been paid or the county officer designated by the court to receive the payment, that portion of salary or wages of the party due or to be due in the future as will be sufficient to pay the amount ordered by the court for spousal support. The order shall operate as an assignment and shall be binding upon any existing or future employer of the party required to make the payment of spousal support upon whom a copy of the order is served. Any such order may be modified or revoked at any time by the court.

(b) (1) Notwithstanding the provisions of subdivision (a), in any proceeding where the court has ordered a party to pay spousal support to the other party, upon a petition signed under penalty of perjury by the person to whom support has been ordered to have been paid alleging that the party ordered to pay spousal support is in arrears in payment in a sum equal to the amount of one month of the payment within the 24-month period immediately preceding filing of the petition, the court, without notice to the defaulting party, shall order the defaulting party to assign either to the person to whom support has been ordered to have been paid or to a county officer designated by the court to receive the payment, that portion of the salary or wages of the party required to make the payment of spousal support as will be sufficient to pay the amount ordered by the court for spousal support.

Such an order shall operate as an assignment and shall be binding upon any existing or future employer of the party required to make a payment of spousal support upon whom a copy of the order is served.

The petition shall state the number of previous times a petition for assignment has been filed pursuant to this subdivision and the county in which any such petition was filed.

(2) No petition shall be accepted for filing pursuant to this subdivision unless it contains a declaration stating that the person to whom support has been ordered to be paid has given the person ordered to pay support a written notice of his or her intent to seek

a wage assignment in the event of a default in support payments and that the notice was transmitted by certified mail or personally served at least 15 days prior to the date of the filing of the petition. A written notice of intent to seek a wage assignment may be given at the time of the filing of the petition for disolution or at any time subsequent thereto. In addition to any other penalty provided by law, the filing of a petition with knowledge of the falsity of the declaration of notice is punishable as a contempt pursuant to Section 1209 of the Code of Civil Procedure. The person ordered to pay support may at any time waive the written notice required by this subdivision.

(3) The party to whom support has been ordered to be paid shall notify the court and the employer of the party ordered to pay spousal support, by any form of mail requiring a return receipt, of any change of address within a reasonable period of time after any such change. In instances in which payments have been ordered to be made to a county officer designated by the court, the party to whom spousal support has been ordered to be paid shall notify the court and the county officer, by any form of mail requiring a return receipt, of any address change within a reasonable period of time after any changes. If the employer or county officer is unable to deliver payments under the assignment for a period of three months due to the failure of the person to whom support has been ordered to be paid to notify the employer or county officer of a change of address, the employer or county officer shall not make any further payments under the assignment and shall return all undeliverable payments to the employee.

(4) An assignment order made pursuant to this subdivision shall not become effective until 10 days after service of the order on an employer.

(5) Within 10 days of service of an assignment order issued pursuant to this subdivision on an employer, the employer shall deliver a copy of the assignment order to the person ordered to pay support.

(6) A person alleged to be in default may move to quash an assignment order issued under this subdivision within 10 days after service on the person of notice of the assignment order by his or her employer if the person states under oath that a default in the amount alleged in the petition has not occurred within the 24-month period referred to in the petition or that the amount is not owed. The motion and notice of motion to quash the assignment order shall be filed with the court issuing the assignment order within 10 days after service on the person of notice of the order by the employer. The clerk of the court shall set the motion to quash for hearing within not less than 15 days, nor more than 20 days, after receipt of the notice of motion and shall mail to the petitioner at the return address contained in the petition a copy of the notice of motion by first-class mail within five days after receipt of the notice of motion.

(7) The employer shall continue to withhold and forward support as ordered by the court until served with notice that the motion to

quash under this subdivision has been granted.

(8) The due date of support payments under this subdivision shall be the date specifically stated in the order of support or if no date is stated in the support order, then it shall be the last day of the month in which the support payment is to be paid.

(9) For purposes of this subdivision, arrearages of payment shall be computed on the basis of the payments owed and unpaid on the date that the person ordered to pay support has been given notice of the order of assignment, and the fact that the person ordered to pay support may have subsequently paid the arrearages shall not relieve the court of its duty under this subdivision to order the assignment.

(10) Upon petition by the person ordered to pay support, the court shall terminate an order of assignment entered pursuant to this subdivision upon proof of full payment pursuant to the wage assignment for the appropriate period of time, as follows:

(A) An assignment pursuant to this subdivision pursuant to an initial petition shall continue until support payments are current.

(B) An assignment under this subdivision pursuant to a second petition filed within 24 months shall continue for 24 months.

(C) An assignment under this subdivision pursuant to a third or subsequent petition filed within 48 months shall not be terminated unless upon a petition by the person ordered to pay support the court determines that there is good cause to terminate the assignment.

Upon petition by the person ordered to pay support, the court shall terminate an order of assignment entered pursuant to this subdivision if the employer or county officer has been unable to deliver payments under the assignment for a period of three months due to the failure of the person to whom support has been ordered to be paid to notify the employer or county officer of a change of address.

(c) The Judicial Council shall prescribe forms for the orders for wage assignment required or authorized by this section. The employer may deduct from the salary or wages of the employee the sum of one dollar ($1) for each payment made pursuant to the order. Any such assignment made pursuant to court order shall have priority as against any attachment, execution, or other assignment, unless otherwise ordered by the court, with the exception of assignments made pursuant to Section 4701.

(d) The employer shall cooperate with, and provide relevant employment information to, the district attorney for the purpose of enforcing the spousal support obligation.

(e) No employer shall use any assignment authorized by this section as grounds for the dismissal of an employee.

(f) Orders for wage assignment required or authorized by the section shall include a requirement that the person ordered to pay support to the other party or other person designated to receive payment of any change of employment.

(g) As used in this section "employer" includes the United States

government and any public entity as defined in Section 811.2 of the Government Code.

(h) On declaration or affidavit of the party to whom spousal support has been ordered to be paid to the court that: (1) the party ordered to make a spousal support payment is in default in that payment in the amount specified in subdivision (b), and (2) the whereabouts of the defaulting party or the identity of his or her employer are unknown to the party to whom spousal support has been ordered to be paid, the district attorney shall contact the central registry maintained by the Department of Justice in the manner prescribed in Section 11478.5 of the Welfare and Institutions Code, and upon receiving the requested information, notify the court of the last known address of the absent party and the name and address of the absent party's last known employer. The court shall then order the party obligated to make spousal support payments to show cause why an order for assignment pursuant to subdivision (b) should not issue. The county may charge a reasonable fee not to exceed two dollars and fifty cents ($2.50) for the services of the district attorney under this subdivision.

(i) Nothing in this section shall limit or expand the authority of the district attorney to utilize any and all civil and criminal remedies to enforce spousal support obligations regardless of whether or not the party to be supported receives welfare moneys.

(j) This section applies to the money and benefits described in Sections 704.110 and 704.113 of the Code of Civil Procedure to the extent that those moneys and benefits are subject to a wage assignment for support under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(k) Notwithstanding any other provision of law, when a certified copy of any order of assignment is served on any public entity described in Section 704.110 of the Code of Civil Procedure other than the United States government, that entity shall comply with any request for a return of employee contributions by an employee named in the order by delivering the contributions to the clerk of the court from which the order issued, unless the entity has received a certified copy of an order terminating the order of assignment. Upon receipt of moneys pursuant to this section, the clerk of the court, within 10 days, shall send written notice of that fact to the parties, and any agency through whom payments have been ordered under Section 4801.7. The moneys shall be subject to any procedure available to enforce an order for spousal support, but if no enforcement procedure is commenced after 30 days have elapsed from the date the notice is sent, the clerk shall, upon request, return the moneys to the public entity that delivered the moneys to the court unless the public entity has informed the court in writing that the moneys shall be released to the defaulting party. A court shall not directly or indirectly condition the issuance, modification or termination of, or condition the terms or conditions of, any order for

spousal support upon the issuance of such a request by such an employee.

(*l*) The procedures specified in this section are applicable to any proceeding where the court has ordered a party to pay any amount for family support.

(m) This section shall become operative on January 1, 1987.

SEC. 6. Section 674 of the Code of Civil Procedure is amended to read:

674. (a) Except as otherwise provided in subdivision (b), an abstract of a judgment or decree requiring the payment of money shall be certified by the clerk of the court where the judgment or decree was entered and shall contain all of the following:

(1) The title of the court where the judgment or decree is entered and cause and number of the action.

(2) The date of entry of the judgment or decree and of any renewals of the judgment or decree and where entered in the records of the court.

(3) The name and last known address of the judgment debtor and the address at which the summons was either personally served or mailed to the judgment debtor or the judgment debtor's attorney of record.

(4) The name and address of the judgment creditor.

(5) The amount of the judgment or decree as entered or as last renewed.

(6) The social security number and driver's license number of the judgment debtor if they are known to the judgment creditor; and, if either or both of such numbers are not known to the judgment creditor, that fact shall be indicated on the abstract of judgment.

(7) Whether a stay of enforcement has been ordered by the court and, if so, the date the stay ends.

(8) The date of issuance of the abstract.

(b) An abstract of a judgment or decree ordering a party to pay spousal, child, or family support to the other party shall be certified by the clerk of the court where the judgment or decree was entered and shall contain all of the following:

(1) The title of the court where the judgment or decree is entered and the cause and number of the action.

(2) The date of entry of the judgment or decree and of any renewal of the judgment or decree.

(3) Where the judgment or decree and any renewals are entered in the records of the court.

(4) The name and last known address of the party ordered to pay support.

(5) The name and address of the party to whom support payments are ordered to be paid.

(6) The social security number, birth date, and driver's license number of the party ordered to pay support if they are known to the party to whom support payments are to be paid. If any of those numbers are not known to the party to whom support payments are

to be paid, that fact shall be indicated on the abstract of the court order.

(7) Whether a stay of enforcement has been ordered by the court and, if so, the date the stay ends.

(8) The date of issuance of the abstract.

(9) Any other information deemed reasonable and appropriate by the Judicial Council.

(c) The Judicial Council may develop a form for an abstract of a judgment or decree ordering a party to pay spousal, child, or family support to another party which contains the information required by subdivision (b).

CHAPTER 154

An act to amend Sections 11005, 11005.6, and 30462.1 of the Revenue and Taxation Code, to amend Section 2107.2 of the Streets and Highways Code, and to amend Section 38241 of the Vehicle Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 11005 of the Revenue and Taxation Code is amended to read:

11005. (a) After payment of refunds therefrom and after making the deductions authorized by Section 11003 and reserving the amount determined necessary by the Pooled Money Investment Board to meet the transfers ordered or proposed to be ordered pursuant to Section 16310 of the Government Code, 81.25 percent of the balance of all motor vehicle license fees and any other money appropriated by law for expenditure pursuant to this section and deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and remaining unexpended therein at the close of business on the last day of the calendar month shall be allocated by the Controller by the 10th day of the following month in the manner provided by subdivisions (c) and (d).

(b) Eighteen and three-quarters percent of the balance shall be allocated each month to counties and cities and counties, as follows: an amount for each county and city and county equal to the revenue received in the 1982–83 fiscal year pursuant to former Section 16111, subdivision (c) of former Section 16113, and former Section 16113.7 of the Government Code. These amounts shall be determined by the Controller with the concurrence of the Director of Finance. The Controller shall allocate any remaining amount determined pursuant to this subdivision to counties and cities and counties in the

proportion that the population of each county or city and county bears to the total population of all the counties and cities and counties of the state, as determined pursuant to subdivision (d).

(c) Fifty percent of the payments required by subdivision (a) shall be paid to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For the purpose of this subdivision, the population of each city or city and county is that determined by the last federal decennial or special census, or a subsequent census validated by the population research unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of a city incorporated subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the city. In the case of unincorporated territory being annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the annexed territory by the use of any federal decennial or special census, or estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of the consolidation of one city with another subsequent to the last federal census, or a subsequent census validated by the population research unit, the population of the consolidated city, for the purpose of this subdivision, is the aggregate population of the respective cities as determined by the last federal census, or a subsequent census or estimate validated by the population research unit.

(d) Fifty percent of the payments required by subdivision (a) shall be paid to the counties and cities and counties of the state in the proportion that the population of each county or city and county bears to the total population of all the counties and cities and counties of the state, as determined by the population research unit. For the purpose of this subdivision, the population of each county or city and county is that determined by the last federal census, or subsequent census validated by the population research unit, or as determined by Section 11005.6.

(e) Money disbursed by the Controller to cities and counties pursuant to this section may be used for county or city purposes and may, but need not necessarily, be used for purposes of general interest and benefit to the state.

(f) Population changes based on a federal or state special census validated by the Department of Finance shall be accepted by the Controller only if certified to him or her at the request of the Department of Finance. The request shall be made only if the census is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

SEC. 2. Section 11005.6 of the Revenue and Taxation Code is amended to read:

11005.6. Any city, county, or city and county may apply to the population research unit of the Department of Finance to estimate its population. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population. Such a certification may be made once each fiscal year.

All payments under Section 11005 for any allocation subsequent to the filing of the estimate shall be based upon the population so estimated until a subsequent certification is made by the Department of Finance or a subsequent federal decennial census is made.

Population changes based on a federal or state special census or estimate validated by the Department of Finance shall be accepted by the Controller only if certified to him or her at the request of the Department of Finance. The request shall be made only if the census or estimate is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city, county, or city and county applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 may be used for all purposes of this section unless a written request not to certify is received by the department from the city, city and county, or county within 25 days of completion of the estimate.

SEC. 3. Section 30462.1 of the Revenue and Taxation Code is amended to read:

30462.1. Any city may apply to the population research unit of the Department of Finance to estimate its population. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population. This certification may be made once each fiscal year.

All payments under subparagraph (B) of paragraph (3) of subdivision (b) of Section 30462 for any allocation subsequent to the filing of the estimate shall be based upon the population so estimated

until a subsequent certification is made by the Department of Finance or a subsequent federal decennial census is made.

Population changes based on a federal or state special census or estimate validated by the Department of Finance shall be accepted by the Controller only if certified to him or her at the request of the Department of Finance. The request shall be made only if the census or estimate is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 may be used for all purposes of this section unless a written request not to certify is received by the department from the city within 25 days of completion of the estimate.

SEC. 4. Section 2107.2 of the Streets and Highways Code is amended to read:

2107.2. Any city or city and county may apply to the population research unit of the Department of Finance to estimate its population or the population of any inhabited territory annexed to the city subsequent to the last federal or state census validated by the population research unit of the Department of Finance. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. The department may develop or contract for the development of additional information if, in the opinion of the department, additional information may make an estimate feasible. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population.

All apportionments under Section 2107 and all payments under Section 11005 of the Revenue and Taxation Code for any apportionment made beginning with the month following the filing of the estimate shall be based upon the population so estimated until a subsequent estimate is made by the department and a certified copy is filed with the Controller or a subsequent determination is made by the United States Bureau of the Census and a certified copy is filed by the city or city and county with the Controller as provided in Section 2107.1.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city or city and county applying therefor. The amount received

shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

No more than one estimate of its total population shall be filed each fiscal year for each city or city and county.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code may be used for all purposes of this section unless a written request not to certify is received by the department from the city or city and county within 25 days of completion of the estimate.

SEC. 5. Section 38241 of the Vehicle Code is amended to read:

38241. Any city, county, or city and county may apply to the population research unit of the Department of Finance to estimate its population. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population. This certification may be made once each fiscal year.

All payments under Section 38240 for any allocation subsequent to the filing of the estimate shall be based upon the population so estimated until a subsequent certification is made by the Department of Finance or a subsequent federal decennial census is made.

Population changes based on a federal or state special census or estimate validated by the Department of Finance shall be accepted by the Controller only if certified to him or her at the request of the Department of Finance. The request shall be made only if the census or estimate is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city, county or city and county applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code may be used for all purposes of this section unless a written request not to certify is received by the department from the city, city and county, or county within 25 days of completion of the estimate.

SEC. 6. Notwithstanding any other provision of law, during the 1987–88 fiscal year the Department of Finance may certify to the Controller, and the Controller shall accept, any updated population estimate or census for any city or county for which a previous certification was made during that fiscal year based on a request

made by the city or county during the period from July 1, 1987, to December 31, 1987, pursuant to existing law.

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

In order that this act apply to the 1987–88 population estimates used for calculating distribution of specified state subventions to cities, counties, and cities and counties, and to create a more equitable distribution of those subventions and effect a savings in state and local government administrative costs at the earliest possible time, it is necessary that this act go into immediate effect.

CHAPTER 155

An act to amend Section 24045.85 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor June 10, 1988 Filed with Secretary of State June 10, 1988]

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

SECTION 1. Section 24045.85 of the Business and Professions Code is amended to read:

24045.85. The department may issue a special on-sale beer and wine license to any symphony association organized as a nonprofit corporation more than 30 years before the date of application and which is exempt from the payment of income taxes under Section 23701d of the Revenue and Taxation Code and Section 501 (c) (3) of the Internal Revenue Code of 1954 of the United States.

A symphony association holding a license under this section may sell and serve alcoholic beverages only to persons attending concerts on the licensed premises. Sales of alcoholic beverages shall only be permitted, subject to Section 25631, during the period commencing two hours before the performance and ending one hour after the performance.

The applicant for a license shall accompany the application with an original fee of three hundred dollars ($300) and shall pay an annual renewal fee as provided in subdivision (23) of Section 23320.

Original licenses may be issued pursuant to this section until January 1, 1987; thereafter no new licenses shall be issued. Licenses originally issued pursuant to this section prior to January 1, 1987, may continue to be renewed annually by the holder thereof.

CHAPTER 156

An act to amend Section 53653 of the Government Code, relating to local agencies.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 53653 of the Government Code is amended to read:

53653. When in his or her discretion local conditions so warrant, the treasurer may waive security for the portion of any deposits as is insured pursuant to federal law, notwithstanding this article. For deposits equivalent to and not less than the maximum amount insured pursuant to federal law for which a treasurer has waived security under this section, a treasurer at his or her discretion may also waive security for the interest accrued on the deposits which, when added to the deposits, would cause the sum of the interest and deposits to exceed the maximum amount insured pursuant to federal law, provided that the interest is computed by the depository on the average daily balance of the deposits, paid monthly and computed on a 360-day basis.

CHAPTER 157

An act to amend Sections 5005, 5101, and 10003 of the Streets and Highways Code, relating to navigation improvements.

[Approved by Governor June 10, 1988 Filed with Secretary of State June 10, 1988]

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

SECTION 1. Section 5005 of the Streets and Highways Code is amended to read:

5005. "City" includes counties, cities, cities and counties and all corporations organized and existing for municipal purposes, together with resort districts organized and existing under the Resort Improvement District Law (Division 11 (commencing with Section 13000) of the Public Resources Code), and any special district organized for the purpose of aiding in the development or improvement of navigation or commerce to, or within, the district.

SEC. 2. Section 5101 of the Streets and Highways Code is amended to read:

5101. Whenever in the opinion of the legislative body the public interest or convenience may require, it may order the whole or any

portion, either in length or in width, of any one or more of the streets, places, public ways, or property, easements, or rights-of-way, or tidelands, or submerged lands owned by any city, or tidelands or submerged lands leased by the state to any city for the construction of improvements authorized by subdivision (g), open or dedicated to public use, and any property for which an order for possession prior to judgment has been obtained, to be improved by or have constructed therein, over, or thereon, either singly or in any combination thereof, any of the following:

(a) The grading or regrading, the paving or repaving, the planking or replanking, the macadamizing or remacadamizing, the graveling or regraveling, or the oiling or reoiling thereof.

(b) The construction or reconstruction of sidewalks, crosswalks, steps, safety zones, platforms, seats, statuary, fountains, parks and parkways, recreation areas, including all structures, buildings, and other facilities necessary to make parks and parkways and recreation areas useful for the purposes for which intended, culverts, bridges, curbs, gutters, tunnels, subways, or viaducts.

(c) Sanitary sewers or instrumentalities of sanitation, together with the necessary outlets, cesspools, manholes, catch basins, flush tanks, septic tanks, disposal plants, connecting sewers, ditches, drains, conduits, tunnels, channels, or other appurtenances.

(d) Drains, tunnels, sewers, conduits, culverts, and channels for drainage purposes; with necessary outlets, cesspools, manholes, catch basins, flush tanks, septic tanks, disposal plants, connecting sewers, ditches, drains, conduits, channels, and appurtenances.

(e) Poles, posts, wires, pipes, conduits, tunnels, lamps, and other suitable or necessary appliances for the purpose of lighting the streets, places, or public ways of any such city or property or rights-of-way owned by any such city, or for the purpose of furnishing electricity and electric service or telephone service to property within a city.

(f) Pipes, hydrants, and appliances for fire protection.

(g) Breakwaters, levees, bulkheads, groins, and walls of rock or other material to protect the streets, places, public ways, and other property in any such city, from overflow by water, or to prevent beach erosion or to promote accretion to beaches.

(h) Wells, pumps, dams, reservoirs, storage tanks, channels, tunnels, conduits, pipes, hydrants, meters, or other appurtenances for supplying or distributing a domestic water supply.

(i) Mains, services, pipes, fittings, valves, regulators, governors, meters, drips, drains, tanks, ditches, tunnels, conduits, channels, or other appurtenances for supplying or distributing a domestic or industrial gas supply.

(j) The construction or maintenance of bomb shelters or fallout shelters which are primarily designed to protect and shelter the population from conventional or nuclear bomb or missile warhead explosions, shellfire, radiation, and fallout in the event of an enemy attack.

(k) Retaining walls, embankments, buildings, and any other structures or facilities necessary or suitable in connection with any of the work mentioned in this section.

(*l*) The planting of trees, shrubs, or other ornamental vegetation.

(m) The construction, repairing, or improving of public mooring places for watercraft, channel improvements, and the building, repairing, and improving of wharves, piers, docks, slips, quays, moles, or other utilities, structures, and appliances necessary or convenient for the promotion or accommodation of commerce, navigation, and the protection of lands within the city, and for aiding and securing access to the waters of those lands to the people of the State of California, in the exercise of their rights to fish, or for the extension of public streets or places.

(n) Compaction of land, change of grade or contours, construction of caissons, retaining walls, drains, and other structures suitable for the purpose of stabilizing land.

(o) All other work which may be deemed necessary to improve the whole or any portion of those streets, places, public ways, property, easements, or rights-of-way owned by the city.

(p) All other work auxiliary to any of the above, which may be required to carry out the above.

SEC. 3. Section 10003 of the Streets and Highways Code is amended to read:

10003. "Municipality" and "city" include every city, city and county, or county, or other entity, public corporation, or agency authorized to operate under this division, including any special district organized for the purpose of aiding in the development or improvement of navigation or commerce to, or within, the district.

CHAPTER 158

An act to amend Section 11580.2 of the Insurance Code, relating to insurance.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 11580.2 of the Insurance Code is amended to read:

11580.2. (a) (1) No policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle, except for policies which provide insurance in the Republic of Mexico issued or delivered in this state by nonadmitted Mexican insurers, shall be issued or delivered in this state to the owner or operator of a motor vehicle, or shall be issued or delivered by any insurer licensed in this state upon any motor

vehicle then principally used or principally garaged in this state, unless the policy contains, or has added to it by endorsement, a provision with coverage limits at least equal to the limits specified in subdivision (m) and in no case less than the financial responsibility requirements specified in Section 16056 of the Vehicle Code insuring the insured, the insured's heirs or legal representative for all sums within such limits which he, she, or they, as the case may be, shall be legally entitled to recover as damages for bodily injury or wrongful death from the owner or operator of an uninsured motor vehicle. The insurer and any named insured, prior to or subsequent to the issuance or renewal of a policy, may, by agreement in writing, in the form specified in paragraph (2), delete the provision covering damage caused by an uninsured motor vehicle (1) completely, or (2) delete such coverage when a motor vehicle is operated by a natural person or persons designated by name, or agree to provide such coverage in an amount less than that required by subdivision (m) but not less than the financial responsibility requirements specified in Section 16056 of the Vehicle Code. Any such agreements by any named insured or agreement for the amount of coverage shall be binding upon every insured to whom the policy or endorsement provisions apply while the policy is in force, and shall continue to be so binding with respect to any continuation or renewal of the policy or with respect to any other policy which extends, changes, supersedes, or replaces the policy issued to the named insured by the same insurer, or with respect to reinstatement of the policy within 30 days of any lapse thereof. A policy shall be excluded from the application of this section if the only coverage with respect to the use of any motor vehicle is limited to the contingent liability arising out of the use of nonowned motor vehicles or if the automobile liability coverage is provided only on an excess or umbrella basis. Nothing in this section shall be construed to require that uninsured motorist coverage shall be offered or provided in any homeowner policy, personal and residents' liability policy, comprehensive personal liability policy, manufacturers' and contractors' policy, premises liability policy, special multiperil policy, or any other policy or endorsement where automobile liability coverage is offered as incidental to some other basic coverage, notwithstanding that the policy may provide automobile or motor vehicle liability coverage on insured premises or the ways immediately adjoining.

(2) The agreement specified in paragraph (1) shall be in the following form:

"The California Insurance Code requires an insurer to provide uninsured motorists coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Such section also permits the insurer and the applicant to delete such coverage completely or to delete such coverage when a motor vehicle is operated by a natural person or persons designated by name, or agree to provide such coverage in an amount less than that required by subdivision (m) of

Section 11580.2 of the Insurance Code, but not less than the financial responsibility requirements. Uninsured motorists coverage insures the insured, his or her heirs, or legal representatives for all sums within the limits established by law, which such person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to him or her from the owner or operator of an uninsured motor vehicle not owned or operated by the insured or a resident of the same household. An uninsured motor vehicle includes an underinsured motor vehicle as defined in subdivision (p) of Section 11580.2 of the Insurance Code."

The agreement may contain additional statements not in derogation of or in conflict with the foregoing. The execution of the agreement shall relieve the insurer of liability under this section while the agreement remains in effect.

(b) As used in (a) above, "bodily injury" includes sickness or disease, including death, resulting therefrom; the term "named insured" means only the individual or organization named in the declarations of the policy of motor vehicle bodily injury liability insurance referred to in (a) above; as used in (a) above if the named insured is an individual the term "insured" means the named insured and the spouse of the named insured and, while residents of the same household, relatives of either while occupants of a motor vehicle or otherwise, heirs and any other person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he or she is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement apply; as used in (a) above, if the named insured is an entity other than an individual, the term "insured" means any person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he or she is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement apply. As used in this subdivision, the word "individual" shall not include persons doing business as corporations, partnerships, or associations. The term "insured motor vehicle" means the motor vehicle described in the underlying insurance policy of which the uninsured motorist endorsement or coverage is a part, a temporary substitute automobile for which liability coverage is provided in the policy or a newly acquired automobile for which liability coverage is provided in the policy if the motor vehicle is used by the named insured or with his or her permission or consent, express or implied, and any other automobile not owned by or furnished for the regular use of the named insured or any resident of the same household, or by a natural person or persons for whom coverage has been deleted in accordance with subdivision (a) while being operated by the named insured or his or her spouse if a resident of the same household, but the term "insured motor vehicle" shall not include any automobile while used as a public or livery conveyance. As used in this section, the term "uninsured motor vehicle" means a motor vehicle with

respect to the ownership, maintenance or use of which there is no bodily injury liability insurance or bond applicable at the time of the accident, or there is such applicable insurance or bond but the company writing the same denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation, or an "underinsured motor vehicle" as defined in subdivision (p), or a motor vehicle used without the permission of the owner thereof if there is no bodily injury liability insurance or bond applicable at the time of the accident with respect to the owner or operator thereof, or the owner or operator thereof be unknown, provided that, with respect to an "uninsured motor vehicle" whose owner or operator is unknown:

(1) The bodily injury has arisen out of physical contact of the automobile with the insured or with an automobile which the insured is occupying.

(2) The insured or someone on his or her behalf shall have reported the accident within 24 hours to the police department of the city where the accident occurred or, if the accident occurred in unincorporated territory then either the sheriff of the county where the accident occurred or the local headquarters of the California Highway Patrol, and have filed with the insurer within 30 days thereafter a statement under oath that the insured or his or her legal representative has or the insured's heirs have a cause of action arising out of the accident for damages against a person or persons whose identity is unascertainable and set forth facts in support thereof. As used in this section, the term "uninsured motor vehicle" shall not include a motor vehicle owned or operated by the named insured or any resident of the same household or self-insured within the meaning of the Financial Responsibility Law of the state in which the motor vehicle is registered or which is owned by the United States of America, Canada, a state or political subdivision of any such government or an agency of any of the foregoing, or a land motor vehicle or trailer while located for use as a residence or premises and not as a vehicle, or any equipment or vehicle designed or modified for use primarily off public roads, except while actually upon public roads.

As used in this section, the term "uninsured motor vehicle" also means an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency. An insurer's solvency protection shall be applicable only to accidents occurring during a policy period in which its insured's motor vehicle coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one year of the accident. In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making the payment, shall to the extent thereof, be entitled to any proceeds which may be recoverable from the assets of the insolvent insurer through any settlement or judgment of the person against the

insolvent insurer.

Nothing in this section is intended to exclude from the definition of an uninsured motor vehicle any motorcycle or private passenger type four wheel drive motor vehicle if that vehicle was subject to and failed to comply with the Financial Responsibility Law of this state.

(c) The insurance coverage provided for in this section does not apply either as primary or as excess coverage to:

(1) To property damage sustained by the insured.

(2) To bodily injury of the insured while in or upon or while entering into or alighting from a motor vehicle other than the described motor vehicle if the owner thereof has insurance similar to that provided in this section.

(3) To bodily injury of the insured with respect to which the insured or his or her representative shall, without the written consent of the insurer, make any settlement with or prosecute to judgment any action against any person who may be legally liable therefor.

(4) In any instance where it would inure directly or indirectly to the benefit of any workers' compensation carrier or to any person qualified as a self-insurer under any workers' compensation law, or directly to the benefit of the United States, or any state or any political subdivision thereof.

(5) To establish proof of financial responsibility as provided in subdivisions (a), (b), and (c) of Section 16054 of the Vehicle Code.

(6) To bodily injury of the insured while occupying a motor vehicle owned by an insured or leased to an insured under a written contract for a period of six months or longer, unless the occupied vehicle is an insured motor vehicle. "Motor vehicle" as used in this paragraph means any self-propelled vehicle.

(7) To bodily injury of the insured when struck by a vehicle owned by an insured.

(8) To bodily injury of the insured while occupying a motor vehicle rented or leased to the insured for public or livery purposes.

(d) Subject to paragraph (2) of subdivision (c), the policy or endorsement may provide that if the insured has insurance available to the insured under more than one uninsured motorist coverage provision, any damages shall not be deemed to exceed the higher of the applicable limits of the respective coverages, and such damages shall be prorated between the applicable coverages as the limits of each coverage bear to the total of such limits.

(e) The policy or endorsement added thereto may provide that if the insured has valid and collectible automobile medical payment insurance available to him or her, the damages which the insured shall be entitled to recover from the owner or operator of an uninsured motor vehicle shall be reduced for purposes of uninsured motorist coverage by the amounts paid or due to be paid under the automobile medical payment insurance. This subdivision shall become operative on January 1, 1971.

(f) The policy or an endorsement added thereto shall provide that

the determination as to whether the insured shall be legally entitled to recover damages, and if so entitled, the amount thereof, shall be made by agreement between the insured and the insurer or, in the event of disagreement, by arbitration. The arbitration shall be conducted by a single neutral arbitrator. An award or a judgment confirming an award shall not be conclusive on any party in any action or proceeding between (i) the insured, his or her insurer, his or her legal representative, or his or her heirs and (ii) the uninsured motorist to recover damages arising out of the accident upon which the award is based. If the insured has or may have rights to benefits, other than nonoccupational disability benefits, under any workers' compensation law, the arbitrator shall not proceed with the arbitration until the insured's physical condition is stationary and ratable. In those cases in which the insured claims a permanent disability, the claims shall, unless good cause be shown, be adjudicated by award or settled by compromise and release before the arbitration may proceed. Any demand or petition for arbitration shall contain a declaration, under penalty of perjury, stating whether (i) the insured has a workers' compensation claim; (ii) the claim has proceeded to findings and award or settlement on all issues reasonably contemplated to be determined in that claim; and (iii) if not, what reasons amounting to good cause are grounds for the arbitration to proceed immediately. The arbitration shall be deemed to be a proceeding and the hearing before the arbitrator shall be deemed to be the trial of an issue therein for purposes of issuance of a subpoena by an attorney of a party to the arbitration under Section 1985 of the Code of Civil Procedure. The provisions of Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall be applicable to these determinations, and all rights, remedies, obligations, liabilities and procedures set forth in Article 3 shall be available to both the insured and the insurer at any time after the accident, both before and after the commencement of arbitration, if any, with the following limitations:

(1) Whenever in Article 3, reference is made to the court in which the action is pending, or provision is made for application to the court or obtaining leave of court or approval by the court, the court which shall have jurisdiction for the purposes of this section shall be the superior court of the State of California, in and for any county which is a proper county for the filing of a suit for bodily injury arising out of the accident, against the uninsured motorist, or any county specified in the policy or an endorsement added thereto as a proper county for arbitration or action thereon.

(2) Any such proper court to which application is first made by either the insured or the insurer under the provisions of Article 3 for any discovery or other relief or remedy, shall thereafter be the only court to which either of the parties shall make any applications under Article 3 with respect to the same accident, subject, however, to the right of the court to grant a change of venue after a hearing upon

notice, upon any of the grounds upon which change of venue might be granted in an action filed in the superior court.

(3) A deposition pursuant to the provisions of Section 2016 of the Code of Civil Procedure may be taken without leave of court, except that leave of court, granted with or without notice and for good cause shown, must be obtained if the notice of the taking of the deposition is served by either party within 20 days after the accident.

(4) The provisions of paragraph (4) of subdivision (a) of Section 2019 of the Code of Civil Procedure shall not be applicable to discovery under this section.

(5) For the purposes of discovery under this section, the insured and the insurer shall each be deemed to be "a party to the record of any civil action or proceedings," where that phrase is used in paragraph (2) of subdivision (b) of Section 2019 of the Code of Civil Procedure.

(6) Interrogatories under the provisions of Section 2030 of the Code of Civil Procedure and requests for admission under Section 2033 of the Code of Civil Procedure may be served by either the insured or the insurer upon the other at any time more than 20 days after the accident without leave of court.

(7) Nothing in this section shall be construed to limit the rights of any party to discovery in any action pending or which may hereafter be pending in any court.

(g) The insurer paying a claim under an uninsured motorist endorsement or coverage shall be entitled to be subrogated to the rights of the insured to whom such claim was paid against any person legally liable for such injury or death to the extent that payment was made. Such action may be brought within three years from the date that payment was made hereunder.

(h) An insured entitled to recovery under the uninsured motorist endorsement or coverage shall be reimbursed within the conditions stated herein without being required to sign any release or waiver of rights to which he or she may be entitled under any other insurance coverage applicable; nor shall payment under this section to such insured be delayed or made contingent upon the decisions as to liability or distribution of loss costs under other bodily injury liability insurance or any bond applicable to the accident. Any loss payable under the terms of the uninsured motorist endorsement or coverage to or for any person may be reduced:

(1) By the amount paid and the present value of all amounts payable to him or her, his or her executor, administrator, heirs, or legal representative under any workers' compensation law, exclusive of nonoccupational disability benefits.

(2) By the amount the insured is entitled to recover from any other person insured under the underlying liability insurance policy of which the uninsured motorist endorsement or coverage is a part, including any amounts tendered to the insured as advance payment on behalf of such other person by the insurer providing the underlying liability insurance.

(i) No cause of action shall accrue to the insured under any policy or endorsement provision issued pursuant to this section unless within one year from the date of the accident:

(1) Suit for bodily injury has been filed against the uninsured motorist, in a court of competent jurisdiction and notice of such suit has been given the insurer, or

(2) Agreement as to the amount due under the policy has been concluded, or

(3) The insured has formally instituted arbitration proceedings.

(j) Notwithstanding the provisions of subdivisions (b) and (i), in the event the accident occurs in any other state or foreign jurisdiction to which coverage is extended under the policy and the insurer of the tortfeasor becomes insolvent, any action authorized pursuant to the provisions of this section may be maintained within three months of the insolvency of the tortfeasor's insurer, but in no event later than the pertinent period of limitation of the jurisdiction in which the accident occurred.

(k) Notwithstanding the provisions of subdivision (i), any insurer whose insured has made a claim under his or her uninsured motorist coverage, and such claim is pending, shall, at least 30 days before the expiration of the applicable statute of limitation, notify its insured in writing of the statute of limitation applicable to the injury or death. Failure of the insurer to provide the written notice shall operate to toll any applicable statute of limitation or other time limitation for a period of 30 days from the date the written notice is actually given. The notice shall not be required if the insurer has received notice that the insured is represented by an attorney.

(*l*) As used in subdivision (b), "public or livery conveyance," or terms of similar import, shall not include the operation or use of a motor vehicle by the named insured in the performance of volunteer services for a nonprofit charitable organization or governmental agency by providing social service transportation as defined in subdivision (f) of Section 11580.1. This subdivision shall apply only to policies of insurance issued, amended, or renewed on or after January 1, 1976.

(m) Coverage provided under an uninsured motorist endorsement or coverage shall be offered with coverage limits equal to the limits of liability for bodily injury in the underlying policy of insurance, but shall not be required to be offered with limits in excess of the following amounts:

(1) A limit of thirty thousand dollars ($30,000) because of bodily injury to or death of one person in any one accident.

(2) Subject to the limit for one person set forth in paragraph (1), a limit of sixty thousand dollars ($60,000) because of bodily injury to or death of two or more persons in any one accident.

(n) Underinsured motorist coverage shall be offered with limits equal to the limits of liability for the insured's uninsured motorist limits in the underlying policy, and may be offered with limits in excess of such uninsured motorist coverage. For the purposes of this

section, uninsured and underinsured motorist coverage shall be offered as a single coverage. However, an insurer may offer coverage for damages for bodily injury or wrongful death from the owner or operator of an underinsured motor vehicle at greater limits than an uninsured motor vehicle.

(o) If an insured has failed to provide an insurer with wage loss information or medical treatment record releases within 15 days of the insurer's request or has failed to submit to a medical examination arranged by the insurer within 20 days of the insurer's request, the insurer may, at any time prior to 30 days before the actual arbitration proceedings commence, request, and the insured shall furnish, wage loss information or medical treatment record releases, and the insurer may require the insured, except during periods of hospitalization, to make himself or herself available for a medical examination. The wage loss information or medical treatment record releases shall be submitted by the insured within 10 days of request and the medical examination shall be arranged by the insurer no sooner than 10 days after request, unless the insured agrees to an earlier examination date, and not later than 20 days after the request. If the insured fails to comply with the requirements of this subdivision, the actual arbitration proceedings shall be stayed for at least 30 days following compliance by the insured. The proceedings shall be scheduled as soon as practicable following expiration of the 30-day period.

(p) This subdivision applies only when bodily injury, as defined in subdivision (b), is caused by an underinsured motor vehicle. If the provisions of this subdivision conflict with subdivisions (a) through (o), the provisions of this subdivision shall prevail.

(1) As used in this subdivision, "an insured motor vehicle" is one that is insured under a motor vehicle liability policy, or automobile liability insurance policy, self-insured, or for which a cash deposit or bond has been posted to satisfy a financial responsibility law.

(2) "Underinsured motor vehicle" means a motor vehicle that is an insured motor vehicle but insured for an amount that is less than the uninsured motorist limits carried on the motor vehicle of the injured person.

(3) This coverage does not apply to any bodily injury until the limits of bodily injury liability policies applicable to all insured motor vehicles causing the injury have been exhausted by payment of judgments or settlements, and proof of such is submitted to the insurer providing the underinsured motorist coverage.

(4) When bodily injury is caused by one or more motor vehicles, whether insured, underinsured, or uninsured, the maximum liability of the insurer providing the underinsured motorist coverage shall not exceed the insured's underinsured motorist coverage limits, less the amount paid to the insured by or for any person or organization that may be held legally liable for the injury.

(5) The insurer paying a claim under this subdivision shall, to the extent of such payment, be entitled to reimbursement or credit in

the amount received by the insured from the owner or operator of the underinsured motor vehicle or the insurer of such owner or operator.

(6) If the insured brings an action against the owner or operator of an underinsured motor vehicle, he or she shall forthwith give to the insurer providing the underinsured motorist coverage a copy of the complaint by personal service or certified mail. All pleadings and depositions shall be made available for copying or copies furnished the insurer, at the insurer's expense, within a reasonable time.

(7) Underinsured motorist coverage shall be included in all policies of bodily injury liability insurance providing uninsured motorist coverage issued or renewed on or after July 1, 1985. Notwithstanding this section, an agreement to delete uninsured motorist coverage completely, or with respect to a person or persons designated by name, executed prior to July 1, 1985, shall remain in full force and effect.

(q) Regardless of the number of vehicles involved whether insured or not, persons covered, claims made, premiums paid or the number of premiums shown on the policy, in no event shall the limit of liability for two or more motor vehicles or two or more policies be added together, combined, or stacked to determine the limit of insurance coverage available to injured persons.

CHAPTER 159

An act to add Section 4355.6 to the Civil Code, relating to family law.

[Approved by Governor June 10, 1988 Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 4355.6 is added to the Civil Code, to read:

4355.6. In a hearing on an order to show cause, or on a modification thereof, or in a hearing on a motion, other than for contempt, the responding party may seek affirmative relief alternative to that requested by the moving party, on the same issues raised by the moving party, by filing a responsive declaration within the time set by statute or rules of court.

CHAPTER 160

An act to amend Sections 6736.1, 7085.5, 10177, 17577.2, 19022, and 22444 of, to amend and renumber Sections 6032, 19549.9, and 24045.10 of, to amend and renumber the heading of Chapter 8 (commencing with Section 18600) of Division 8 of, and to repeal Section 22454 of, the Business and Professions Code, to amend Sections 1799.99 and 3294 of, and to amend the headings of Division First (commencing with Section 25), Division Second (commencing with Section 654), Division Third (commencing with Section 1427), and Division Fourth (commencing with Section 3274) of, the Civil Code, to amend Sections 1013a, 2017, and 2025 of the Code of Civil Procedure, to amend Section 42923 of, to amend and renumber Sections 51770, 54965, and 67175 of, to amend and renumber the headings of Article 7.3 (commencing with Section 51775) of Chapter 5 of Part 28 of, Article 2.5 (commencing with Section 52130) of Chapter 7 of Part 28 of, and Article 5 (commencing with Section 92650) of Chapter 6 of Part 57 of, to add Article 4 (commencing with Section 39180) to Chapter 2 of Part 23 of, to repeal Article 4 (commencing with Section 39170) of Chapter 2 of Part 23 of, to repeal the heading of Article 2 (commencing with Section 56430) of Chapter 4.4 of Part 30 of, and to repeal Chapter 2 (commencing with Section 99100) of Part 65 of, the Education Code, to amend Sections 3520, 3795, 5025, 5215, 5330, 10228.1, and 14821 of the Elections Code, to amend Section 18357 of the Financial Code, to amend Section 3950 of, to amend and renumber the heading of Article 3 (commencing with Section 7360) of Chapter 2 of Part 2 of Division 6 of, and to add Section 3950 to, the Fish and Game Code, to amend Sections 221, 33519, 77059, and 77194 of, to amend the heading of Chapter 1 (commencing with Section 24501) of Part 1 of Division 12 of, to add Article 40 (commencing with Section 38891) to Chapter 5 of Part 3 of Division 15 of, and to repeal Article 40 (commencing with Section 39991) of Chapter 5 of Part 3 of Division 15 of, the Food and Agricultural Code, to amend Sections 811.6, 3540, 3541.3, 3544.1, 3544.7, 3548.2, 4216, 6103.2, 12805, 15364.74, 16366.9, 17004.6, 20017.98, 26256, 26261, 31726, 65996, 73360, 74131, and 77002 of, to amend and renumber Sections 53080, 54994.2, 61765.12, and 82048.5 of, to amend and renumber the heading of Title 7.8 (commencing with Section 68055) of, to repeal Section 15819.20 of, to repeal Chapter 12 (commencing with Section 76000) of Title 8 of, and to repeal the heading of Chapter 2 (commencing with Section 68055) of Title 7.8 of, the Government Code, to amend Section 654.5 of the Harbors and Navigation Code, to amend Sections 1268.5, 1336.2, 1343, 1437, 1502, 1575.3, 1575.4, 1599.84, 1728.2, 1728.3, 25158, 25534, 26594.3, 44031, and 50748.1 of, to amend and renumber Sections 199.27, 1170, 1171, 1172, 1173, 1367.4, 1596.889, 1596.891, 1597.11, 11811.5, 25122.55, and 40715 of, to amend and renumber the headings of Chapter 3.3 (commencing with Section 1568.10), Chapter 3.3 (commencing with Section 1569), and Chapter 3.2 (commencing with Section 1570) of Division 2 of, and the heading

of Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of, to add Division 2.3 (commencing with Section 1795) to, and Article 13 (commencing with Section 25249.100) to Chapter 6.5 of Division 20 of, to add headings to Article 3.5 (commencing with Section 4636) of Chapter 1 of Part 3 of Division 5 and Article 1 (commencing with Section 11960) of Chapter 2 of Part 3 of Division 10.5 of, to repeal Sections 27537.5 and 43156 of, and to repeal Article 13 (commencing with Section 25250) of Chapter 6.5 of Division 20 of, and Chapter 6.7 (commencing with Section 25250) of Division 20 of, the Health and Safety Code, to amend Sections 10121, 10369.5, and 10369.6, of, and to repeal Section 12760 of, the Insurance Code, to amend Sections 1733, 1812, and 3800 of the Labor Code, to amend Section 1191 of the Military and Veterans Code, to amend Sections 241, 723, 853.6, 1001.16, 1203.055, 1208, 1334.2, 1463.9, 2046.6, 2680, 3704.5, 4011.6, 4852.03, 5005, 5061, 5076.2, and 6352 of, and to amend the heading of Chapter 11 (commencing with Section 258) of Title 8 of Part 1 of, the Penal Code, to amend Section 1043 of the Probate Code, to repeal Section 20128.5 of the Public Contract Code, to amend Sections 700, 701, 712, 4003, 4004, 25531, and 26022 of, to amend the heading of Chapter 2.5 (commencing with Section 700) of Division 1 of, to amend and renumber the headings of Division 16 (commencing with Section 26400) and Chapter 4 (commencing with Section 32200) of Division 22 of, to add Chapter 7.7 (commencing with Section 25678) to Division 15 of, to repeal Sections 21167.6 and 30170.7 of, and to repeal Chapter 7.6 (commencing with Section 25675) of Division 15 of, the Public Resources Code, to amend Sections 310 and 311 of, and to amend and renumber the headings of Division 12.5 (commencing with Section 132000) and Division 15 (commencing with Section 150000) of, the Public Utilities Code, to amend Sections 65, 69.5, 99, 6203, and 25110 of, to amend the heading of Article 1 (commencing with Section 19251) of Chapter 21 of Part 10 of Division 2 of, to amend and renumber Sections 26073a, 26073b, 26073c, and 26073d of, to amend and renumber the heading of Chapter 11.7 (commencing with Section 24591) of Part 11 of Division 2 of, to repeal Sections 6007.5, 32177.5, and 44187 of, and to repeal the headings of Article 3.5 (commencing with Section 2250) of, and Article 3.6 (commencing with Section 2256) of, Chapter 3 of Part 4 of Division 1 of, the Revenue and Taxation Code, to amend Section 3114 of the Streets and Highways Code, to amend and renumber Sections 22651.7 and 42001.9 of, to add and repeal Article 5 (commencing with Section 23249.50) of Chapter 12 of Division 11 of, and to repeal Article 4 (commencing with Section 23240) of Chapter 12 of Division 11 of, the Vehicle Code, to amend Section 37155.1 of the Water Code, and to amend Sections 1767.3, 5467, 10850.1, 11320.2, 16121, and 16122 of, to amend and renumber Sections 9400, 12302.2, and 16144.3 of, to repeal Section 11002.5 of, and to repeal the heading of Article 2.5 (commencing with Section 15060) of Chapter 9 of Part 3 of Division 9 of, the Welfare and Institutions Code, relating to the maintenance of the codes.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 6032 of the Business and Professions Code, as added by Chapter 557 of the Statutes of 1987, is amended and renumbered to read:

6033. (a) The board shall conduct a scientifically valid survey of a representative sample of the active membership for the purpose of compiling data on the subject of legal malpractice insurance.

Members shall fully and truthfully complete the survey or be subject to those discipline measures prescribed by the board. Survey responses shall be confidential.

(b) The board shall submit a final report on the results of the survey to the Legislature on or before December 15, 1987.

(c) For the 1988–89 fiscal year, the board may increase the annual membership fee fixed by subdivision (a) of Section 6140 by an additional amount not to exceed one dollar ($1). This additional amount shall only be applied for costs incurred by the board in complying with the requirements of this section.

SEC. 2. Section 6736.1 of the Business and Professions Code is amended to read:

6736.1. (a) On or after July 1, 1984, no person shall use the title, "soil engineer," unless he or she is a registered civil engineer in this state and he or she has been found qualified as a soil engineer according to the rules and regulations established for soil engineers by the board. Any registered civil engineer using the title "soil engineer" on or before July 1, 1984, may, for a period of two years, continue to use the title "soil engineer." On and after July 1, 1986, no person may use the title "soil engineer," "soils engineer," or "geotechnical engineer," unless he or she files an application to use the appropriate title with the board and the board determines the applicant is qualified to use the requested title.

(b) The board shall establish qualifications and standards to use the title "soil engineer," "soils engineer," or "geotechnical engineer." However, each applicant shall demonstrate a minimum of four years qualifying experience beyond that required for registration as a civil engineer, and shall pass the examination specified by the board.

(c) In determining the qualifications and standards for qualification of individual applicants to use the title "soil engineer," "soils engineer," and "geotechnical engineer" the board shall utilize a Technical Advisory Committee appointed by the board. The Technical Advisory Committee shall be comprised of soil engineers, soils engineers, and geotechnical engineers, and at least one registered civil engineer who does not hold a soils authority.

(d) For purposes of this section, "qualifying experience" means proof of responsible charge of soil engineering projects in at least 50

percent of the major areas of soil engineering, as determined by the board.

(e) Nothing contained in this chapter requires existing references to "soil engineering," "soils engineering," "geotechnical engineering," "soil engineer," "soils engineer," or "geotechnical engineer," in local agency ordinances, building codes, regulations, or policies, to mean that those activities or persons must be registered or authorized to use the relevant title or authority.

SEC. 3. Section 7085.5 of the Business and Professions Code is amended to read:

7085.5. Arbitrations of disputes arising out of cases filed with or by the board shall be conducted in accordance with the following rules:

(a) All "agreements to arbitrate" shall include the names, addresses, and telephone numbers of the parties to the dispute, the issue in dispute, and the amount in dollars or any other remedy sought. The appropriate fee shall be paid by the board from the Contractors' License Fund.

(b) The board or appointed arbitration association shall appoint an arbitrator in the following manner: immediately after the filing of the agreement to arbitrate, the board or appointed arbitration association shall submit simultaneously to each party to the dispute, an identical list of names of persons chosen from the panel. Each party to the dispute shall have seven days from the mailing date in which to cross off any names to which it objects, number the remaining names to indicate the order of preference, and return the list to the board or appointed arbitration association. If a party does not return the list within the time specified, all persons named in the list are acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the board or appointed arbitration association shall appoint an arbitrator to serve. If the parties fail to agree on any of the parties named, if acceptable arbitrators are unable to act, or if, for any other reason, the appointment cannot be made from the submitted lists, the board or appointed arbitration association shall have the power to make the appointment from among other members of the panel without the submission of any additional lists. Each dispute shall be heard and determined by one arbitrator unless the board or appointed arbitration association, in its discretion, directs that a greater number of arbitrators be appointed.

(c) No person shall serve as an arbitrator in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Prior to accepting an appointment, the prospective arbitrator shall disclose any circumstances likely to prevent a prompt hearing or to create a presumption of bias. Upon receipt of that information, the board or appointed arbitration association shall immediately replace the arbitrator or communicate the information to the parties for their comments. Thereafter, the board or appointed arbitration association shall determine whether

the arbitrator should be disqualified and shall inform the parties of its decision, which shall be conclusive.

(d) The board or appointed arbitration association may appoint another arbitrator if a vacancy occurs, or if an appointed arbitrator is unable to serve in a timely manner.

(e) The board or appointed arbitration association shall provide the parties with a list of the times and dates, and locations of the hearing to be held. The parties shall notify the arbitrator, within seven calendar days of the mailing of the list, of the times and dates convenient to each party. If the parties fail to respond to the arbitrator within the seven-day period, the arbitrator shall fix the time, place, and location of the hearing. An arbitrator may, at the arbitrator's sole discretion, make an inspection of the construction site which is the subject of the arbitration. The arbitrator shall notify the parties of the time and date set for the inspection. Any party who so desires may be present at the inspection.

(f) Any person having a direct interest in the arbitration is entitled to attend the hearing. The arbitrator shall otherwise have the power to require the exclusion of any witness, other than a party or other essential person, during the testimony of any other witness. It shall be discretionary with the arbitrator to determine the propriety of the attendance of any other person.

(g) Hearings shall be adjourned by the arbitrator only for good cause.

(h) A record is not required to be taken of the proceedings. However, any party to the proceeding may have a record made at its own expense. The parties may make appropriate notes of the proceedings.

(i) The hearing shall be conducted by the arbitrator in any manner which will permit full and expeditious presentation of the case by both parties. Consistent with the expedited nature of arbitration, the arbitrator shall establish the extent of, and schedule for, the protection of relevant documents and other information, the identification of any witnesses to be called, and a schedule for any hearings to elicit facts solely within the knowledge of one party. The complaining party shall present its claims, proofs, and witnesses, who shall submit to questions or other examination. The defending party shall then present its defenses, proofs, and witnesses, who shall submit to questions or other examination. The arbitrator has discretion to vary this procedure but shall afford full and equal opportunity to the parties for the presentation of any material or relevant proofs.

(j) The arbitration may proceed in the absence of any party who, after due notice, fails to be present. The arbitrator shall require the attending party to submit supporting evidence in order to make an award. An award shall not be made solely on the default of a party.

(k) The arbitrator shall be the sole judge of the relevancy and materiality of the evidence offered and conformity to legal rules of evidence shall not be required.

(*l*) The arbitrator may receive and consider documentary evidence. Documents to be considered by the arbitrator may be submitted prior to the hearing. However, a copy shall be simultaneously transmitted to all other parties and to the board or appointed arbitration association for transmittal to the arbitrator or board appointed arbitrator.

(m) The arbitrator shall specifically inquire of the parties whether they have any further proofs to offer or witnesses to be heard. Upon receiving negative replies, the arbitrator shall declare the hearing closed and minutes thereof shall be recorded. If briefs are to be filed, the hearing shall be declared closed as of the final date set by the arbitrator for the receipt of briefs. If documents are to be filed as requested by the arbitrator and the date set for their receipt is later than that set for the receipt of briefs, the later date shall be the date of closing the hearings. The time limit within which the arbitrator is required to make the award shall commence to run, in the absence of other agreements by the parties, upon the closing of the hearings.

(n) The hearing may be reopened on the arbitrator's own motion. The arbitrator shall have 30 calendar days from the closing of the reopened hearing within which to make an award.

(o) Any party who proceeds with the arbitration after knowledge that any provision or requirement of these rules has not been complied with, and who fails to state his or her objections to the arbitrator in writing, within 10 calendar days of close of hearing, shall be deemed to have waived his or her right to object.

(p) Any papers or process necessary or proper for the initiation or continuation of an arbitration under these rules and for any court action in connection therewith, or for the entry of judgment on an award made thereunder, may be served upon any party (1) by regular mail addressed to that party or his or her attorney at the parties' last known addresses, or (2) by personal service.

(q) The award shall be made promptly by the arbitrator, and unless otherwise agreed by the parties, no later than 30 calendar days from the date of closing the hearing, or if oral hearing has been waived, from the date of transmitting the final statements and proofs to the arbitrator.

The arbitrator may for good cause extend any period of time established by these rules, except the time for making the award. The arbitrator shall notify the parties of any extension and the reason therefor.

(r) The arbitrator may grant any remedy or relief which the arbitrator deems just and equitable and within the scope of the board's referral and the requirements of the board including, but not limited to, specific performance of a contract. The arbitrator, in his or her sole discretion, may award costs or expenses.

(s) The award shall become final 30 calendar days from the date the arbitration award is issued. The arbitrator, upon written application of a party to the arbitration, may correct the award upon the following grounds:

(1) There was an evident miscalculation of figures or an evident mistake in the description of any person, things, or property referred to in the award.

(2) There is any other clerical error in the award, not affecting the merits of the controversy.

An application for correction of the award shall be made within 10 calendar days of the date of service of the award by serving a copy of the application on the arbitrator, and all other parties to the arbitration. Any party to the arbitration may make a written objection to the application for correction by serving a copy of the written objection on the arbitrator, the board, and all other parties to the arbitration, within 10 calendar days of the date of service of the application for correction.

The arbitrator shall either deny the application or correct the award within 30 calendar days of the date of service of the original award by mailing a copy of the denial or correction to all parties to the arbitration. Any appeal from the denial or correction shall be filed with a court of competent jurisdiction and a true copy thereof shall be filed with the arbitrator or appointed arbitration association within 30 calendar days of the issuance of the award, before the award becomes final. The award shall be in writing, and shall be signed by the arbitrator or a majority of them. If no appeal is filed within the 30 calendar day period, it shall become a final order of the registrar.

(t) Service of the award by certified mail shall be effective if a certified letter containing the award, or a true copy thereof, is mailed by the arbitrator or arbitration association to each party or to a party's attorney of record at their last known address, address of record, or by personally serving any party. Service may be proved in the manner authorized in civil actions.

(u) The expenses of witnesses, expert witnesses, or reports for either side shall be paid by the party producing the witnesses or reports. The registrar shall advise the parties that names of industry experts may be obtained by requesting this information from the registrar.

(v) The arbitrator shall interpret and apply these rules insofar as they relate to his or her powers and duties.

(w) The following shall apply as to court procedure and exclusion of liability:

(1) The board, the appointed arbitration association, or any arbitrator in a proceeding under these rules is not a necessary party in judicial proceedings relating to the arbitration.

(2) Parties to these rules shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(3) The board, the appointed arbitration association, or any arbitrator is not liable to any party for any act or omission in connection with any arbitration conducted under these rules.

SEC. 4. Section 10177 of the Business and Professions Code is

amended to read:

10177. The commissioner may suspend or revoke the license of any real estate licensee, or may deny the issuance of a license to an applicant, who has done any of the following:

(a) Procured, or attempted to procure, a real estate license or license renewal, for himself or herself or any salesperson, by fraud, misrepresentation or deceit, or by making any material misstatement of fact in an application for a real estate license, license renewal or reinstatement.

(b) Entered a plea of guilty or nolo contendere to, or been found guilty of, or been convicted of, a felony or a crime involving moral turpitude, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, irrespective of an order granting probation following that conviction, suspending the imposition of sentence, or of a subsequent order under Section 1203.4 of the Penal Code allowing that licensee to withdraw his or her plea of guilty and to enter a plea of not guilty, or dismissing the accusation or information.

(c) Knowingly authorized, directed, connived at, or aided in, the publication, advertisement, distribution, or circulation of any material false statement or representation concerning his or her business, or any business opportunity or any land or subdivision (as defined in Chapter 1 (commencing with Section 11000) of Part 2) offered for sale.

(d) Willfully disregarded or violated any of the provisions of the Real Estate Law (Part 1 (commencing with Section 10000)) or of Chapter 1 (commencing with Section 11000) of Part 2 or of the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

(e) Willfully used the term "realtor" or any trade name or insignia of membership in any real estate organization of which the licensee is not a member.

(f) Acted or conducted himself or herself in a manner which would have warranted the denial of his or her application for a real estate license, or has either had a license denied or a license issued by another agency of this state, another state, or the federal government, revoked or suspended for acts which if done by a real estate licensee would be grounds for the suspension or revocation of a California real estate license, if the action of denial, revocation, or suspension by the other agency or entity was taken only after giving the licensee or applicant fair notice of the charges, an opportunity for a hearing, and other due process protections comparable to the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and only upon an express finding of a violation of law by the agency or entity.

(g) Demonstrated negligence or incompetence in performing any act for which he or she is required to hold a license.

(h) As a broker licensee, failed to exercise reasonable supervision over the activities of his or her salespersons, or, as the officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.

(i) Has used his or her employment by a governmental agency in a capacity giving access to records, other than public records, in such manner as to violate the confidential nature of the records.

(j) Engaged in any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing.

(k) Violated any of the terms, conditions, restrictions, and limitations contained in any order granting a restricted license.

(*l*) Solicited or induced the sale, lease, or the listing for sale or lease, of residential property on the ground, wholly or in part, of loss of value, increase in crime, or decline of the quality of the schools, due to the present or prospective entry into the neighborhood of a person or persons of another race, color, religion, ancestry or national origin.

(m) Violated any of the provisions of the Franchise Investment Law (Division 5 (commencing with Section 31000) of Title 4 of the Corporations Code) or any regulations of the Commissioner of Corporations pertaining thereto.

(n) Violated any of the provisions of the Corporations Code or of the regulations of the Commissioner of Corporations relating to securities as specified in Section 25206 of the Corporations Code.

SEC. 5. Section 17577.2 of the Business and Professions Code is amended to read:

17577.2. It is unlawful for any person soliciting a sale, rental, lease, or order for water treatment devices to do any of the following:

(a) Make false claims or statements that are not entirely true, or statements that are misleading, about contamination problems in tap water.

(b) Make statements which are not true or applicable in all situations which they purport to cover. This prohibition includes, but is not limited to, the following:

(1) Claims that state or imply scientific certainty regarding the relationship between acute or chronic illnesses and water quality.

(2) Statements which overstate the kind and degree of problems caused by water treated by public water systems.

(3) Statements stating or implying that the water flowing from a water treatment device is "pure," "safe," or the use of other words or terms which state or imply that the treatment device improves the quality of tap water.

(c) Make product performance claims or product benefit claims unless they are based on factual data of a type and quantity reasonably appropriate for the claims being made, which data is in existence at the time the claims are made.

(d) Notwithstanding subdivision (c), make product performance

claims or product benefit claims that the device affects health or the safety of drinking water, unless the device has been certified by the State Department of Health Services pursuant to Chapter 8.5 (commencing with Section 4057) of Division 5 of the Health and Safety Code.

This subdivision shall become operative one year after the effective date of the regulations adopted pursuant to Section 4057.1 of the Health and Safety Code.

(e) Make statements about the performance attributes or benefits claimed for a product unless they are adequately described or qualified in complete, comprehensive, and detailed terms and are based on proven facts.

(f) Make claims which describe a problem and offer a solution unless the circumstances under which the problem is likely to arise are clearly and accurately identified.

(g) Use pictures, exhibits, graphs, charts, or other graphic portrayals unless they are clearly and unambiguously truthful.

(h) Omit material facts from advertising material or statements if the effect would be to mislead or to misrepresent.

(i) Use endorsements or testimonials unless they contain no misleading implications and they reflect the most current opinion and qualifications of the person giving it.

SEC. 6. The heading of Chapter 8 (commencing with Section 18600) of Division 8 of the Business and Professions Code is amended and renumbered to read:

CHAPTER 2. BOXING, WRESTLING, AND MARTIAL ARTS

SEC. 7. Section 19022 of the Business and Professions Code is amended to read:

19022. (a) An "insulation manufacturer" is any person who produces insulation materials or a combination of materials which, when properly applied or installed without any alteration, dilution, or modification so as to affect the thermal or physical properties, performance, or intended use as supplied by the manufacturer, retards the transfer of heat or cold. "Insulation manufacturer" also includes any person who produces finished products whose function is insulation, including, but not limited to, insulated roof and wall panels, insulation kits, pipe insulation, flexible insulated ducting, spray applied insulation systems, or other similar material.

(b) Anyone who alters, substitutes, or recompounds any insulation product or material shall be considered to be the manufacturer of that particular insulation product.

(c) Any applicator, contractor, or fabricator of insulation materials, who installs, applies, or uses insulation materials for their intended use, without changing the thermal or physical properties of the insulation material, shall not be considered an insulation manufacturer, provided that the manufacturer of the insulation material has been licensed in accordance with this chapter.

(d) As used in subdivision (b), "alteration," "substitution," or "recompounding" includes:

(1) The attachment of facings or vapor barriers, including, but not limited to, plastic, metal, felt, paper, or other similar materials.

(2) The compression, expansion, or reshaping of insulation materials.

(3) The addition of, or mixing with, adhesives.

(4) In the case of spray applied or foamed in place insulation, any addition to, substitution of, or deletion from, the chemical system provided by the insulation manufacturers.

(e) This chapter does not apply to the attaching of fiberglass insulation to metal duct work by a licensed contractor using industry-accepted adhesives and metal pins.

SEC. 8. Section 19549.9 of the Business and Professions Code, as added by Chapter 549 of the Statutes of 1985, is amended and renumbered to read:

19549.12. Notwithstanding Sections 19482 and 19549, any weeks of harness racing or quarter horse racing allocated by the board to be raced at the facilities of a county fair which conducts its racing meeting pursuant to Section 19549.3 may be conducted by the fair. License fees for racing at the facilities of the county fair other than for the racing days allocated pursuant to Section 19549.3 are exempt from Section 19614.5.

SEC. 9. Section 22444 of the Business and Professions Code is amended to read:

22444. It is unlawful for any person engaged in the business or acting in the capacity of an immigration consultant to do any of the following acts:

(a) Make false or misleading statements to a client while providing services to that client.

(b) Make any guarantee or promise to a client, unless the guarantee or promise is in writing and the immigration consultant has some basis in fact for making the guarantee or promise.

(c) Make any statement that the immigration consultant can or will obtain special favors from or has special influence with the United States Immigration and Naturalization Service.

(d) Charge a client a fee for referral of the client to another for services which the immigration consultant cannot or will not provide to the client. A sign setting forth this prohibition shall be conspicuously displayed in the consultant's office.

SEC. 10. Section 22454 of the Business and Professions Code, as amended by Chapter 950 of the Statutes of 1986, is repealed.

SEC. 11. Section 24045.10 of the Business and Professions Code, as added by Chapter 869 of the Statutes of 1987, is amended and renumbered to read:

24045.12. Notwithstanding any other provision of law, the department may issue a general on-sale license to a person who does not operate a bona fide eating place or other public premise who meets all of the following:

(a) Has operated a catering business for not less than 5 years.

(b) Has operated or owned for not less than 4 years a bona fide eating place that had a general on-sale license.

(c) Caters over 500 events annually.

(d) Serves alcoholic beverages at no more than 25 percent of the events catered annually and has revenues from the sale of alcoholic beverages which do not constitute more than 25 percent of his or her total annual revenues.

(e) Obtains an annual permit to serve alcoholic beverages at events and obtains an authorization for each event, as specified in Section 23399.

SEC. 12. The heading of Division First (commencing with Section 25) of the Civil Code is amended to read:

DIVISION 1. PERSONS

SEC. 13. The heading of Division Second (commencing with Section 654) of the Civil Code is amended to read:

DIVISION 2. PROPERTY

SEC. 14. The heading of Division Third (commencing with Section 1427) of the Civil Code is amended to read:

DIVISION 3. OBLIGATIONS

SEC. 15. Section 1799.99 of the Civil Code is amended to read:

1799.99. (a) This section applies to transactions, other than consumer credit contracts as defined in Section 1799.90, which are subject to 16 C.F.R. 444.3, 12 C.F.R. 227.14, or 12 C.F.R. 535.3, whichever is applicable to the creditor.

(b) Unless the persons who are obligated under the transaction are married to each other, no action shall be brought, nor shall any security interest be enforced, against any person entitled to receive notice under 16 C.F.R. 444.3, 12 C.F.R. 227.14, or 12 C.F.R. 535.3, whichever is applicable to the creditor, if that person did not receive the notice in the manner prescribed by the applicable regulation and an accurate Spanish translation of the notice.

SEC. 16. The heading of Division Fourth (commencing with Section 3274) of the Civil Code is amended to read:

DIVISION 4. GENERAL PROVISIONS

SEC. 17. Section 3294 of the Civil Code is amended to read:

3294. (a) In an action for the breach of an obligation not arising from contract, where it is proven by clear and convincing evidence that the defendant has been guilty of oppression, fraud, or malice, the plaintiff, in addition to the actual damages, may recover damages for the sake of example and by way of punishing the defendant.

(b) An employer shall not be liable for damages pursuant to subdivision (a), based upon acts of an employee of the employer, unless the employer had advance knowledge of the unfitness of the employee and employed him or her with a conscious disregard of the rights or safety of others or authorized or ratified the wrongful conduct for which the damages are awarded or was personally guilty of oppression, fraud, or malice. With respect to a corporate employer, the advance knowledge and conscious disregard, authorization, ratification or act of oppression, fraud, or malice must be on the part of an officer, director, or managing agent of the corporation.

(c) As used in this section, the following definitions shall apply:

(1) "Malice" means conduct which is intended by the defendant to cause injury to the plaintiff or despicable conduct which is carried on by the defendant with a willful and conscious disregard of the rights or safety of others.

(2) "Oppression" means despicable conduct that subjects a person to cruel and unjust hardship in conscious disregard of that person's rights.

(3) "Fraud" means an intentional misrepresentation, deceit, or concealment of a material fact known to the defendant with the intention on the part of the defendant of thereby depriving a person of property or legal rights or otherwise causing injury.

(d) Damages may be recovered pursuant to this section in an action pursuant to Section 377 of the Code of Civil Procedure or Section 573 of the Probate Code based upon a death which resulted from a homicide for which the defendant has been convicted of a felony, whether or not the decedent died instantly or survived the fatal injury for some period of time. The procedures for joinder and consolidation contained in Section 377 of the Code of Civil Procedure shall apply to prevent multiple recoveries of punitive or exemplary damages based upon the same wrongful act.

(e) The amendments to this section made by Chapter 1498 of the Statutes of 1987 apply to all actions in which the initial trial has not commenced prior to January 1, 1988.

SEC. 18. 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 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.

SEC. 19. Section 2017 of the Code of Civil Procedure 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.

(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. 20. Section 2025 of the Code of Civil Procedure 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 unsuccessfully makes or opposes a motion to increase travel limits for the 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 the 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 any of the following:

(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.

(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. 21. Article 4 (commencing with Section 39170) of Chapter 2 of Part 23 of the Education Code is repealed.

SEC. 22. Article 4 (commencing with Section 39180) is added to Chapter 2 of Part 23 of the Education Code, to read:

Article 4. Building Schoolhouses

39180. The governing board of any school district may, and when directed by a vote of the district shall, build and maintain a schoolhouse.

39181. In bidding on contracts to be made pursuant to Section 39246, bidders may include in their bids abstractions of their quotations indicating the pricing structure used to compute the

annual lease or rental payments for the sole purpose of identifying that portion of each annual lease or rental payment which may represent tax exemption reimbursement to the vendor, lessor or to their assignees.

39182. The governing board of any school district, whenever in its judgment it is desirable to do so, may establish additional schools in the district.

39183. The governing board of any school district may purchase property and construct and equip buildings in an area after the legal action has been taken that will result in annexation of the area to the school district, but before the annexation has become effective.

SEC. 23. Section 42923 of the Education Code is amended to read:

42923. (a) Each school district providing foster children services pursuant to this chapter shall, by January 1 of each even-numbered year, report to the Superintendent of Public Instruction any information as may be required by the Superintendent of Public Instruction for the purpose of subdivision (b).

(b) The Superintendent of Public Instruction shall, by February 15 of each even-numbered year, report to the Legislature and the Governor on the foster children services provided by school districts. The report shall be prepared with the advice and assistance of providers of foster children services and shall include, but not be limited to, the following:

(1) Recommendations regarding the continuation of services.

(2) Recommendations regarding the effectiveness of the services, unless program effectiveness is assessed in any other report covering the same time period.

(3) Recommendations regarding the broadening of the application of those services.

(4) Information which shall be sufficient to determine, at a minimum, whether these services have resulted in a major quantitative improvement or deterioration in any of the following indicators:

(A) Pupil academic achievement.

(B) The incidence of pupil discipline problems or juvenile delinquency.

(C) Pupil dropout rates or truancy rates.

(5) A discussion of the meaning and implications of the indicators contained in paragraph (4).

SEC. 24. Section 51770 of the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, is amended and renumbered to read:

51769.5. Sections 1292, 1293, and 1294 of the Labor Code shall not apply to work experience education programs established pursuant to this article if all of the following occur:

(a) The work experience coordinator determines that the students have been sufficiently trained in the employment or work otherwise prohibited.

(b) Parental approval is obtained.

(c) The principal or the counselor of the student has determined that the progress of the student toward graduation will not be impaired.

SEC. 25. The heading of Article 7.3 (commencing with Section 51775) of Chapter 5 of Part 28 of the Education Code is amended and renumbered to read:

Article 7.4. Work Experience Education Program Reviews

SEC. 26. The heading of Article 2.5 (commencing with Section 52130) of Chapter 7 of Part 28 of the Education Code is amended and renumbered to read:

Article 1. Impacted Languages Act of 1984

SEC. 27. Section 54965 of the Education Code is amended and renumbered to read:

54695. (a) The ninth grade teachers and counselors in schools maintained by school districts approved to operate academies pursuant to this article shall identify students eligible to participate in a Partnership Academy.

(b) Teachers and counselors in schools maintained by school districts approved to operate academies pursuant to this article, business representatives, and academy students of academies that are operating in the area shall be encouraged to make presentations to prospective students and their parents.

(c) The staff of each Partnership Academy shall select students from among those who have expressed an interest in the academy and whose parents or guardians have approved the student's participation.

SEC. 28. The heading of Article 2 (commencing with Section 56430) of Chapter 4.4 of Part 30 of the Education Code is repealed.

SEC. 29. Section 67175 of the Education Code is amended and renumbered to read:

67500. The California State University, any community college district, the California Maritime Academy, and the University of California may be reimbursed by the state for expenditures made for preliminary plans and working drawings for a capital outlay project, if all of the following conditions are met:

(a) The project was authorized in a budget act or other statute before the preliminary plans and working drawings were prepared.

(b) Funds for the reimbursement are appropriated by the Legislature.

(c) All other applicable procedures were followed by the California State University, the community college district, the California Maritime Academy, or the University of California in expending the funds. The advance of funds by the California State University, a community college district, the California Maritime

Academy, or the University of California, for preliminary plans and working drawings, shall be made to promote early completion of a capital outlay project authorized by the Legislature.

SEC. 30. The heading of Article 5 (commencing with Section 92650) of Chapter 6 of Part 57 of the Education Code is amended and renumbered to read:

Article 6. Health Sciences Program Review

SEC. 31. Chapter 2 (commencing with Section 99100) of Part 65 of the Education Code, as enacted by Chapter 1010 of the Statutes of 1976, is repealed.

SEC. 32. 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 a manner that every signature filed with the county clerk shall be given an equal opportunity to be included in the sample. The 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 110 percent, and the Secretary of State shall immediately so notify the proponents and the county clerks.

SEC. 33. Section 3795 of the Elections Code is amended to read:

3795. Not less than 10 calendar days before the clerk submits the official election materials referred to in Sections 3713, 3714, 3781, 3783, and 3787 for printing, the clerk shall make a copy of the materials available for public examination in the clerk's office. Any person may obtain a copy of the materials from the clerk for use outside of the clerk's office. The clerk may charge a fee to any person obtaining a copy of the material. The fee shall not exceed the actual cost incurred by the clerk in providing the copy.

During the 10-calendar-day examination period provided by this section, any voter of the jurisdiction in which the election is being held, or the clerk, himself or herself, may seek a writ of mandate or an injunction requiring any or all of the materials to be amended or deleted. A peremptory writ of mandate or an injunction shall be issued only upon clear and convincing proof that the material in question is false, misleading, or inconsistent with the requirements of this chapter, and that issuance of the writ or injunction will not substantially interfere with the printing or distribution of official election materials as provided by law. The clerk shall be named as respondent and the person or official who authored the material in question shall be named as real parties in interest. In the case of the clerk bringing the mandamus or injunctive action, the board of supervisors of the county shall be named as the respondent and the person or official who authored the material in question shall be named as the real party in interest.

SEC. 34. Section 5025 of the Elections Code is amended to read:

5025. Not less than 10 calendar days before the clerk submits the official election materials referred to in Sections 4015, 4015.5, 4018, 5011, 5012, 5013, and 5014.5 for printing, the clerk shall make a copy of the material available for public examination in the clerk's office. Any person may obtain a copy of the materials from the clerk for use outside of the clerk's office. The clerk may charge a fee to any person obtaining a copy of the material. The fee shall not exceed the actual

cost incurred by the clerk in providing the copy.

During the 10-calendar-day examination period provided by this section, any voter of the jurisdiction in which the election is being held, or the clerk, himself or herself, may seek a writ of mandate or an injunction requiring any or all of the materials to be amended or deleted. A peremptory writ of mandate or an injunction shall be issued only upon clear and convincing proof that the material in question is false, misleading, or inconsistent with the requirements of this chapter, and that issuance of the writ or injunction will not substantially interfere with the printing or distribution of official election materials as provided by law. The clerk shall be named as respondent and the person or official who authored the material in question shall be named as real parties in interest. In the case of the clerk bringing the mandamus or injunctive action, the board of supervisors of the county shall be named as the respondent and the person or official who authored the material in question shall be named as the real party in interest.

SEC. 35. Section 5215 of the Elections Code is amended to read:

5215. Not less than 10 calendar days before the clerk submits the official election materials referred to in Sections 5156, 5157, and 5157.5 for printing, the clerk shall make a copy of the materials available for public examination in the clerk's office. Any person may obtain a copy of the materials from the clerk for use outside of the clerk's office. The clerk may charge a fee to any person obtaining a copy of the material. The fee shall not exceed the actual cost incurred by the clerk in providing the copy.

During the 10-calendar-day examination period provided by this section, any voter of the jurisdiction in which the election is being held may seek a writ of mandate or an injunction requiring any material to be amended or deleted. A peremptory writ of mandate or an injunction shall be issued only upon clear and convincing proof that the material in question is false, misleading, or inconsistent with the requirements of this chapter, and that issuance of the writ or injunction will not substantially interfere with the printing or distribution of official election materials as provided by law. The clerk shall be named as respondent and the person or official who authored the material in question shall be named as real parties in interest.

SEC. 36. Section 5330 of the Elections Code is amended to read:

5330. Not less than 10 calendar days before the clerk submits the official election materials referred to in Sections 5321, 5322, and 5325 for printing, the clerk shall make a copy of the materials available for public examination in the clerk's office. Any person may obtain a copy of the materials from the clerk for use outside of the clerk's office. The clerk may charge a fee to any person obtaining a copy of the material. The fee shall not exceed the actual cost incurred by the clerk in providing the copy.

During the 10-calendar-day examination period provided by this section, any voter of the jurisdiction in which the election is being

held may seek a writ of mandate or an injunction requiring any or all of the materials to be amended or deleted. A peremptory writ of mandate or an injunction shall be issued only upon clear and convincing proof that the material in question is false, misleading, or inconsistent with the requirements of this chapter, and that issuance of the writ or injunction will not substantially interfere with the printing or distribution of official election materials as provided by law. The clerk shall be named as respondent and the person or official who authored the material in question shall be named as real parties in interest.

SEC. 37. Section 10228.1 of the Elections Code is amended to read:

10228.1. (a) Notwithstanding any other provision of law to the contrary, with respect to the Democratic Presidential Primary Ballot only, that ballot shall be printed and shall include only that information which is prescribed or is set forth in this section.

(b) The instructions to the voters shall be modified to contain the following statement:

"To vote for a delegate candidate whose pledged presidential preference appears on the ballot in parenthesis next to the delegate's name, stamp a cross (+) in the square opposite the name of the delegate candidate.

Stamp a cross (+) after the names of all delegate candidates for whom you desire to vote, not to exceed, however, the number of delegate candidates to be elected."

(c) Notwithstanding Section 10220, the Democratic presidential primary portion of the ballot shall be printed immediately after the listing of all candidates seeking the nomination for elected federal and state office and prior to the listing of candidates for county central committee membership.

(d) In the case of delegate candidates to the national convention, there shall be printed in boldface gothic type, not smaller than 12-point, across the column of each page and above the names of the groups of delegates, the words "President of the United States." Under the title "President of the United States," a statement shall indicate the total number of delegates listed, the number of pages of delegate listings, and the number of delegates to be elected. The words, "Vote for no more than _____ delegates" shall extend to the extreme right-hand margin of the column and over the voting square. There shall be two parallel, light lines separating groups of delegates. This portion of the ballot shall appear in the following form:

PRESIDENT OF THE UNITED STATES 28 delegates are listed on pages 1 to 3. Vote for no more than 4 of the 28 delegates	VOTE FOR NO MORE THAN FOUR DELEGATES
Ann M. Mackey (Edward M. Kennedy)	
Pat J. Foster (Edward M. Kennedy)	
Rose King (Edward M. Kennedy)	
Eugene L. Paine (Edward M. Kennedy)	
Sandra Hughes (Unpledged Delegation)	
Paul Antilla (Unpledged Delegation)	
Sharon R. Fisher (Unpledged Delegation)	
Clay Fuller (Unpledged Delegation)	
Joyce E. Hee (Jimmy Carter)	
Tom Heuer (Jimmy Carter)	

Delegate Listing Continued on Next Page

(e) (1) Notwithstanding Section 10335 or 10338, if there are a greater number of delegate candidates than the number of whose names can be placed on one pair of facing pages, the clerk may use facing pages without having to use single sides. In addition, in printing the Democratic presidential primary portion of the ballot, the clerk shall not be required to rotate the groups of delegate candidates by precincts, and, in the case of the use of ballot cards, may split a group of candidates if the group cannot be accommodated on one ballot card.

(2) If more than one pair of facing pages is used or if more than one ballot card is used in the printing of the presidential portion of the ballot, the clerk shall cause the ballot to be marked so as to indicate that delegate candidates are contained on the following page or pages.

SEC. 38. Section 14821 of the Elections Code is amended to read:

14821. (a) The following provisions shall apply to all state or local elections not provided for in subdivision (a) of Section 14820. An election is not a state or local election if votes for candidates for federal office may be cast on the same ballot as votes for candidates for state or local office.

(b) The elections official shall preserve the package or packages containing the following items for a period of six months:

(1) Two tally sheets.

(2) The copy of the index used as the voting record.

(3) The challenge lists.

(4) The assisted voters list.

(5) The affidavits of the persons assisting voters.

(c) All voters may inspect the contents of the package or packages at all times following commencement of the official canvass of the votes.

(d) If a contest is not commenced within the six-month period, or if a criminal prosecution involving fraudulent use, marking or falsification of ballots, or forgery of absent voters' signatures is not commenced within the six-month period, either of which may involve the vote of the precinct from which voted ballots were received, the election official may have the ballots destroyed or recycled.

SEC. 39. 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 Section 18130, 18131, or 18132 is reduced by a net deficit balance in the company's surplus account.

SEC. 40. Section 3950 of the Fish and Game Code, as amended by Chapter 745 of the Statutes of 1986, is amended to read:

3950. (a) Game mammals are: deer (genus Odocoileus), elk (genus Cervus), prong-horned antelope (genus Antilocapra), feral pigs and European wild boars (genus Sus), black and brown or cinnamon bears (genus Euarctos), mountain lions (genus Felis), jackrabbits and varying hares (genus Lepus), cottontails, brush rabbits, pigmy rabbits (genus Sylvilagus), and tree squirrels (genus Sciurus and Tamiasciurus).

(b) Nelson bighorn sheep (subspecies Ovis canadensis nelsoni) are game mammals only for the purposes of sport hunting in the area described in subdivision (b) of Section 4902.

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. 41. Section 3950 is added to the Fish and Game Code, to read:

3950. Game mammals are: deer (genus Odocoileus), elk (genus Cervus), prong-horned antelope (genus Antilocapra), feral pigs and European wild boars (genus Sus), black and brown or cinnamon bears (genus Euarctos), mountain lions (genus Felis), jackrabbits and varying hares (genus Lepus), cottontails, brush rabbits, pigmy rabbits (genus Sylvilagus), and tree squirrels (genus Sciurus and Tamiasciurus).

This section shall become operative on January 1, 1993.

SEC. 42. The heading of Article 3 (commencing with Section 7360) of Chapter 2 of Part 2 of Division 6 of the Fish and Game Code is amended and renumbered to read:

Article 4. Striped Bass

SEC. 43. 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) Article 5 (commencing with Section 6981) of Chapter 2 of Part 3 of Division 4.

(d) Chapter 4 (commencing with Section 14200), Chapter 5 (commencing with Section 14501), and Chapter 6 (commencing with Section 14901) of Division 7.

(e) Part 1 (commencing with Section 16301) and Part 2 (commencing with Section 17401) of Division 9.

(f) Division 10 (commencing with Section 20001).

(g) Division 11 (commencing with Section 23001).

(h) Part 4 (commencing with Section 27501) of Division 12.

(i) Division 16 (commencing with Section 40501).

(j) Chapter 9 (commencing with Section 44971) of Division 17.

(k) Chapter 1 (commencing with Section 52001) of Division 18.

(*l*) Chapter 2 (commencing with Section 52251) of Division 18.

(m) Chapter 3 (commencing with Section 52651) of Division 18.

(n) Chapter 4 (commencing with Section 52851) of Division 18.

(o) Chapter 6 (commencing with Section 55401), Chapter 7 (commencing with Section 56101), and Chapter 7.5 (commencing with Section 56701) of Division 20.

(p) Section 58582.

(q) 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.

(r) Chapter 5.5 (commencing with Section 12531) of Division 5 of the Business and Professions Code.

(s) 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.

(t) 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. 44. The heading of Chapter 1 (commencing with Section 24501) of Part 1 of Division 12 of the Food and Agricultural Code is amended to read:

CHAPTER 1. GENERAL PROVISIONS

SEC. 45. Section 33519 of the Food and Agricultural Code is amended to read:

33519. The pails, cans, bottles, or other containers for milk or its products, or the strainers, coolers or other utensils, appliances, apparatus, or equipment which come in contact with the milk or its products shall be thoroughly washed and afterwards sterilized each time they are used by one of the following methods:

(a) Exposure to water vapor at a temperature of not less than 170 degrees Fahrenheit for a period of at least 15 minutes or at a temperature of not less than 200 degrees Fahrenheit for a period of at least five minutes in a steam cabinet equipped with an indicating thermometer which is located in the coldest zone.

(b) Exposure to an enclosed jet of steam for not less than one minute.

(c) Complete immersion in hot water at a temperature of not less than 170 degrees Fahrenheit for a period of at least five minutes.

(d) Exposure to a flow of hot water of a temperature of not less than 170 degrees Fahrenheit, as determined at an outlet, for a period of at least five minutes.

(e) Exposure to hot air at a temperature of not less than 180 degrees Fahrenheit for a period of at least 20 minutes in an oven or hot air cabinet which is equipped with an indicating thermometer located in the coldest zone.

(f) A chemical or other sterilization process which has been approved by the director and which is used in the manner which is established by regulation of the director.

SEC. 46. Article 40 (commencing with Section 39991) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 47. Article 40 (commencing with Section 38891) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 40. Bulky Flavored Fromage Frais or Bulky Flavored Soft Fresh Cheese

38891. Bulky flavored fromage frais or bulky flavored soft fresh cheese is fromage frais or soft fresh cheese, lowfat fromage frais or lowfat soft fresh cheese, or nonfat fromage frais or nonfat soft fresh cheese which contains clean, mature, sound fruit or its equivalent in other forms, or other bulky flavoring ingredients.

38892. When bulky flavor is added to fromage frais or soft fresh cheese, lowfat fromage frais or lowfat soft fresh cheese, or nonfat fromage frais or nonfat soft fresh cheese, the name of the bulky flavor shall accompany the name of the product on the principal panel or panels of the label. Bulky flavored fromage frais or bulky flavored soft fresh cheese in its composition and labeling shall otherwise comply

with all the requirements of Article 39 (commencing with Section 38885).

SEC. 48. Section 77059 of the Food and Agricultural Code is amended to read:

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 be 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.

SEC. 49. Section 77194 of the Food and Agricultural Code is amended to read:

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 persons 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.

SEC. 50. Section 811.6 of the Government Code is amended to read:

811.6. "Regulation" means a rule, regulation, order or standard, having the force of law, adopted by an employee or agency of the United States pursuant to the federal Administrative Procedure Act (Chapter 5 (commencing with Section 500) of Title 5 of the United States Code) or as a regulation by an agency of the state pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2).

SEC. 51. Section 3540 of the Government Code is amended to read:

3540. It is the purpose of this chapter to promote the improvement of personnel management and employer-employee relations within the public school systems in the State of California by providing a uniform basis for recognizing the right of public school employees to join organizations of their own choice, to be represented by the organizations in their professional and employment relationships with public school employers, to select one employee organization as the exclusive representative of the

employees in an appropriate unit, and to afford certificated employees a voice in the formulation of educational policy. This chapter shall not supersede other provisions of the Education Code and the rules and regulations of public school employers which establish and regulate tenure or a merit or civil service system or which provide for other methods of administering employer-employee relations, so long as the rules and regulations or other methods of the public school employer do not conflict with lawful collective agreements.

It is the further intention of the Legislature that this chapter shall not restrict, limit, or prohibit the full exercise of the functions of any academic senate or faculty council established by a school district in a community college to represent the faculty in making recommendations to the administration and governing board of the school district with respect to district policies on academic and professional matters, so long as the exercise of the functions does not conflict with lawful collective agreements.

It is the further intention of the Legislature that any legislation enacted by the Legislature governing employer-employee relations of other public employees shall be incorporated into this chapter to the extent possible. The Legislature also finds and declares that it is an advantageous and desirable state policy to expand the jurisdiction of the board created pursuant to this chapter to cover other public employers and their employees, in the event that this legislation is enacted, and if this policy is carried out, the name of the Educational Employment Relations Board shall be changed to the "Public Employment Relations Board."

SEC. 52. Section 3541.3 of the Government Code is amended to read:

3541.3. The board shall have all of the following powers and duties:

(a) To determine in disputed cases, or otherwise approve, appropriate units.

(b) To determine in disputed cases whether a particular item is within or without the scope of representation.

(c) To arrange for and supervise representation elections which shall be conducted by means of secret ballot elections, and certify the results of the elections.

(d) To establish lists of persons broadly representative of the public and qualified by experience to be available to serve as mediators, arbitrators, or factfinders. In no case shall these lists include persons who are on the staff of the board.

(e) To establish by regulation appropriate procedures for review of proposals to change unit determinations.

(f) Within its discretion, to conduct studies relating to employer-employee relations, including the collection, analysis, and making available of data relating to wages, benefits, and employment practices in public and private employment, and, when it appears necessary in its judgment to the accomplishment of the purposes of

this chapter, recommend legislation. The board shall report to the Legislature by October 15 of each year on its activities during the immediately preceding fiscal year. The board may enter into contracts to develop and maintain research and training programs designed to assist public employers and employee organizations in the discharge of their mutual responsibilities under this chapter.

(g) To adopt, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2, rules and regulations to carry out the provisions and effectuate the purposes and policies of this chapter.

(h) To hold hearings, subpoena witnesses, administer oaths, take the testimony or deposition of any person, and, in connection therewith, to issue subpoenas duces tecum to require the production and examination of any employer's or employee organization's records, books, or papers relating to any matter within its jurisdiction.

(i) To investigate unfair practice charges or alleged violations of this chapter, and take such action and make such determinations in respect of these charges or alleged violations as the board deems necessary to effectuate the policies of this chapter.

(j) To bring an action in a court of competent jurisdiction to enforce any of its orders, decisions, or rulings, or to enforce the refusal to obey a subpoena. Upon issuance of a complaint charging that any person has engaged in or is engaging in an unfair practice, the board may petition the court for appropriate temporary relief or restraining order.

(k) To delegate its powers to any member of the board or to any person appointed by the board for the performance of its functions, except that no fewer than two board members may participate in the determination of any ruling or decision on the merits of any dispute coming before it, and except that a decision to refuse to issue a complaint shall require the approval of two board members.

(*l*) To decide contested matters involving recognition, certification, or decertification of employee organizations.

(m) To consider and decide issues relating to rights, privileges, and duties of an employee organization in the event of a merger, amalgamation, or transfer of jurisdiction between two or more employee organizations.

(n) To take such other action as the board deems necessary to discharge its powers and duties and otherwise to effectuate the purposes of this chapter.

SEC. 53. Section 3544.1 of the Government Code is amended to read:

3544.1. The public school employer shall grant a request for recognition filed pursuant to Section 3544 unless any of the following apply:

(a) The public school employer desires that a representation election be conducted or doubts the appropriateness of a unit. If the public school employer desires a representation election, the

question of representation exists and the public school employer shall notify the board, which shall conduct a representation election pursuant to Section 3544.7, unless subdivision (c) or (d) applies.

(b) Another employee organization either files with the public school employer a challenge to the appropriateness of the unit or submits a competing claim of representation within 15 workdays of the posting of notice of the written request. The claim shall be evidenced by current dues deductions authorizations or other evidence such as notarized membership lists, or membership cards, or petitions signed by employees in the unit indicating their desire to be represented by the organization. The evidence shall be submitted to the board, and shall remain confidential and not be disclosed by the board. The board shall obtain from the employer the information necessary for it to carry out its responsibilities pursuant to this section and shall report to the employee organizations seeking recognition and to the public school employer as to the adequacy of the evidence. If the claim is evidenced by the support of at least 30 percent of the members of an appropriate unit, a question of representation exists and the board shall conduct a representation election pursuant to Section 3544.7, unless subdivision (c) or (d) of this section applies.

(c) There is currently in effect a lawful written agreement negotiated by the public school employer and another employee organization covering any employees included in the unit described in the request for recognition, unless the request for recognition is filed less than 120 days, but more than 90 days, prior to the expiration date of the agreement.

(d) The public school employer has, within the previous 12 months, lawfully recognized another employee organization as the exclusive representative of any employees included in the unit described in the request for recognition.

SEC. 54. Section 3544.7 of the Government Code is amended to read:

3544.7. (a) Upon receipt of a petition filed pursuant to Section 3544.3 or 3544.5, the board shall conduct inquiries and investigations or hold any hearings it deems necessary in order to decide the questions raised by the petition. The determination of the board may be based upon the evidence adduced in the inquiries, investigations, or hearing. However, if the board finds on the basis of the evidence that a question of representation exists, or a question of representation exists pursuant to subdivision (a) or (b) of Section 3544.1, it shall order that an election be conducted by secret ballot and it shall certify the results of the election on the basis of which ballot choice received a majority of the valid votes cast. There shall be printed on each ballot the statement: "no representation." No voter shall record more than one choice on his or her ballot. Any ballot upon which there is recorded more than one choice shall be void and shall not be counted for any purpose. If at any election no choice on the ballot receives a majority of the votes cast, a runoff

election shall be conducted. The ballot for the runoff election shall provide for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election.

(b) No election shall be held and the petition shall be dismissed whenever either of the following exist:

(1) There is currently in effect a lawful written agreement negotiated by the public school employer and another employee organization covering any employees included in the unit described in the request for recognition, or unless the request for recognition is filed less than 120 days, but more than 90 days, prior to the expiration date of the agreement.

(2) The public school employer has, within the previous 12 months, lawfully recognized an employee organization other than the petitioner as the exclusive representative of any employees included in the unit described in the petition.

SEC. 55. Section 3548.2 of the Government Code is amended to read:

3548.2. (a) The panel shall, within 10 days after its appointment, meet with the parties or their representatives, either jointly or separately, and may make inquiries and investigations, hold hearings, and take any other steps as it may deem appropriate. For the purpose of the hearings, investigations, and inquiries, the panel shall have the power to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence. The several departments, commissions, divisions, authorities, boards, bureaus, agencies, and officers of the state, or any political subdivision or agency thereof, including any board of education, shall furnish the panel, upon its request, with all records, papers and information in their possession relating to any matter under investigation by or in issue before the panel.

(b) In arriving at their findings and recommendations, the factfinders shall consider, weigh, and be guided by all the following criteria:

(1) State and federal laws that are applicable to the employer.

(2) Stipulations of the parties.

(3) The interests and welfare of the public and the financial ability of the public school employer.

(4) Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public school employment in comparable communities.

(5) The consumer price index for goods and services, commonly known as the cost of living.

(6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment;

and all other benefits received.

(7) Any other facts, not confined to those specified in paragraphs (1) to (6), inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations.

SEC. 56. Section 4216 of the Government Code is amended to read:

4216. (a) As used in this section the following definitions apply:

(1) "Approximate location of subsurface installations" means a strip of land not more than 24 inches on either side of the exterior surface of the subsurface installation. "Approximate location" does not mean depth.

(2) "Excavation" means any operation in which earth, rock, or other material in the ground is moved, removed, or otherwise displaced by means of tools, equipment, or explosives in any of the following ways: grading, trenching, digging, ditching, drilling, auguring, tunneling, scraping, cable or pipe plowing and driving, or any other way.

(3) "Emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services. "Unexpected occurrence" includes, but is not limited to, fires, floods, earthquakes or other soil or geologic movements, riots, accidents, or sabotage.

(4) "Inquiry identification number" means the number which is provided by a regional notification center to every person who contacts the center pursuant to subdivision (c) or (d).

(5) "Local agency" means a city, county, city and county, school district, or special district.

(6) "Regional notification center" means a nonprofit association or other organization of operators of subsurface installations which provides advance warning of excavations or other work close to existing subsurface installations, for the purpose of protecting those installations from damage, removal, relocation, or repair.

(7) "State agency" means every state agency, department, division, bureau, board, or commission.

(8) "Subsurface installation" means any underground pipeline, conduit, duct, wire, or other structure, except nonpressurized sewerlines, nonpressurized storm drains, or other nonpressurized drain lines, operated or maintained in or across a public street or public right-of-way.

(b) Every owner of a subsurface installation, except the Department of Transportation, shall become a member of, participate in, and share in the costs of a regional notification center. Owners of subsurface installations who are members of, participate in, and share in the costs of a regional notification center, including, but not limited to, the South Shore Utility Coordinating Council, the Underground Service Alert—Northern California or the Underground Service Alert—Southern California, on or after July 1, 1984, are in compliance with this section and Section 4217.

(c) Except in an emergency, every person planning to conduct any excavation shall contact the appropriate regional notification center, at least two working days prior to commencing that excavation, if the excavation will be conducted in an area which is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the excavator and, if practical, that person shall delineate with white paint or other suitable markings the area to be excavated. The regional notification center shall provide an inquiry identification number to the person who contacts the center and shall notify any member, if known, who has a subsurface installation in the area of the proposed excavation.

(d) Every person planning to conduct an excavation in a private easement may contact the appropriate regional notification center if the private easement is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the excavator and, if practical, that person shall delineate with white paint or other suitable markings the area to be excavated. The regional notification center shall provide an inquiry identification number to the person who contacts the center and shall notify any member, if known, who has a subsurface installation in the area of the proposed excavation.

(e) Any member who receives timely notification of any proposed excavation work in accordance with subdivision (c) or (d) shall, within two working days of that notification, excluding weekends and holidays, or before the start of the excavation work, whichever is later, or at a later time mutually agreeable to the member and the excavator, locate and field mark the approximate location of subsurface installations which may be affected by the excavation to the extent and degree of accuracy that the information is available either in the records of the member or as determined through the use of standard locating techniques other than excavating, otherwise advise the person who contacted the center of the location of the member's subsurface installations which may be affected by the excavation, or advise the person that the member does not operate any subsurface installations that would be affected by the proposed excavation.

(f) Every member who field marks the location of a subsurface installation shall make a reasonable effort to make field markings in conformance with the following color code and type of installation:

(1) Safety Red—electric power, distribution, and transmission installations, or municipal electric installations.

(2) High Visibility Safety Yellow—gas distribution and transmission installations, oil distribution and transmission installations, or installations containing or transporting dangerous materials, products, or steam.

(3) Safety Alert Orange—telephone and telegraph installations, police and fire communication installations, and cable television installations.

(4) Safety Precaution Blue—water installations and slurry pipe lines.

(5) Safety Green—sewer installations.

(g) The excavator shall determine the exact location of subsurface installations located in accordance with subdivision (e) by excavating with hand tools within the area of the approximate location of subsurface installations as determined by the field marking provided in accordance with subdivision (e) before using any power-operated or power-driven excavating or boring equipment within the approximate location of the subsurface installation, except that power-operated or power-driven excavating or boring equipment may be used for the removal of any existing pavement if there are no subsurface installations contained in the pavement. If mutually agreeable with the member and the excavator, the excavator may utilize power-operated or power-driven excavating or boring equipment within the approximate location of a subsurface installation and to any depth.

(h) If the exact location of the subsurface installation cannot be determined by hand excavating in accordance with subdivision (g), the excavator shall request the member to provide additional information to the excavator, to the extent that information is available to the member, to enable the excavator to determine the exact location of the installation.

(i) The requirements of this section apply to state agencies and to local agencies which own or operate subsurface installations, except as otherwise provided in subdivision (b). A local agency which is required to provide the services described in subdivision (e) may charge a fee in an amount sufficient to cover the cost of providing that service.

(j) (1) Any member or excavator who knowingly and willfully violates this section is subject to a civil penalty in an amount not to exceed five thousand dollars ($5,000). Any penalties imposed pursuant to this section shall be deposited in the General Fund.

(2) This section is not intended to affect any civil remedies otherwise provided by law for personal injury or for property damage, including any damage to subsurface installations, nor is this section intended to create any new civil remedies for those injuries or that damage.

(3) This section shall not be construed to limit any other provision of law granting governmental immunity to state or local agencies or to impose any liability or duty of care not otherwise imposed by law upon any state or local agency.

(k) This section does not exempt any person or corporation from Sections 7951, 7952, and 7953 of the Public Utilities Code.

SEC. 57. 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 than 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 does 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 does 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.

SEC. 58. Section 12805 of the Government Code is amended to read:

12805. The Resources Agency consists of the State Air Resources Board, the Colorado River Board, the State Energy Resources Conservation and Development Commission, the State Water Resources Control Board and each California regional water quality control board, the State Lands Commission, the Division of State Lands, and the following departments: Conservation; Fish and Game; Forestry and Fire Protection; Navigation and Ocean Development; Parks and Recreation; and Water Resources.

SEC. 59. Section 15364.74 of the Government Code is amended to read:

15364.74. (a) The Governor shall designate an individual whose primary responsibilities shall be all of the following:

(1) To oversee and coordinate the activities of all overseas offices.

(2) To keep the Governor informed of these activities.

(3) To act as a liaison to all state departments, commissions, or agencies which have specified international trade, investment, or tourism functions which impact on the activities of the overseas offices.

(b) The individual designated pursuant to subdivision (a) shall meet all the following qualifications:

(1) Be knowledgeable of state government operations.

(2) Be familiar with the various state government agencies, departments, and programs which have international trade, investment, or tourism components.

(3) Have private sector experience in international business development.

(c) Beginning November 1, 1987, and annually thereafter, the individual in the Governor's office designated to coordinate the operations of overseas offices shall report to the Legislature on the activities and expenditures of the overseas offices and make

recommendations for present and future offices, including recommendations for the funding of these offices. In addition, this individual shall respond in a timely fashion to requests by the Legislature for information on specific activities and expenditures of the overseas offices.

SEC. 60. Section 15819.20 of the Government Code, as added by Chapter 532 of the Statutes of 1986, is repealed.

SEC. 61. Section 16366.9 of the Government Code is amended to read:

16366.9. (a) The 1981–82 state fiscal year shall be a transition year during which the Legislature shall require certain critical reviews and reports as it deems necessary to assist in developing the policies to govern the state's assumption of both federal categorical and block grants as contained in the federal Omnibus Budget Reconciliation Act of 1981. The Governor shall instruct state agencies to cooperate fully with the Legislature in complying with this article.

(b) All departments affected shall prepare a separate summary of programs, funding levels, contracting progress, and clients affected by funding reductions during the 1981–82 state fiscal year and separately identify the transition programs for which they would have any policy or administrative responsibilities no later than October 15, 1981. The summary of the 1981–82 state fiscal year funding reductions shall be submitted to the Joint Legislative Budget Committee and to the fiscal committee of each house.

(c) The Governor shall submit all relevant information, including, but not limited to, program identification, estimates of the types, levels, and distribution of clients affected, and estimates of federal funding levels as part of the proposed budget for the 1982–83 state fiscal year, and shall separately highlight and summarize this information in the proposed budget, incorporating any policy recommendations for the review of the Legislature.

(d) The Governor shall submit for the review of the Legislature at the same time a proposal for the structural and administrative organization of all federal programs to be administered by the state as of July 1, 1982.

SEC. 62. Section 17004.6 of the Government Code is amended 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, 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 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.

SEC. 63. Section 20017.98 of the Government Code is amended to read:

20017.98. "State peace officer/firefighter member" means all members who are full-time permanent employees represented in Corrections Unit No. 6, Protective Services and Public Safety Unit No. 7, and Firefighters Unit No. 8 and are employed after July 3, 1984, in class titles which are designated as peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code or are firefighters whose principal duties consist of active firefighting/fire suppression.

A member who is employed in a position that is reclassified from state miscellaneous to state peace officer/firefighter pursuant to this section, may make an irrevocable election in writing to remain subject to the miscellaneous service retirement benefit and the normal rate of contribution by filing a notice of the election with the board within 90 days of notification by the board. A member who so elects shall be subject to the reduced benefit factors specified in Section 21251.13 only for service also included in the federal system.

Notwithstanding any other provision of law, security officers employed by the Department of Justice are not state peace officer/firefighter members, but are, for all purposes, state miscellaneous members.

This section shall not become applicable to any member included in a classification until such time as a ruling or regulation authorizing the inclusion of persons employed in that classification within the definition of "policeman or fireman" is issued by the federal agency for purposes of Section 218(d) (5) (A) of the Social Security Act.

SEC. 64. Section 26256 of the Government Code is amended to read:

26256. "Master plan" means the plan for construction and acquisition of adult and juvenile detention facilities and courthouse facilities, and structures necessary or convenient to those facilities. The plan shall be developed and approved, and may be amended from time to time, by the board of supervisors. The master plan may include, but is not limited to, all of the following:

(a) The number of adult and juvenile detention facilities to be constructed, furnished, or acquired.

(b) The number of courthouse facilities to be constructed, furnished, or acquired.

(c) The geographic locations at which the facilities referenced in

subdivisions (a) and (b) shall be sited.

(d) The time schedule according to which the facilities referenced in subdivisions (a) and (b) shall be constructed, furnished, or acquired.

(e) Construction standards which shall apply to facilities constructed, furnished, or acquired pursuant to this chapter.

(f) Design standards which shall apply to facilities constructed, furnished, or acquired pursuant to this chapter.

(g) Those other requirements as the board of supervisors, in carrying out its responsibility for the provision of regional detention and court services, deems necessary and appropriate.

SEC. 65. Section 26261 of the Government Code is amended to read:

26261. (a) The board of directors of the agency shall be comprised of seven members, as follows:

(1) Two members of the board of supervisors, one of whom shall be the chairperson of the board of supervisors, and one of whom shall be appointed by, and serve at the pleasure of, the board of supervisors.

(2) One member of the City Council of the City of San Diego who shall be appointed by, and serve at the pleasure of, the city council.

(3) One member of the city council of a city in San Diego County, other than the City of San Diego, who shall be appointed by, and serve at the pleasure of, the San Diego County city selection committee created pursuant to Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1 of Title 5.

(4) One person who shall be appointed by, and serve at the pleasure of, the presiding judge of the San Diego Superior Court.

(5) One person who shall be appointed by, and serve at the pleasure of, a majority of the presiding judges of the municipal court districts in San Diego County.

(6) The Sheriff of San Diego County.

(b) The chairperson of the board of supervisors shall serve as the chairperson of the board of directors of the agency through December 31, 1989. Thereafter, the chairperson of the board of directors of the agency shall be elected by vote of a majority of the members of the board of directors of the agency and shall serve for a period of one calendar year.

(c) The board of directors shall adopt rules and procedures as it deems necessary to conduct its business.

SEC. 66. Section 31726 of the Government Code is amended to read:

31726. Upon retirement for non-service-connected disability a member who has attained age 65 shall receive his or her service retirement allowance.

Every member under age 65 who is retired for non-service-connected disability and who is not simultaneously retired as a member on deferred retirement of the State Employees' Retirement System or a retirement system established under this

chapter in another county shall receive a disability retirement allowance which shall be the greater of the following:

(a) The sum to which he or she would be entitled as service retirement.

(b) A sum which shall consist of any of the following:

(1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

(2) If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

(3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph shall only apply to a person who becomes a member of the system on or after January 1, 1988.

SEC. 67. Section 53080 of the Government Code, as added by Chapter 606 of the Statutes of 1986, is amended and renumbered to read:

53080.5. (a) No city or county may require an applicant for a building or encroachment permit to file a certificate of insurance evidencing coverage for bodily injury or property damage liability as a condition to the issuance of either, or both, of those permits, unless the city or county imposes that requirement by ordinance.

(b) This section does not apply to contracts for public works of improvement entered into by a city or county.

SEC. 68. The second Section 54994.2 of the Government Code, as added by Chapter 696 of the Statutes of 1987, is amended and renumbered to read:

54994.3. As used in this chapter:

(a) "Fees" do not include rates or charges for water, sewer, or electrical service.

(b) "Local agency" has the same meaning as provided in Section 54994.

SEC. 69. Section 61765.12 of the Government Code, as amended and renumbered by Chapter 56 of the Statutes of 1987, is amended and renumbered to read:

61765.20. 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. 70. Section 65996 of the Government Code is amended to read:

65996. The following provisions shall be the exclusive methods of mitigating environmental effects related to the adequacy of school facilities when considering the approval or the establishment of conditions for the approval of a development project, as defined by Section 65928 of the Government Code pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code:

(a) Chapter 22 (commencing with Section 17700) of Part 10 of the Education Code.

(b) Chapter 25 (commencing with Section 17785) of Part 10 of the Education Code.

(c) Chapter 28 (commencing with Section 17870) of Part 10 of the Education Code.

(d) Article 2.5 (commencing with Section 39327) of Chapter 3 of Part 23 of the Education Code.

(e) Chapter 2.5 (commencing with Section 53311) of Division 2 of Title 5 of the Government Code.

(f) Chapter 4.7 (commencing with Section 65970) of Division 1 of Title 7 of the Government Code.

No public agency shall, pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code or Division 2 (commencing with Section 66410) of this code, deny approval of a project on the basis of the adequacy of school facilities.

SEC. 71. The heading of Title 7.8 (commencing with Section 68055) of the Government Code is amended and renumbered to read:

TITLE 7.9. RECYCLING, RESOURCE RECOVERY, AND LITTER PREVENTION

SEC. 72. The heading of Chapter 2 (commencing with Section 68055) of Title 7.8 of the Government Code is repealed.

SEC. 73. 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. 74. Section 74131 of the Government Code is amended to read:

74131. (a) There are seven judges in the Riverside Judicial District, which shall include the City of Riverside.

(b) There are seven judges in the Desert Judicial District, which shall include the Cities of Palm Springs, Indio, and Blythe.

(c) There are two judges in the Corona Judicial District, which shall include the City of Corona.

(d) There are three judges in the Mt. San Jacinto Judicial District, which shall include the Cities of Hemet, San Jacinto, Beaumont, and Banning. However, if the Riverside County Board of Supervisors finds there are sufficient funds for an additional judge for the Mt. San Jacinto Judicial District and adopts a resolution to that effect, there shall be four judges in the Mt. San Jacinto Judicial District.

(e) There are two judges in the Three Lakes Judicial District.

SEC. 75. Chapter 12 (commencing with Section 76000) of Title 8 of the Government Code, as added by Chapter 726 of the Statutes of 1984, is repealed.

SEC. 76. Section 77002 of the Government Code is amended to read:

77002. Nothing in this chapter shall be deemed to change the practice of employer-employee relations with respect to trial court personnel in an option county.

SEC. 77. Section 82048.5 of the Government Code, as added by Chapter 905 of the Statutes of 1987, is amended and renumbered to read:

82048.4. (a) "Slate mailer organization" means, except as provided in subdivision (b), any person who, directly or indirectly, does all of the following:

(1) Is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures to be supported or opposed in the slate mailers.

(2) Receives or is promised payments totaling five hundred dollars ($500) or more in a calendar year for the production of one or more slate mailers.

(b) Notwithstanding subdivision (a), a slate mailer organization shall not include any of the following:

(1) A candidate or officeholder or a candidate's or officeholder's controlled committee.

(2) An official committee of any political party.

(3) A legislative caucus committee.

(4) A committee primarily formed to support or oppose a candidate, officeholder, or ballot measure.

(c) The production and distribution of slate mailers by a slate mailer organization shall not be considered making contributions or expenditures for purposes of subdivision (b) or (c) of Section 82013. If a slate mailer organization makes contributions or expenditures

other than by producing or distributing slate mailers, and it reports those contributions and expenditures pursuant to Sections 84218 and 84219, no additional campaign reports shall be required of the slate mailer organization pursuant to Section 84200 or 84200.5.

SEC. 78. Section 654.5 of the Harbors and Navigation Code is amended 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 of a vessel 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. 79. Section 199.27 of the Health and Safety Code, as added by Chapter 1427 of the Statutes of 1987, is amended and renumbered to read:

199.28. (a) (1) When the subject of a blood test to detect antibodies to the probable causative agent of AIDS is not competent to give consent for the test to be performed, written consent for the test may be obtained from the subject's parents, guardians, conservators, or other person lawfully authorized to make health care decisions for the subject. For purposes of this paragraph, a minor is not competent to give consent if he or she is under 12 years of age.

(2) Notwithstanding paragraph (1), when the subject of the test is a minor adjudged to be a dependent child of the court pursuant to Section 360 of the Welfare and Institutions Code, written consent for the test to be performed may be obtained from the court pursuant to its authority under Section 362 or 369 of the Welfare and Institutions Code.

(b) Written consent shall only be obtained for the subject pursuant to subdivision (a) when necessary to render appropriate care or to practice preventative measures.

(c) The person authorized to consent to the test pursuant to subdivision (a) shall be permitted to do any of the following:

(1) Notwithstanding Sections 199.20 and 199.21, receive the results of the test on behalf of the subject without written authorization.

(2) Disclose the test results on behalf of the subject in accordance with Sections 199.20 and 199.21.

(3) Provide written authorization for the disclosure of the test results on behalf of the subject in accordance with Sections 199.20 and 199.21.

SEC. 80. Section 1170 of the Health and Safety Code, as added by Chapter 1080 of the Statutes of 1985, is amended and renumbered to read:

1169.10. The state department shall adopt any regulations necessary to implement this article. The state department may adopt these regulations on an emergency basis pursuant to Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code, based on the finding by the state department that these regulations are necessary to assure that counties receive funding for health services on a timely basis in order to promote andprotect the health and safety of the people of this state.

SEC. 81. Section 1171 of the Health and Safety Code, as added by Chapter 1080 of the Statutes of 1985, is amended and renumbered to read:

1169.11. The state department shall obtain from the federal government any approval for pilot projects or waivers which are necessary to carry out this article.

SEC. 82. Section 1172 of the Health and Safety Code, as amended by Chapter 1106 of the Statutes of 1987, is amended and renumbered to read:

1169.12. The department shall submit an evaluation report to the Legislature by June 30, 1990, regarding the effectiveness of the pilot program in meeting the objectives of this article in accordance with the article.

SEC. 83. Section 1173 of the Health and Safety Code is amended and renumbered to read:

1169.13. This article shall remain in effect only until June 30, 1990, and as of that date is repealed, unless a later enacted statute, which is chaptered before that date, deletes or extends that date.

SEC. 84. Section 1268.5 of the Health and Safety Code is amended to read:

1268.5. Notwithstanding the provisions of Section 1268 requiring full compliance with this chapter and the rules and regulations of the state department as a condition to the issuance of a license or special permit, the state department may issue a provisional license to a health facility except for a health facility defined in subdivisions (a) and (b) of Section 1250, if:

(a) The facility and the applicant for licensure substantially meet the standards specified by this chapter and regulations adopted pursuant to this chapter.

(b) No violation of this chapter or regulations adopted pursuant to this chapter exists in the facility which jeopardizes the health or safety of patients.

(c) The applicant has adopted a plan for correction of any existing violations which is satisfactory to the state department.

A provisional license issued under this section shall expire not later than six months after the date of issuance, or at an earlier time as determined by the state department at the time of issuance, and may not be renewed.

The department shall not apply less stringent criteria when granting a provisional license pursuant to this section than it applies

when granting a permanent license.

It is the intent of the Legislature in enacting this section to additionally provide for continuity of reimbursement under the Medi-Cal Act, Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, whenever ownership of a skilled nursing facility or intermediate care facility is transferred.

SEC. 85. Section 1336.2 of the Health and Safety Code is amended to read:

1336.2. (a) When patients are transferred due to any change in the status of the license or operation of a facility, including voluntary or involuntary termination of a facility's Medi-Cal or Medicare certification, the facility shall take reasonable steps to transfer affected patients safely and minimize possible transfer trauma by, at a minimum, doing all of the following:

(1) Medically assess, prior to transfer, the patient's condition and susceptibility to adverse health consequences, including psychosocial effects, in the event of transfer. The patient's physician and surgeon, if available, shall undertake this assessment. The assessment shall provide recommendations, including counseling and followup visits, for preventing or ameliorating potential adverse health consequences in the event of transfer.

(2) Provide, in accordance with these assessments, counseling, and other recommended services, prior to transfer, to any affected patient who may suffer adverse health consequences due to transfer.

(3) Evaluate, prior to transfer, the relocation needs of the patient and the patient's family and determine the most appropriate and available type of future care and services for the patient. The health facility shall discuss the evaluation and medical assessment with the patient or the patient's guardian, agent, or responsible party and make the evaluation and assessment part of the medical records for transfer.

(4) Inform, at least 30 days in advance of the transfer, the patient or patient's guardian, agent, or responsible party of alternative facilities that are available and adequate to meet patient and family needs.

(5) Arrange for appropriate, future medical care and services, unless the patient or patient's guardian has otherwise made these arrangements. This requirement does not obligate a facility to pay for future care and services.

(b) The facility shall provide an appropriate team of professional staff to perform the services required in subdivision (a).

(c) The facility shall also give written notice to affected patients or their guardians, agents, or responsible parties advising them of the requirements in subdivision (a) at least 30 days in advance of transfer. If a facility is required to give written notice pursuant to Section 1336, then the notice shall advise the affected patient or the patient's guardian, agent, or responsible party of the requirements in subdivision (a). If the transfer is made pursuant to subdivision (f),

the notice shall include notification to the patient that the transfer plan is available to the patient or patient's representative free of charge upon request.

(d) In the event of a temporary suspension of a facility's license pursuant to Section 1296, the 30-day notice requirement in subdivision (c) shall not apply, but the facility shall provide the relocation services required in subdivision (a) unless the state department provides the services pursuant to subdivision (e).

(e) The state department may provide, or arrange for the provision of, necessary relocation services at a facility, including medical assessments, counseling, and placement of patients, if the state department determines that these services are needed promptly to prevent adverse health consequences to patients, and the facility refuses, or does not have adequate staffing, to provide the services. In these cases, the facility shall reimburse the state department for the cost of providing the relocation services. If a facility's refusal to provide the relocation services required in subdivision (a) endangers the health and safety of patients to be transferred, then the state department may also request that the Attorney General's office or the local district attorney's office seek injunctive relief and damages in the same manner as provided for in Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code.

(f) If 10 or more patients are likely to be transferred due to any voluntary change in the status of the license or operation of a facility, including voluntary termination of a facility's Medi-Cal or Medicare certification, the facility shall submit a proposed relocation plan for the affected patients to the state department for comment, if any, at least 45 days prior to the transfer of any patient. The plan shall provide for implementation of the relocation services in subdivision (a) and shall describe the availability of beds in the area for patients to be transferred, the proposed discharge process, and the staffing available to assist in the transfers. The facility shall submit its final relocation plan to the local ombudsperson, and if different from the proposed plan, to the state department, at least 30 days prior to the transfer of any patient.

SEC. 86. Section 1343 of the Health and Safety Code is amended to read:

1343. (a) This chapter shall apply to health care service plans and specialized health care service plan contracts as defined in subdivisions (f) and (n) of Section 1345.

(b) The commissioner may by the adoption of rules deemed necessary and appropriate, either unconditionally or upon specified terms and conditions or for specified periods, exempt from the provisions of this chapter any class of persons or plan contracts if the commissioner finds the action to be in the public interest and not detrimental to the protection of subscribers, enrollees, or persons regulated under this chapter, and that the regulation of the persons or plan contracts is not essential to the purposes of this chapter.

(c) The commissioner, upon request of the Director of Health Services, shall exempt from this chapter any county-operated pilot program contracting with the State Department of Health Services pursuant to Article 7 (commencing with Section 14490) of Chapter 8 of Part 3 of Division 9 of the Welfare and Institutions Code. The commissioner may exempt non-county-operated pilot programs upon request of the Director of Health Services. Those exemptions may be subject to conditions the Director of Health Services deems appropriate.

(d) This chapter shall not apply to:

(1) A person organized and operating pursuant to a certificate issued by the Insurance Commissioner unless the entity is directly providing the health care service through those entity-owned or contracting health facilities and providers, in which case this chapter shall apply to the insurer's plan and to the insurer.

(2) A plan directly operated by a bona fide public or private institution of higher learning which directly provides health care services only to its students, faculty, staff, administration, and their respective dependents.

(3) A nonprofit corporation formed under Chapter 11a (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code.

(4) A person who does all of the following:

(A) Promises to provide care for life or for more than one year in return for a transfer of consideration from, or on behalf of, a person 60 years of age or older.

(B) Has obtained a written license pursuant to Chapter 2 (commencing with Section 1250) or Chapter 3.3 (commencing with Section 1569) of this division.

(C) Has obtained a certificate of authority from the State Department of Social Services.

SEC. 87. Section 1367.4 of the Health and Safety Code, as added by Chapter 73 of the Statutes of 1985, is amended and renumbered to read:

1367.18. Every health care service plan, except a specialized health care service plan, that covers hospital, medical, or surgical expenses on a group basis shall offer coverage for orthotic and prosthetic devices and services under the terms and conditions that may be agreed upon between the group subscriber and the plan. Every plan shall communicate the availability of that coverage to all group contract holders and to all prospective group contract holders with whom they are negotiating.

SEC. 88. Section 1437 of the Health and Safety Code is amended to read:

1437. If a health facility, or an applicant for a license has not been previously licensed pursuant to Chapter 2 (commencing with Section 1250), the state department may only provisionally license the facility as provided in this section. A provisional license to operate a health facility shall terminate six months from the date of

issuance. Within 30 days of the termination of a provisional license, the state department shall give the facility a full and complete inspection, and, if the facility meets all applicable requirements for licensure, a regular license shall be issued. If the health facility does not meet the requirements for licensure but has made substantial progress towards meeting the requirements, as determined by the state department, the initial provisional license shall be renewed for six months. If the state department determines that there has not been substantial progress towards meeting licensure requirements at the time of the first full inspection provided by this section, or, if the state department determines upon its inspection made within 30 days of the termination of a renewed provisional license that there is lack of full compliance with the requirements, no further license shall be issued.

If an applicant for a provisional license to operate a health facility has been denied provisional licensing by the state department, he or she may contest the denial by filing a statement of issues, as provided in Section 11504 of the Government Code, and the proceedings to review the denial shall be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

The department shall not apply less stringent criteria when granting a provisional license pursuant to this section than it applies when granting a permanent license.

General acute care hospitals and acute psychiatric hospitals are exempt from this section.

SEC. 89. Section 1502 of the Health and Safety Code is amended to read:

1502. As used in this chapter:

(a) "Community care facility" means any facility, place, or building which is maintained and operated to provide nonmedical residential care, day treatment, adult day care, or foster family agency services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children, and includes the following:

(1) "Residential facility" means any family home, group care facility, or similar facility determined by the director, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual.

(2) "Adult day care facility" means any facility which provides nonmedical care to persons 18 years of age or older in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis.

(3) "Day treatment facility" means any facility which provides nonmedical care, counseling, educational or vocational support, or social rehabilitation services on less than a 24-hour basis to persons

under 18 years of age who would otherwise be placed in foster care or who are returning to families from foster care. Program standards for these facilities shall be developed by the department, pursuant to Section 1530, in consultation with day treatment and foster care providers.

(4) "Foster family agency" means any individual or organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care. Private foster family agencies shall be organized and operated on a nonprofit basis.

(5) "Foster family home" means any residential facility providing 24-hour care for six or fewer foster children which is owned, leased, or rented and is the residence of the foster parent or parents, including their family, in whose care the foster children have been placed. The placement may be by a public or private child placement agency or by a court order, or by voluntary placement by a parent, parents, or guardian.

(6) "Small family home" means any residential facility providing 24-hour care for six or fewer foster children who have mental disorders or developmental or physical disabilities and who require special care and supervision as a result of their disabilities.

(7) "Social rehabilitation facility" means any residential facility which provides social rehabilitation services for no longer than 18 months in a group setting to adults recovering from mental illness who temporarily need assistance, guidance, or counseling. Program components shall be subject to program standards pursuant to Section 5458.1 of the Welfare and Institutions Code.

(8) "Community treatment facility" means any residential facility which provides mental health treatment services to children in a group setting. Program components shall be subject to program standards developed by the State Department of Mental Health pursuant to Section 5405 of the Welfare and Institutions Code.

Nothing in this section shall be construed to prohibit or discourage placement of persons who have mental or physical disabilities into any category of community care facility that meets the needs of the individual placed, if the placement is consistent with the licensing regulations of the department.

(9) "Adoption agency" means any individual, other than a parent, or entity engaged in the business of providing adoption services, who does any one or more of the following:

(A) Assumes care, custody, and control of a child through relinquishment of the child to the agency or involuntary termination of parental rights to the child.

(B) Assesses the birth parents, prospective adoptive parents, or child.

(C) Places children for adoption.

(D) Supervises adoptive placements.

Private adoption agencies shall be organized and operated on a

nonprofit basis.

(b) "Department" or "state department" means the State Department of Social Services.

(c) "Director" means the Director of Social Services.

SEC. 90. The heading of Chapter 3.3 (commencing with Section 1568.10) of Division 2 of the Health and Safety Code is amended and renumbered to read:

CHAPTER 3.1. ALZHEIMER'S DAY CARE-RESOURCE CENTERS ACT

SEC. 91. The heading of Chapter 3.3 (commencing with Section 1569) of Division 2 of the Health and Safety Code is amended and renumbered to read:

CHAPTER 3.2. RESIDENTIAL CARE FACILITIES FOR THE ELDERLY

SEC. 92. The heading of Chapter 3.2 (commencing with Section 1570) of Division 2 of the Health and Safety Code is amended and renumbered to read:

CHAPTER 3.3. CALIFORNIA ADULT DAY HEALTH CARE ACT

SEC. 93. Section 1575.3 of the Health and Safety Code is amended to read:

1575.3. (a) If a licensed adult day health center or an applicant for a license has not been previously licensed, the state department may only issue a provisional license to the center as provided in this section.

(b) A provisional license to operate an adult day health center shall terminate one year from the date of issuance.

(c) Within 30 days prior to the termination of a provisional license, the state department shall give the adult day health center a full and complete inspection, and, if the adult day health center meets all applicable requirements for licensure, a regular license shall be issued. If the adult day health center does not meet the requirements for licensure but has made substantial progress towards meeting the requirements, as determined by the state department, the initial provisional license shall be renewed for six months.

(d) If the state department determines that there has not been substantial progress towards meeting licensure requirements at the time of the first full inspection provided by this section, or, if the state department determines upon its inspection made within 30 days prior to the termination of a renewed provisional license that there is lack of full compliance with the requirements, no further license shall be issued.

(e) If an applicant for a provisional license to operate an adult day health center has been denied by the state department, the applicant may contest the denial by filing a statement of issues, as provided in

Section 11504 of the Government Code. The proceedings to review the denial shall be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) The department shall not apply less stringent criteria when granting a provisional license pursuant to this section than it applies when granting a permanent license.

SEC. 94. Section 1575.4 of the Health and Safety Code is amended to read:

1575.4. (a) The state department may issue a provisional license to an adult day health center if:

(1) The adult day health center and the applicant for licensure substantially meet the standards specified by this chapter and regulations adopted pursuant to this chapter.

(2) No violation of this chapter or regulations adopted under this chapter exists in the adult day health center which jeopardizes the health or safety of patients.

(3) The applicant has adopted a plan for correction of any existing violations which is satisfactory to the state department.

(b) A provisional license issued under this section shall expire not later than one year after the date of issuance, or at an earlier time as determined by the state department at the time of issuance, and may not be renewed.

(c) The department shall not apply less stringent criteria when granting a provisional license pursuant to this section than it applies when granting a permanent license.

SEC. 95. Section 1596.889 of the Health and Safety Code, as added by Chapter 1312 of the Statutes of 1985, is amended and renumbered to read:

1596.8895. (a) Whenever the director temporarily suspends the license, registration, or special permit of a child day care facility pursuant to Section 1596.886, the director or the local licensing agency shall send written notification to the parent or guardian of each child receiving services in the facility. The department or the local licensing agency, if there is one, shall also post a written notice of the temporary suspension at the facility in a place readily visible and accessible to the parents or guardians of children receiving services at the facility. Removal of the posted notice while the temporary suspension is in effect is a violation of this chapter punishable by a fine of five hundred dollars ($500).

(b) If a temporary suspension order is not effected within 30 days of the filing of an accusation, the director or the local licensing agency shall send written notification that the accusation has been filed to the parent or guardian of each child receiving services in the facility.

SEC. 96. Section 1596.891 of the Health and Safety Code, as added by Chapter 1064 of the Statutes of 1985, is amended and renumbered to read:

1596.894. Any action brought by the department against an

unlicensed child day care facility shall not abate by reason of sale or other transfer of ownership of the child day care facility which is a party to the action except with the written consent of the licensing agency.

SEC. 97. Section 1597.11 of the Health and Safety Code, as amended and renumbered by Section 10 of Chapter 1064 of the Statutes of 1985, is amended and renumbered to read:

1597.13. The department and any local agency with which it contracts for the licensing of day care centers shall grant or deny an application for license within 30 days after receipt of all appropriate licensing application materials, as determined by the department, after a site visit has been completed and the facility has been found to be in compliance with licensing standards. The department shall conduct an initial site visit within 30 days after the receipt of all appropriate licensing application materials.

SEC. 98. Section 1599.84 of the Health and Safety Code is amended to read:

1599.84. This chapter applies to new admissions to skilled nursing and intermediate care facilities on and after January 1, 1988. This chapter shall not be construed to require the execution of new admission agreements for patients who were residing in those facilities prior to the enactment of this chapter. However, those patients shall be given notice of changes in admission contracts pursuant to this chapter.

SEC. 99. Section 1728.2 of the Health and Safety Code is amended to read:

1728.2. (a) If a home health agency or an applicant for a license has not been previously licensed, the state department may only issue a provisional license to the agency as provided in this section.

(b) A provisional license to operate a home health agency shall terminate six months from the date of issuance.

(c) Within 30 days prior to the termination of a provisional license, the state department shall give the agency a full and complete inspection, and, if the agency meets all applicable requirements for licensure, a regular license shall be issued. If the home health agency does not meet the requirements for licensure but has made substantial progress towards meeting the requirements, as determined by the state department, the initial provisional license shall be renewed for six months.

(d) If the state department determines that there has not been substantial progress towards meeting licensure requirements at the time of the first full inspection provided by this section, or, if the state department determines upon its inspection made within 30 days of the termination of a renewed provisional license that there is lack of full compliance with the requirements, no further license shall be issued.

(e) If an applicant for a provisional license to operate a home health agency has been denied provisional licensing by the state department, the applicant may contest the denial by filing a

statement of issues, as provided in Section 11504 of the Government Code, and the proceedings to review denial shall be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) The department shall not apply less stringent criteria when granting a provisional license pursuant to this section than it applies when granting a permanent license.

SEC. 100. Section 1728.3 of the Health and Safety Code is amended to read:

1728.3. Notwithstanding Sections 1728.1 and 1732, the state department may issue a provisional license to a home health agency if:

(a) The agency and the applicant for licensure substantially meet the standards specified by this chapter and regulations adopted pursuant to this chapter.

(b) No violation of this chapter or regulations adopted under this chapter exists in the agency which jeopardizes the health or safety of patients.

(c) The applicant has adopted a plan for correction of any existing violations which is satisfactory to the state department.

A provisional license issued under this section shall expire not later than six months after the date of issuance, or at an earlier time as determined by the state department at the time of issuance, and may not be renewed.

The department shall not apply less stringent criteria when granting a provisional license pursuant to this section than it applies when granting a permanent license.

SEC. 101. Division 2.3 (commencing with Section 1795) is added to the Health and Safety Code, to read:

DIVISION 2.3. PATIENT ACCESS TO HEALTH RECORDS

1795. The Legislature finds and declares that every person having ultimate responsibility for decisions respecting his or her own health care also possesses a concomitant right of access to complete information respecting his or her condition and care provided. Similarly, persons having responsibility for decisions respecting the health care of others should, in general, have access to information on the patient's condition and care. It is, therefore, the intent of the Legislature in enacting this division to establish procedures for providing access to health care records or summaries of those records by patients and by those persons having responsibility for decisions respecting the health care of others.

1795.10. As used in this division:

(a) "Health care provider" means any of the following:

(1) A health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2.

(2) A clinic licensed pursuant to Chapter 1 (commencing with Section 1200) of Division 2.

(3) A home health agency licensed pursuant to Chapter 8 (commencing with Section 1725) of Division 2.

(4) A physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code or pursuant to the Osteopathic Act.

(5) A podiatrist licensed pursuant to Article 22 (commencing with Section 2460) of Chapter 5 of Division 2 of the Business and Professions Code.

(6) A dentist licensed pursuant to Chapter 4 (commencing with Section 1600) of Division 2 of the Business and Professions Code.

(7) An optometrist licensed pursuant to Chapter 7 (commencing with Section 3000) of Division 2 of the Business and Professions Code.

(8) A chiropractor licensed pursuant to the Chiropractic Initiative Act.

(9) A marriage, family, and child counselor licensed pursuant to Chapter 13 (commencing with Section 4980) of Division 2 of the Business and Professions Code.

(10) A clinical social worker licensed pursuant to Chapter 14 (commencing with Section 4990) of Division 2 of the Business and Professions Code.

(b) "Mental health records" means patient records, or discrete portions thereof, specifically relating to evaluation or treatment of a mental disorder. "Mental health records" includes, but is not limited to, all alcohol and drug abuse records.

(c) "Patient" means a patient or former patient of a health care provider.

(d) "Patient records" means records in any form or medium maintained by, or in the custody or control of, a health care provider relating to the health history, diagnosis, or condition of a patient, or relating to treatment provided or proposed to be provided to the patient. "Patient records" includes only records pertaining to the patient requesting the records or whose representative requests the records. "Patient records" does not include information given in confidence to a health care provider by a person other than another health care provider or the patient, and that material may be removed from any records prior to inspection or copying under Section 1795.12 or 1795.14. "Patient records" does not include information contained in aggregate form, such as indices, registers, or logs.

(e) "Patient's representative" or "representative" means a parent or the guardian of a minor who is a patient, or the guardian or conservator of the person of an adult patient.

(f) "Alcohol and drug abuse records" means patient records, or discrete portions thereof, specifically relating to evaluation and treatment of alcoholism or drug abuse.

1795.12. (a) Notwithstanding Section 5328 of the Welfare and Institutions Code, and except as provided in Sections 1795.14 and 1795.16, any adult patient of a health care provider, any minor patient authorized by law to consent to medical treatment, and any

patient representative shall be entitled to inspect patient records upon presenting to the health care provider a written request for those records and upon payment of reasonable clerical costs incurred in locating and making the records available. However, a patient who is a minor shall be entitled to inspect patient records pertaining only to health care of a type for which the minor is lawfully authorized to consent. A health care provider shall permit this inspection during business hours within five working days after receipt of the written request. The inspection shall be conducted by the patient or patient's representative requesting the inspection, who may be accompanied by one other person of his or her choosing.

(b) Additionally, any patient or patient's representative shall be entitled to copies of all or any portion of the patient records which he or she has a right to inspect, upon presenting a written request to the health care provider specifying the records to be copied, together with a fee to defray the cost of copying, which shall not exceed twenty-five cents ($0.25) per page or fifty cents ($0.50) per page for records that are copied from microfilm and any additional reasonable clerical costs incurred in making the records available. The health care provider shall ensure that the copies are transmitted within 15 days after receiving the written request.

(c) Copies of X-rays or tracings derived from electrocardiography, electroencephalography, or electromyography need not be provided to the patient or patient's representative under this section, if the original X-rays or tracings are transmitted to another health care provider upon written request of the patient or patient's representative and within 15 days after receipt of the request. The request shall specify the name and address of the health care provider to whom the records are to be delivered. All reasonable costs, not exceeding actual costs, incurred by a health care provider in providing copies pursuant to this subdivision may be charged to the patient or representative requesting the copies.

(d) This section shall not be construed to preclude a health care provider from requiring reasonable verification of identity prior to permitting inspection or copying of patient records, provided this requirement is not used oppressively or discriminatorily to frustrate or delay compliance with this section. Nothing in this division shall be deemed to supersede any rights which a patient or representative might otherwise have or exercise under Section 1158 of the Evidence Code or any other provision of law. Nothing in this division shall require a health care provider to retain records longer than required by applicable statutes or administrative regulations.

(e) This division shall not be construed to render a health care provider liable for the quality of his or her records or the copies provided in excess of existing law and regulations with respect to the quality of medical records. A health care provider shall not be liable to the patient or any other person for any consequences which result from disclosure of patient records as required by this division. A health care provider shall not discriminate against classes or

categories of providers in the transmittal of X-rays or other patient records, or copies of these X-rays or records, to other providers as authorized by this section.

Every health care provider shall adopt policies and establish procedures for the uniform transmittal of X-rays and other patient records that effectively prevent the discrimination described in this subdivision. A health care provider may establish reasonable conditions, including a reasonable deposit fee, to ensure the return of original X-rays transmitted to another health care provider, provided the conditions do not discriminate on the basis of, or in a manner related to, the license of the provider to which the X-rays are transmitted.

(f) Any health care provider described in paragraphs (4) to (10), inclusive, of subdivision (a) of Section 1795.10 who willfully violates this division is guilty of unprofessional conduct. Any health care provider described in paragraphs (1) to (3), inclusive, of subdivision (a) of Section 1795.10 that willfully violates this division is guilty of an infraction punishable by a fine of not more than one hundred dollars ($100). The state agency, board or commission which issued the health care provider's professional or institutional license shall consider a violation as grounds for disciplinary action with respect to the licensure, including suspension or revocation of the license or certificate.

1795.14. (a) The representative of a minor shall not be entitled to inspect or obtain copies of the minor's patient records in either of the following circumstances:

(1) With respect to which the minor has a right of inspection under Section 1795.12.

(2) Where the health care provider determines that access to the patient records requested by the representative would have a detrimental effect on the provider's professional relationship with the minor patient or the minor's physical safety or psychological well being. The decision of the health care provider as to whether or not a minor's records are available for inspection under this section shall not attach any liability to the provider, unless the decision is found to be in bad faith.

(b) When a health care provider determines there is a substantial risk of significant adverse or detrimental consequences to a patient in seeing or receiving a copy of mental health records requested by the patient, the provider may decline to permit inspection or provide copies of the records to the patient, subject to the following conditions:

(1) The health care provider shall make a written record, to be included with the mental health records requested, noting the date of the request and explaining the health care provider's reason for refusing to permit inspection or provide copies of the records, including a description of the specific adverse or detrimental consequences to the patient which the provider anticipates would occur if inspection or copying were permitted.

(2) The health care provider shall permit inspection by, or provide copies of, the mental health records to a licensed physician and surgeon or licensed psychologist designated by request of the patient.

(3) The health care provider shall inform the patient of the provider's refusal to permit him or her to inspect or obtain copies of the requested records, and inform the patient of the right to require the provider to permit inspection by, or provide copies to, a licensed physician and surgeon, licensed psychologist, or licensed clinical social worker designated by written authorization of the patient.

(4) The health care provider shall indicate in the mental health records of the patient whether the request was made under paragraph (2).

1795.16. Any patient or representative aggrieved by a violation of Section 1795.12 may, in addition to any other remedy provided by law, bring an action against the health care provider to enforce the obligations prescribed by Section 1795.12. Any judgment rendered in the action may, in the discretion of the court, include an award of costs and reasonable attorney fees to the prevailing party.

1795.18. (a) This division shall not require a health care provider to permit inspection or provide copies of alcohol and drug abuse records where, or in a manner, prohibited by Section 408 of the federal Drug Abuse Office and Treatment Act of 1972 (Public Law 92-255) or Section 333 of the federal Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (Public Law 91-616), or by regulations adopted pursuant to these federal laws. Alcohol and drug abuse records subject to these federal laws shall also be subject to this division, to the extent that these federal laws do not prohibit disclosure of the records. All other alcohol and drug abuse records shall be fully subject to this division.

(b) This division shall not require a health care provider to permit inspection or provide copies of records or portions of records where or in a manner prohibited by existing law respecting the confidentiality of information regarding communicable disease carriers.

1795.20. (a) A health care provider may prepare a summary of the record, according to the requirements of this section, for inspection and copying by a patient. If the health care provider chooses to prepare a summary of the record rather than allowing access to the entire record, he or she shall make the summary of the record available to the patient within 10 working days from the date of the patient's request. However, if more time is needed because the record is of extraordinary length or because the patient was discharged from a licensed health facility within the last 10 days, the health care provider shall notify the patient of this fact and the date that the summary will be completed, but in no case shall more than 30 days elapse between the request by the patient and the delivery of the summary. In preparing the summary of the record the health care provider shall not be obligated to include information which is

not contained in the original record.

(b) A health care provider may confer with the patient in an attempt to clarify the patient's purpose and goal in obtaining his or her record. If as a consequence the patient requests information about only certain injuries, illnesses, or episodes, this subdivision shall not require the provider to prepare the summary required by this subdivision for other than the injuries, illnesses, or episodes so requested by the patient. The summary shall contain for each injury, illness, or episode any information included in the record relative to the following:

(1) Chief complaint or complaints including pertinent history.

(2) Findings from consultations and referrals to other health care providers.

(3) Diagnosis, where determined.

(4) Treatment plan and regimen including medications prescribed.

(5) Progress of the treatment.

(6) Prognosis including significant continuing problems or conditions.

(7) Pertinent reports of diagnostic procedures and tests and all discharge summaries.

(8) Objective findings from the most recent physical examination, such as blood pressure, weight, and actual values from routine laboratory tests.

(c) This section shall not be construed to require any medical records to be written or maintained in any manner not otherwise required by law.

(d) The summary shall contain a list of all current medications prescribed, including dosage, and any sensitivities or allergies to medications recorded by the provider.

(e) Subdivision (c) of Section 1795.12 shall be applicable whether or not the health care provider elects to prepare a summary of the record.

(f) The health care provider may charge no more than a reasonable fee based on actual time and cost for the preparation of the summary. The cost shall be based on a computation of the actual time spent preparing the summary for availability to the patient or the patient's representative. It is the intent of the Legislature that summaries of the records be made available at the lowest possible cost to the patient.

1795.22. Except as otherwise provided by law, nothing in this division shall be construed to grant greater access to individual patient records by any person, firm, association, organization, partnership, business trust, company, corporation, or municipal or other public corporation, or government officer or agency. Therefore, this division does not do any of the following:

(a) Relieve employers of the requirements of the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code).

(b) Relieve any person subject to the Insurance Information and Privacy Protection Act (Article 6.6 (commencing with Section 791) of Chapter 1 of Part 2 of Division 1 of the Insurance Code) from the requirements of that act.

(c) Relieve government agencies of the requirements of the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code).

1795.24. The Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) shall prevail over this division with respect to records maintained by a state agency.

1795.26. (a) Providers of health services which are licensed pursuant to Sections 1205, 1253, 1575 and 1726 have an obligation, if the licensee ceases operation, to preserve records for a minimum of seven years following discharge of the patient, except that the records of unemancipated minors shall be kept at least one year after the minor has reached the age of 18 years, and in any case, not less than seven years.

(b) The department or any person injured as a result of the licensee's abandonment of health records may bring an action in a proper court for the amount of damage suffered as a result thereof. In the event that the licensee is a corporation or partnership which is dissolved, the person injured may take action against that corporation's or partnership's principle officers of record at the time of dissolution.

(c) Abandoned means violating subdivision (a) and leaving patients treated by the licensee without access to medical information to which they are entitled pursuant to Section 1795.12.

SEC. 102. A heading is added immediately preceding Section 4636 as Article 3.5 (commencing with Section 4636) of Chapter 1 of Part 3 of Division 5 of the Health and Safety Code, to read:

Article 3.5. Performance of Work

SEC. 103. Section 11811.5 of the Health and Safety Code, as added by Chapter 1261 of the Statutes of 1987, is amended and renumbered to read:

11812.6. In addition to any other services authorized under this chapter, the department shall urge the county, in the county alcohol program plan, to develop within existing resources specific policies and procedures, no later than January 1, 1988, to address the unique treatment problems presented by persons who are both mentally disordered and chemically dependent. If contained in the county alcohol program plan, priority shall be given to developing policies and procedures that relate to the diagnosis and treatment of homeless persons who are mentally disordered and chemically dependent.

The director shall consult with the Director of Mental Health in developing guidelines for county mental health and alcohol and drug

treatment programs in order to comply with this section.

SEC. 104. A heading is added immediately preceding Section 11960 as Article 1 (commencing with Section 11960) of Chapter 2 of Part 3 of Division 10.5 of the Health and Safety Code, to read:

Article 1. Coordination of Services

SEC. 105. Section 25122.55 of the Health and Safety Code is amended and renumbered to read:

25120.55. (a) Used or spent etchants, stripping solutions, and plating solutions are spent, contaminated, or used material for purposes of this chapter.

(b) Used or spent etchants, stripping solutions, and plating solutions which meet a characteristic established by or are listed by the Environmental Protection Agency or the department as a hazardous waste and are transported from the site where they are produced, and transferred to an unrelated or unaffiliated person for any purpose, are subject to the requirements of this chapter which apply to hazardous waste unless the department waives any specific provision of this chapter pursuant to Section 25143. Nothing in this section exempts any used or spent etchant, stripping solution, or plating solution from any other requirement of this chapter.

SEC. 106. Section 25158 of the Health and Safety Code is amended to read:

25158. (a) Except as provided in subdivision (f), any person generating hazardous waste, or owning or operating a facility for the treatment, storage, or disposal of hazardous waste, shall file with the director, or the director's designee, on a form provided by the director, or the director's designee, a hazardous waste notification statement on or before January 1, 1988. An amended statement shall be filed with the department whenever there has been a substantial change in the information provided on the previously filed notification statement. A person shall not generate, treat, store, or dispose of hazardous waste after January 1, 1988, unless the person files a notification statement with the director pursuant to this section, unless exempted pursuant to subdivision (f).

(b) A hazardous waste notification statement shall include all of the following information:

(1) The name and address of the person owning the facility or conducting the activity specified in subdivision (a).

(2) The address and location of the activity or facility, including the city and county.

(3) The name and 24-hour phone number of the contact person in the event of an emergency involving the facility or activity.

(4) The quantities of hazardous waste annually handled pursuant to the activity or at the facility.

(5) A description of the hazardous waste activity being conducted, such as generation, treatment, storage, or disposal.

(6) A general description of the hazardous waste being handled.

(c) The department shall prepare and distribute the hazardous waste notification statement forms on or before July 1, 1987. The form shall include a statement which clearly states who is required to file the form. The form shall also include a statement that the form is not a substitute for the federal notification required by the Environmental Protection Agency pursuant to subsection (a) of Section 6930 of Title 42 of the United States Code.

(d) Any person who is required to submit a hazardous waste notification statement and fee to the director pursuant to subdivision (a) and who fails to do so is subject to a civil penalty of not less than fifty dollars ($50) and not more than five hundred dollars ($500) for each day after January 1, 1988, for which the department does not receive a statement. Any person who knowingly submits false information to the department is subject to a civil penalty of not less than two thousand dollars ($2,000) and not more than twenty thousand dollars ($20,000) for each day the false information goes uncorrected.

(e) The director shall compile and organize the statements by the city and county within which each activity and facility are located, and shall transmit the compiled statements to the appropriate regional offices, the California regional water quality control boards, and county health officers on or before July 1, 1988.

(f) Subdivision (a) does not apply to any of the following:

(1) A person who has filed notification with the Administrator of the Environmental Protection Agency pursuant to subsection (a) of Section 6930 of Title 42 of the United States Code.

(2) A person who only produces household waste.

(3) Any person who owns property on which is taking place a cleanup of, or other removal of or remedial action to, a hazardous waste site or who is engaged in any of these activities on a hazardous waste site.

SEC. 107. Article 13 (commencing with Section 25249.100) is added to Chapter 6.5 of Division 20 of the Health and Safety Code, to read:

Article 13. Management of Used Oil

25249.100. (a) The Legislature finds that almost 100 million gallons of used oil is generated each year in the state; that this oil is a valuable petroleum resource which can be recycled; and that, in spite of this potential for recycling, significant quantities of used oil are wastefully disposed of or improperly used by means which pollute the water, land, and air, and endanger the public health, safety, and welfare.

(b) The Legislature also finds that readily available technologies exist to recycle used oil into useful products and that used oil should be collected and recycled, to the maximum extent possible, by means which are economically feasible and environmentally sound, in order to conserve irreplaceable petroleum resources, to protect the

environment, and to protect public health, safety, and welfare.

25249.110. As used in this article, the following terms have the following meanings:

(a) "Used oil" means any of the following:

(1) Any oil that has been refined from crude oil, and has been used, and, as a result of use, has been contaminated with physical or chemical impurities.

(2) Any oil that has been refined from crude oil and, as a consequence of extended storage, spillage, or contamination with nonhazardous impurities such as dirt and water, is no longer useful to the original purchaser.

(3) Spent lubricating fluids which have been removed from an engine crankcase, transmission, gearbox, or differential of an automobile, bus, truck, vessel, plane, heavy equipment, or machinery powered by an internal combustion engine.

(4) Spent industrial oils, including compressor, turbine, and bearing oil, hydraulic oil, metal-working oil, refrigeration oil, and railroad drainings.

(5) Contaminated fuel oil with a flash point greater than 100°F.

"Used oil" does not include oil which has a flash point below 100°F or which has been intentionally mixed with hazardous waste, other than minimal amounts of vehicle fuel. "Used oil" also does not include oil which contains polychlorinated biphenyls (PCBs) at a concentration of 5 ppm or greater.

(b) "Board" means the California Waste Management Board.

(c) "Recycled oil" means any oil, produced from used oil, which has been prepared for reuse and which achieves minimum standards of purity, in liquid form, as established by the department. The following standards of purity are in effect unless the department, by regulation, establishes more stringent standards:

(1) Flash point: minimum standards set by the American Society for Testing and Materials for the recycled products.

(2) Lead: 100 ppm or less prior to January 1, 1988; 50 ppm or less on and after January 1, 1988.

(3) Arsenic: 5 ppm or less.

(4) Chromium: 10 ppm or less.

(5) Cadmium: 2 ppm or less.

(6) Chlorides: 3,000 ppm or less.

(7) Polychlorinated byphenyls (PCBs): 5 ppm or less.

Compliance with these standards shall be determined in accordance with the procedures in Article 11 (commencing with Section 66693) of Chapter 30 of Division 4 of Title 22 of the California Administrative Code.

(d) The standards set in subdivision (c) include the only concentrations allowed above the criteria adopted pursuant to Section 25141.

(e) Used oil which meets the standards set in subdivision (c) and the criteria adopted pursuant to Section 25141 for constituents other than those listed in subdivision (c) is not regulated by the

department. Any person who generates used oil and who claims that the oil meets those standards and criteria, shall notify the department of its claim and shall comply with the testing and recordkeeping requirements of Section 25249.290 prior to its reuse. In any action to enforce this article, the burden is on the generator and user of the used oil to prove that the oil met those standards and criteria.

25249.130. Any virgin oil product or partially refined product, which has not been previously used, which has become contaminated with nonhazardous impurities such as dirt or water, and which has been returned to bulk storage by the product's manufacturer, transporter, or wholesaler for gravity separation of contaminants, is exempt from this article. Any petroleum product which becomes contaminated with any other petroleum product during refining, transportation by pipeline, or storage and which remains usable as a refinery feed stock or as a refinery fuel is exempt from this article.

25249.140. Used oil regulated by the department shall be managed as a hazardous waste in accordance with the requirements of this chapter until it has been recycled. Used oil which is not recycled shall be disposed of, or transported out of the state, as a hazardous waste in accordance with this chapter.

25249.150. (a) Disposal of used oil by discharge to sewers, drainage systems, surface or groundwaters, watercourses, or marine waters; by incineration or burning as fuel; or by deposit on land, is prohibited, unless authorized under other provisions of law.

(b) The use of used oil as a dust suppressant or weed control agent is prohibited.

25249.170. No person who generates, receives, stores, transfers, transports, treats, or recycles used oil shall intentionally contaminate used oil or knowingly accept used oil which has been contaminated with other hazardous waste, other than minimal amounts of vehicle fuel.

25249.180. Used oil shall be manifested under either one of the following procedures:

(a) The procedures prescribed by Sections 25160 and 25161.

(b) The following modified manifesting procedure, which may be used only by a registered hazardous waste hauler and shall be used only with the consent of the generator:

(1) A separate manifest shall be completed by each vehicle driver, with respect to each transport vehicle operated by that driver for each date.

(2) An Environmental Protection Agency identification number is not required for an individual generator.

(3) The hauler shall complete both the generator's and the hauler's sections of the manifest using the hauler's name. The hauler's section shall be completed prior to commencing each day's used oil collections. The driver shall sign and date the generator's and hauler's sections of the manifest.

(4) The hauler's name, Environmental Protection Agency identification number, and terminal address shall be entered in the generator's name, address, and Environmental Protection Agency identification number spaces of the manifest.

(5) The hauler shall attach to the front of the manifest legible receipts for each quantity of used oil that is received from a generator. The receipts shall be used to determine the total volume of used oil in the vehicle. After the used oil is delivered, the receipts shall be affixed to the hauler's copy of the manifest. The hauler shall leave a copy of the receipt with the generator of the used oil. The generator shall retain each receipt for at least three years.

(6) All copies of each receipt shall contain all of the following information:

(A) The name, address, and telephone number of the generator, and the signature of the generator or the generator's representative.

(B) The date of the shipment.

(C) The state manifest number.

(D) The volume of the used oil received and its proper shipping description, including the hazardous class and identification number, if applicable.

(E) The address of the permitted facility to which the used oil will be transported.

(F) The hauler's name, address, and Environmental Protection Agency identification number.

(G) The driver's signature.

(7) The hauler shall enter the total volume of used oil transported on the manifest at the change of each date, change of driver, change of transport vehicle, or upon the last delivery of used oil to the designated facility. The total volume shall be the cumulative amount of used oil collected from the generators listed on the individual receipts.

(8) The hauler shall submit the generator copy of the manifest to the department within 30 days of each shipment.

(9) The hauler shall retain a copy of the manifest and all receipts for each manifest for three years.

(10) The hauler shall submit all copies of the manifest to the designated facility. A representative of the designated facility which receives the used oil shall sign and date the manifest, return two copies to the hauler, retain one copy, and send the original to the department within 30 days.

(11) All other manifesting requirements of Sections 25160 and 25161 shall be complied with unless specifically exempted under this subdivision.

25249.200. Every registered hazardous waste hauler who transports used oil shall report to the department the following information as part of the hauler's annual application for renewal of registration:

(a) The shipping descriptions of used oil transported during the preceding year.

(b) The volume of each type of used oil transported, identified by shipping description.

(c) The facilities to which the used oil was transported, identified by name, address, telephone number, and Environmental Protection Agency identification number.

25249.210. (a) Any person who receives used oil from consumers or other used oil generators, is exempt from hazardous waste facility permit requirements imposed pursuant to Article 9 (commencing with Section 25200) with respect to any location at which used oil is received if all of the following conditions are met:

(1) Each shipment of used oil received does not exceed 20 gallons, and the contents of any single container does not exceed five gallons.

(2) No other hazardous wastes are received at the location.

(3) The used oil is transported by the generator of the used oil.

(b) Any person who transports used oil to a location that is exempt from Article 9 (commencing with Section 25200) pursuant to subdivision (a) is exempt from the requirements of subdivisions (a) and (e) of Section 25163 and from the requirements of Section 25160 concerning the possession of a manifest while transporting used oil if all of the following conditions are met:

(1) The contents of any single container do not exceed five gallons.

(2) Each shipment of used oil does not exceed 20 gallons.

(3) The person transporting the used oil had used the oil.

25249.250. Any person operating a refuse removal vehicle or a curbside collection vehicle used to collect or transport used oil which has been generated as a household waste or as part of a curbside recycling program, as defined by the board, is exempt from the requirements of Section 25160 and subdivisions (a) and (e) of Section 25163 of this code and Chapter 2.5 (commencing with Section 2500) of Division 2, Division 14.1 (commencing with Section 32000), and subdivision (g) of Section 34500 of the Vehicle Code.

25249.260. No person may recycle used oil without obtaining a permit from the department.

25249.270. Each used oil recycler who has been issued a permit by the department shall submit a report, on or before March 1 of each year, to the department containing all of the following information:

(a) The total volume of used oil possessed at the beginning and end of the preceding calendar year.

(b) The total volume of used oil received during the preceding calendar year.

(c) The total volume of used oil recycled during the preceding calendar year, itemized as follows:

(1) Prepared for reuse as a petroleum product.

(2) Consumed in the process of preparing for reuse, including wastes generated.

(3) Prepared for reuse other than as a petroleum product, specifying each type of other use.

(4) Not recycled but transported offsite.

(d) Any other information which the department may require.

25249.280. Any person who transports recycled oil shall maintain with each shipment of recycled oil the shipment's destination and a signed and dated form from the recycling facility certifying that the oil being transported has been tested and is in compliance with the standards specified in subdivision (c) of Section 25249.110.

25249.290. A registered used oil recycler shall ensure that all recycled oil transported from the recycling facility has been tested and certified as being in compliance with the standards specified by subdivision (c) of Section 25249.110. Records of tests performed and a copy of each form completed pursuant to Section 25249.280 shall be maintained for three years and are subject to audit and verification by the department or the board.

25249.300. Any person whose permit or registration has been revoked may not apply for a new or renewed permit or registration for a period of one year after the revocation of the permit or registration.

25249.310. Any person whose permit or registration has been revoked may not serve in the employ of a hazardous waste hauler or used oil recycler during the period of revocation of the permit or registration.

25249.320. All rules and regulations of the department shall be adopted, amended, and repealed in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

25249.330. Any person who transports used oil shall register as a hazardous waste hauler and, unless specifically exempted or unless the used oil is not regulated by the department pursuant to subdivision (e) of Section 25249.110, shall comply with all provisions of this chapter.

25249.340. Any person who generates, receives, stores, transfers, transports, treats, or recycles used oil, unless specifically exempted or unless the used oil is not regulated by the department pursuant to subdivision (e) of Section 25249.110, shall comply with all provisions of this chapter.

SEC. 108. Article 13 (commencing with Section 25250) of Chapter 6.5 of Division 20 of the Health and Safety Code is repealed.

SEC. 109. Chapter 6.7 (commencing with Section 25250) of Division 20 of the Health and Safety Code is repealed.

SEC. 110. Section 25534 of the Health and Safety Code is amended to read:

25534. (a) 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.

(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) The results of a hazard and operability study which identifies the hazards associated with the handling of an acutely hazardous material due to operating error, equipment failure, and external events, which may present an acutely hazardous materials accident risk.

(2) For the hazards identified in the hazard and operability studies, an offsite consequence analysis which, for the most likely hazards, assumes pessimistic air dispersion and other adverse environmental conditions.

(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 qualified person and the facility operator.

(k) Except as specified in subdivision (d) 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.

(*l*) The Office of Emergency Services shall adopt, and publish for distribution, guidelines for the preparation and submission of an RMPP. In preparing the guidelines for hazard and operability studies, the office shall, at a minimum, base its procedural recommendations on those set forth in the 1985 Guidelines for Chemical Hazard Evaluation Procedures, prepared by the Center for Chemical Process Safety of the American Institute of Chemical Engineers.

SEC. 111. Section 26594.3 of the Health and Safety Code is amended to read:

26594.3. Any bottler, distributor, vendor of bottled water, or owner or operator of any water-vending machine, whose corporate name or trademark contains the words "spring" or "springs," or any derivative of either of these words, or "well," "artesian well," or "natural" shall label each bottle or vending machine with the source of the water in typeface at least equal to the size of the typeface of the corporate name or trademark, if the source of the bottled or vended water is different from the source stated in the corporate name or trademark.

SEC. 112. Section 27537.5 of the Health and Safety Code, as added by Chapter 642 of the Statutes of 1986, is repealed.

SEC. 113. Section 40715 of the Health and Safety Code, as added by Chapter 893 of the Statutes of 1987, is amended and renumbered to read:

40716. (a) Except as provided in subdivision (d), every district board which has adopted an emergency episode plan for ozone or oxidant may conduct hearings on the adoption and implementation of intermittent transportation controls which shall be applicable, upon order of the district board, during periods in the months of June to October, inclusive, when an air pollution emergency, as defined in the Air Pollution Emergency Plan of the state board, has been called.

(b) The district board, in cooperation with representatives of industry, transportation, and local governments in the district, shall conduct the hearings pursuant to subdivision (a) to define and designate the necessary transportation controls. The district board shall prepare and submit to the Legislature within one year a report on the findings from the hearings.

(c) The district board shall incorporate its findings and determinations into the district air quality management plan.

(d) Notwithstanding subdivisions (a) to (c), inclusive, in that portion of the bay district which is subject to the jurisdiction of the Metropolitan Transportation Commission, the commission, at the request of the bay district, shall undertake those duties and responsibilities set forth in subdivisions (a) to (c), inclusive, that relate to the conduct of hearings and the adoption and implementation of intermittent transportation controls and that relate to making recommended findings and determinations for the bay district for incorporation into the bay district's air quality management plan.

SEC. 114. Section 43156 of the Health and Safety Code, as amended by Section 2 of Chapter 1235 of the Statutes of 1985, is repealed.

SEC. 115. 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 establish 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. 116. Section 50748.1 of the Health and Safety Code is amended to read:

50748.1. (a) The department shall from time to time direct the Treasurer to invest moneys set aside or otherwise deposited in the

annuity fund established by Section 50748 as an account in the Rental Housing Construction Fund, which are not required for its current needs, in the eligible securities specified in Section 16430 of the Government Code that are designated by the department. The department may direct the Treasurer to deposit moneys in interest-bearing accounts in state or national banks or other financial institutions having principal offices in this state, or in other investments which are consistent with state policy and achieve returns adequate to fulfill the requirements of this chapter. The department may alternatively require the transfer of moneys in the annuity fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3, Part 2, Division 4, Title 2 of the Government Code.

All interest or other increment resulting from the investment or deposit shall be deposited in the annuity fund account, notwithstanding Section 16305.7 of the Government Code. Moneys in the fund are not subject to transfer to any other fund pursuant to Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except the Surplus Money Investment Fund.

(b) Upon request of the department, the Controller shall transfer from the annuity fund account in the Rental Housing Construction Fund, an aggregate amount not exceeding five million dollars ($5,000,000) to the Rural Predevelopment Loan Fund and the Urban Predevelopment Loan Fund. The department shall determine the respective amount to be deposited in these funds.

Transfers made pursuant to this subdivision shall be treated as advances and shall be repaid, with interest specified in this subdivision, within three years of the effective date of transfer of the moneys, except that the department may defer repayment if (1) the balance of moneys in the annuity fund account is sufficient to meet current or anticipated financial obligations and (2) the financial integrity of any component or fund of the Rental Housing Construction Program is not at risk. Moneys advanced pursuant to this subdivision shall be repaid with interest at the rate of 7 percent.

SEC. 117. The heading of Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code is amended and renumbered to read:

CHAPTER 11.5. EMERGENCY HOUSING AND ASSISTANCE FUND

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 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 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 January 1, 1988.

(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 10369.5 of the Insurance Code is amended to read:

10369.5. A disability policy may contain a provision in the form set forth in this section. If the provision also contains the provision set forth in Section 10369.6, there shall be added to its caption the phrase, "* * * expense incurred benefits." The insurer may, at its option, include in this provision a definition of "other valid coverage," approved as to form by the commissioner. The definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, or by hospital or medical service organizations, and to any other coverage, the inclusion of which may be approved by the commissioner. In the absence of that definition, the terms shall not include group insurance, automobile medical payments insurance, or coverage provided by hospital or medical service organizations or by union welfare plans or employer or employee benefit organizations. For the purpose of applying this policy provision with respect to any insured, any amount of benefit provided for the insured pursuant to any compulsory benefit statute, including any workers' compensation or employers' liability statute, whether provided by a governmental agency or otherwise, shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying this provision, no third party liability coverage shall be included as "other valid coverage."

Insurance With Other Insurers: If there is other valid coverage, not with this insurer, providing benefits for the same loss on a provision of service basis or on an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability under any expense incurred coverage of this policy shall be for the proportion of the loss as the amount which would otherwise have been payable under this policy plus the total of the like amounts under all the other valid coverages for the same loss of which this insurer had notice bears to the total

like amounts under all valid coverages for the loss, and for the return of the portion of the premiums paid as shall exceed the pro-rata portion for the amount so determined. For the purpose of applying this provision when other coverage is on a provision of service basis, the "like amount" of the other coverage shall be taken as the amount which the services rendered would have cost in the absence of the coverage.

SEC. 120. Section 10369.6 of the Insurance Code is amended to read:

10369.6. A disability policy may contain a provision in the form set forth in this section. If the provision is included in a policy which also contains the provision set forth in Section 10369.5, there shall be added to its caption the phrase, "* * * other benefits." The insurer may, at its option, include in this provision a definition of "other valid coverage," approved as to form by the commissioner. The definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, and to any other coverage the inclusion of which may be approved by the commissioner. In the absence of that definition the terms shall not include group insurance, or benefits provided by union welfare plans or by employer or employee benefit organizations. For the purpose of applying this policy provision with respect to any insured, any amount of benefit provided for the insured pursuant to any compulsory benefit statute, including any workers' compensation or employers' liability statute, whether provided by a governmental agency or otherwise, shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying this provision, no third party liability coverage shall be included as "other valid coverage."

Insurance With Other Insurers: If there is other valid coverage, not with this insurer, providing benefits for the same loss on other than an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability for the benefits under this policy shall be for the proportion of the indemnities otherwise provided under this policy for the loss as the like indemnities of which the insurer had notice, including the indemnities under this policy, bear to the total amount of all like indemnities for the loss, and for the return of the portion of the premium paid as shall exceed the pro rata portion for the indemnities thus determined.

SEC. 121. Section 12760 of the Insurance Code, as added by Chapter 820 of the Statutes of 1981, is repealed.

SEC. 122. Section 1733 of the Labor Code is amended to read:

1733. Suit may be brought by the contractor or his or her assignee without permission from the state or other authority and is limited to the recovery of the penalties or forfeitures without prejudice to the contractor's or assignee's rights in regard to other matters affecting the contract. No other issues shall be presented to the court

in the case and the burden shall be on the plaintiff to establish his or her right to the penalties or forfeitures withheld. In case the action is not commenced and actual notice thereof received by the awarding body within the 90-day period, the action shall be dismissed on motion of the awarding body.

The Division of Labor Standards Enforcement may, upon written request of any awarding body, assist in the defense of the action.

SEC. 123. Section 1812 of the Labor Code is amended to read:

1812. Every contractor and subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the public work. The record shall be kept open at all reasonable hours to the inspection of the awarding body and to the Division of Labor Standards Enforcement.

SEC. 124. Section 3800 of the Labor Code is amended to read:

3800. (a) Every county or city which requires the issuance of a permit as a condition precedent to the construction, alteration, improvement, demolition or repair of any building or structure shall require that each applicant for the permit have on file or file one of the following:

(1) A certificate of consent to self-insure issued by the Director of Industrial Relations.

(2) A certificate of workers' compensation insurance issued by an admitted insurer.

(3) An exact copy or duplicate thereof certified by the director or the insurer.

The certificate of insurance shall state that there is in existence a valid policy of workers' compensation insurance in a form approved by the Insurance Commissioner. The certificate shall show the expiration date of the policy. No insurer shall issue a certificate unless the full deposit premium on the policy has been paid, and the insurer shall give the county or city at least 10 days' advance notice of the cancellation of the policy.

(b) This section shall not apply in either of the following cases:

(1) The permit is for one hundred dollars ($100) or less.

(2) The applicant for the permit signs a certificate which reads as follows, or the wording of which has been approved by the Director of Industrial Relations:

"I certify that in the performance of the work for which this permit is issued I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California."

If, after making the certificate, the applicant for the permit should become subject to the workers' compensation provisions of this code, he or she shall forthwith comply with the provisions of Section 3700 or his or her permit is revoked.

SEC. 125. 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 paragraphs (8) and (9), 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 of those halls, buildings, meetingplaces, and facilities.

(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 by the district of assembly or memorial halls, buildings, meetingplaces, or facilities, and construct and maintain on those sites 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 sale or lease shall be transacted, however, if a petition has been filed with the board requesting it not to enter into the sale or lease of the property.

The petition shall have affixed to it, 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 is situated, 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 is situated for purposes of roads, streets, or highways, or for the improvement of roads, streets, or highways, without regard to the highest responsible bidder but otherwise meeting the petition requirements of paragraph (6).

(8) Adopt, from time to time, reasonable rules and regulations for the use of halls, buildings, meetingplaces, and facilities by veterans or by organizations of veterans, 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 of the facilities, 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 district.

(b) In conformance with this section, a district may provide recreational facilities or services at any location within the district 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.

SEC. 126. 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, the following definitions apply:

(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 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. 127. The heading of Chapter 11 (commencing with Section 258) of Title 8 of Part 1 of the Penal Code is amended to read:

CHAPTER 11. SLANDER

SEC. 128. Section 723 of the Penal Code is amended to read:

723. When a sheriff or other public officer authorized to execute process finds, or has reason to apprehend, that resistance will be made to the execution of the process, the officer may command as many able-bodied inhabitants of the officer's county as he or she may

think proper to assist in overcoming the resistance and, if necessary, in seizing, arresting, and confining the persons resisting, and their aiders and abettors.

SEC. 129. 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 when, and place where, 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 to appear in court as specified in the notice by signing the duplicate notice which shall be retained by the officer. Upon the signing of the duplicate notice, 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 in the duplicate notice 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, is 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 set by the magistrate. At the time 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 the case, unless the defendant has been charged with violation of Section 374.3 or 374.7 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 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).

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. 130. Section 1001.16 of the Penal Code is amended to read:

1001.16. (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 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. 131. 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.

As used in this subdivision, "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.

(b) Subdivision (a) applies to the following crimes:

(1) Murder.

(2) A 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, 243.1, or 243.3.

(7) Rape, in violation of Section 261, 262, 264, or 264.1.

(8) Assault with intent to commit rape or sodomy, in violation of Section 220.

(9) Any other offense in which the defendant inflicts great bodily injury on any person other than an accomplice. As used in this paragraph, "great bodily injury" means "great bodily injury" as defined in Section 12022.7.

(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 this section if the 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 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.

(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 the condition would be inappropriate, that the 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 the 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 the 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. 132. Section 1208 of the Penal Code is amended to read:

1208. (a) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in that ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of those persons, acting separately or jointly as to any of the functions; and may, by a subsequent ordinance, revise the provisions within the authorization of this section. The board of supervisors may also terminate the operation of this section, either with respect to employment or education in the county if it finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners classified for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies or private entities to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for inmates eligible for work furlough. No agency or private entity entering into a contract may itself employ any person who is

in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of prisoners to the work furlough administrator to be confined in a facility for the period during which they are in the work furlough program.

All privately operated work furlough facilities and programs used for the detention of persons sentenced into the custody of the sheriff, the director of a county department of corrections, or the chief probation officer, shall be under the jurisdiction of, and subject to the terms of a contract entered into with, the work furlough administrator. Each contract shall include, but not be limited to, a provision whereby the private agency or entity agrees to operate in compliance with all appropriate state and local building, zoning, health, safety, and fire statutes, ordinances, and regulations and the minimum jail standards for Type IV facilities as established by regulations adopted by the Board of Corrections. The private agency or entity shall select and train its personnel in accordance with selection and training requirements adopted by the Board of Corrections as set forth in Subchapter 1 (commencing with Section 100) of Chapter 1 of Division 1 of Title 15 of the California Administrative Code. Failure to comply with the appropriate health, safety, and fire laws or minimum jail standards adopted by the board may be cause for termination of the contract. Upon discovery of a failure to comply with these requirements, the work furlough administrator shall notify the privately operated program director that the contract may be canceled if the specified deficiencies are not corrected within 60 days.

All private work furlough facilities and programs shall be inspected biennially by the Board of Corrections unless the work furlough administrator requests an earlier inspection pursuant to Section 6031.1. Each private agency or entity shall pay a fee to the Board of Corrections commensurate with the cost of those inspections and a fee commensurate with the cost of the initial review of the facility.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned in the county jail for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, the work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her regular employment, direct that the person be permitted to continue in that employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure employment for himself or herself, unless the court at the time of sentencing or committing has ordered that the person not be granted work furloughs. The work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her regular educational program, direct that the person be permitted to continue in that educational program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure education for himself or herself, unless the court at the time

of sentencing has ordered that person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his or her regular employment or educational program, the administrator shall arrange for a continuation of that employment or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular educational program, and the administrator has authorized the prisoner to secure employment or education for himself or herself, the prisoner may do so, and the administrator may assist the prisoner in doing so. Any employment or education so secured shall be suitable for the prisoner. The employment or educational program, if the educational program includes earnings by the prisoner, shall be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in that area. In no event may any employment or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed or educated.

(d) Whenever the prisoner is not employed or being educated and between the hours or periods of employment or education, the prisoner shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment or education, the work furlough administrator shall have the authority to release him or her from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, workers' compensation insurer, or the prisoner. The release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner classified for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release were not granted, or to attend those activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit the wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, that request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and the sheriff receives a writ of execution for the earnings of a prisoner subject to this

section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, the sheriff shall first levy on the earnings pursuant to the writ. When an employer or educator transmits earnings to the administrator pursuant to this subdivision, the sheriff shall have no liability to the prisoner for those earnings. From the earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to the prisoner or if the prisoner is unable to pay that sum, such lesser sum as is reasonable, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge. Upon discharge the balance shall be paid to the prisoner.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018 and 4019.

(g) In the event the prisoner violates the conditions laid down for his or her conduct, custody, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he or she is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4532.

(i) As used in this section, the following definitions apply:

(1) "Education" includes vocational and educational training and counseling, and psychological, drug abuse, alcoholic, and other rehabilitative counseling.

(2) "Educator" includes a person or institution providing that training or counseling.

(3) "Employment" includes care of children, including the daytime care of children of the prisoner.

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 133. 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 provides 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 scheduled airline 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 of these hearings 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 or her 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 a 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 provided in this section, 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. 134. Section 1463.9 of the Penal Code is amended to read:

1463.9. Notwithstanding the provisions of Section 1463, 50 percent of all fines and forfeitures collected upon conviction, or upon forfeiture of bail, for violations of Section 13002 of the Health and Safety Code, Sections 23111 and 23112, and subdivision (a) of Section 23113 of the Vehicle Code, and Section 374.3 of this code shall be kept separate and apart from any other fines and forfeitures. These fines and forfeitures shall, as soon as practicable after their receipt, be deposited with the county treasurer of the county in which the court

is situated and shall be distributed as prescribed in Section 1463, except that the money distributed to any county or city shall be expended only for litter cleanup activities within that city or county.

SEC. 135. Section 2046.6 of the Penal Code is amended to read:

2046.6. The provisions of this part shall apply to the prison and to the persons confined therein insofar as those provisions may be applicable.

SEC. 136. Section 2680 of the Penal Code is amended to read:

2680. (a) If it is determined by the attending physician that a confined person should be administered organic therapy, the person shall be advised and informed of his or her rights under this article, and he or she shall be provided a copy of this article.

(b) This article shall apply to prisoners confined under this part in public or private hospitals, sanitariums, and similar facilities, and to the personnel of the facilities.

(c) A person shall be entitled to communicate in writing and by visiting with his or her parents, guardian, or conservator regarding any proposed administration of any organic therapy. The communication shall not be censored. The person shall be entitled to communicate in writing with his or her attorney pursuant to Section 2600.

(d) This article shall not prohibit the attending physician from terminating organic therapy prior to the period authorized for that therapy by the court, pursuant to Section 2679.

SEC. 137. Section 3704.5 of the Penal Code is amended to read:

3704.5. Any defendant who, on March 4, 1972, is in a state hospital under court order pursuant to Section 3703, as that section read on March 3, 1972, shall be transferred to a medical facility of the Department of Corrections, designated by the Director of Corrections, and there kept in safe confinement until his or her reason is restored. Section 3704 shall apply when the defendant recovers his or her sanity.

SEC. 138. Section 4011.6 of the Penal Code is amended to read:

4011.6. In any case in which it appears to the person in charge of a county jail, city jail, or juvenile detention facility, or to any judge of a court in the county in which the jail or juvenile detention facility is located, that a person in custody in that jail or juvenile detention facility may be mentally disordered, he or she may cause the prisoner to be taken to a facility for 72-hour treatment and evaluation pursuant to Section 5150 of the Welfare and Institutions Code and he or she shall inform the facility in writing, which shall be confidential, of the reasons that the person is being taken to the facility. The local mental health director or his or her designee may examine the prisoner prior to transfer to a facility for treatment and evaluation. Upon transfer to a facility, Article 1 (commencing with Section 5150), Article 4 (commencing with Section 5250), Article 4.5 (commencing with Section 5260), Article 5 (commencing with Section 5275), Article 6 (commencing with Section 5300), and Article 7 (commencing with Section 5325) of Chapter 2 and Chapter 3

(commencing with Section 5350) of Part 1 of Division 5 of the Welfare and Institutions Code shall apply to the prisoner.

Where the court causes the prisoner to be transferred to a 72-hour facility, the court shall forthwith notify the local mental health director or his or her designee, the prosecuting attorney, and counsel for the prisoner in the criminal or juvenile proceedings about that transfer. Where the person in charge of the jail or juvenile detention facility causes the transfer of the prisoner to a 72-hour facility the person shall immediately notify the local mental health director or his or her designee and each court within the county where the prisoner has a pending proceeding about the transfer. Upon notification by the person in charge of the jail or juvenile detention facility the court shall forthwith notify counsel for the prisoner and the prosecuting attorney in the criminal or juvenile proceedings about that transfer.

If a prisoner is detained in, or remanded to, a facility pursuant to those articles of the Welfare and Institutions Code, the facility shall transmit a report, which shall be confidential, to the person in charge of the jail or juvenile detention facility or judge of the court who caused the prisoner to be taken to the facility and to the local mental health director or his or her designee, concerning the condition of the prisoner. A new report shall be transmitted at the end of each period of confinement provided for in those articles, upon conversion to voluntary status, and upon filing of temporary letters of conservatorship.

A prisoner who has been transferred to an inpatient facility pursuant to this section may convert to voluntary inpatient status without obtaining the consent of the court, the person in charge of the jail or juvenile detention facilty, or the local mental health director. At the beginning of that conversion to voluntary status, the person in charge of the facility shall transmit a report to the person in charge of the jail or juvenile detention facility or judge of the court who caused the prisoner to be taken to the facility, counsel for the prisoner, prosecuting attorney, and local mental health director or his or her designee.

If the prisoner is detained in, or remanded to, a facility pursuant to those articles of the Welfare and Institutions Code, the time passed in the facility shall count as part of the prisoner's sentence. When the prisoner is detained in, or remanded to, the facility, the person in charge of the jail or juvenile detention facility shall advise the professional person in charge of the facility of the expiration date of the prisoner's sentence. If the prisoner is to be released from the facility before the expiration date, the professional person in charge shall notify the local mental health director or his or her designee, counsel for the prisoner, the prosecuting attorney, and the person in charge of the jail or juvenile detention facility, who shall send for, take, and receive the prisoner back into the jail or juvenile detention facility.

A defendant, either charged with or convicted of a criminal

offense, or a minor alleged to be within the jurisdiction of the juvenile court, may be concurrently subject to the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code).

If a prisoner is detained in a facility pursuant to those articles of the Welfare and Institutions Code and if the person in charge of the facility determines that arraignment or trial would be detrimental to the well-being of the prisoner, the time spent in the facility shall not be computed in any statutory time requirements for arraignment or trial in any pending criminal or juvenile proceedings. Otherwise, this section shall not affect any statutory time requirements for arraignment or trial in any pending criminal or juvenile proceedings.

For purposes of this section, the term "juvenile detention facility" includes any state, county, or private home or institution in which wards or dependent children of the juvenile court or persons awaiting a hearing before the juvenile court are detained.

SEC. 139. Section 4852.03 of the Penal Code is amended to read:

4852.03. (a) The period of rehabilitation shall begin to run upon the discharge of the petitioner from custody due to his or her completion of the term to which he or she was sentenced or upon his or her release on parole or probation, whichever is sooner. For purposes of this chapter, the period of rehabilitation shall constitute three years' residence in this state, plus a period of time determined by the following rules:

(1) To the three years there shall be added four years in the case of any person convicted of violating Section 187, 209, 219, 4500 or 12310 of this code, or subdivision (a) of Section 1672 of the Military and Veterans Code, or of committing any other offense which carries a life sentence.

(2) To the three years there shall be added two years in the case of any person convicted of committing any offense which is not listed in paragraph (1) and which does not carry a life sentence.

(3) The trial court hearing the application for the certificate of rehabilitation may, if the defendant was ordered to serve consecutive sentences, order that his or her statutory period of rehabilitation be extended for an additional period of time which when combined with the time already served will not exceed the period prescribed by statute for the sum of the maximum penalties for all the crimes.

(4) Any person who was discharged after completion of his or her term or was released on parole before May 13, 1943, is not subject to the periods of rehabilitation set forth in these rules.

(b) Unless and until the period of rehabilitation, as stipulated in this section, has passed, the petitioner shall be ineligible to file his or her petition for a certificate of rehabilitation with the court. Any certificate of rehabilitation which is issued and under which the petitioner has not fulfilled the requirements of this chapter shall be void.

(c) A change of residence within this state does not interrupt the

period of rehabilitation prescribed by this section.

SEC. 140. Section 5005 of the Penal Code is amended to read:

5005. The department may maintain a canteen at any prison or institution under its jurisdiction for the sale to persons confined therein of toilet articles, candy, tobacco products, notions, and other sundries, and may provide the necessary facilities, equipment, personnel, and merchandise for the canteen. The director shall specify what commodities shall be sold in the canteen. The sale prices of the articles offered for sale shall be fixed by the director at the amounts that will, as far as possible, render each canteen self-supporting. The department may undertake to insure against damage or loss of canteen and handicraft materials, supplies and equipment owned by the Inmate Welfare Fund of the Department of Corrections as provided in Section 5006.

The canteen operations at any prison or institution referred to in this section shall be audited biennially by the Department of Finance, and at the end of each intervening fiscal year, each prison or institution shall prepare a statement of operations. At least one copy of any audit report or statement of operations shall be posted at the canteen and at least one copy shall be available to inmates at the library of each prison or institution.

SEC. 141. Section 5061 of the Penal Code is amended to read:

5061. Whenever any person confined in any state institution subject to the jurisdiction of the Director of Corrections dies, and any personal funds or property of that person remains in the hands of the Director of Corrections, the funds may be applied in an amount not exceeding three hundred dollars ($300) to the payment of his or her burial expenses and charges related thereto. If no demand is made upon the director by the owner of the funds or property or his or her legally appointed representative, the director shall hold and dispose of those funds or property as follows:

(a) If the decedent leaves a will, the director shall, within 30 days after the date of death of the decedent, deliver the will to the clerk of the superior court having jurisdiction of the estate. If an executor is named in the will, the director shall furnish him or her written notice of the delivery of the will as provided in this section.

(b) All money or other personal property of the decedent remaining in the custody or possession of the director shall be held by him or her for a period of one year from the date of death of the decedent, for the benefit of the heirs, legatees or successors in interest of that decedent.

(c) Upon the expiration of the one-year period, any money remaining unclaimed in the custody or possession of the director shall be delivered by him or her to the Treasurer for deposit in the Unclaimed Property Fund under Article 1 (commencing with Section 1440) of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure.

(d) Upon the expiration of the one-year period, all personal property and documents of the decedent, other than cash, remaining

unclaimed in the custody or possession of the director, shall be disposed of as follows:

(1) All deeds, contracts, or assignments shall be filed by the director with the public administrator of the county of commitment of the decedent.

(2) All other personal property shall be sold by the director at public auction, or upon a sealed-bid basis, and the proceeds of the sale delivered by him or her to the Treasurer in the same manner as is provided in this section with respect to unclaimed money of the decedent. If he or she deems it expedient to do so, the director may accumulate the property of several decedents and sell the property in such lots as he or she may determine, provided that he or she makes a determination as to each decedent's share of the proceeds.

(3) If any personal property of the decedent is not salable at public auction, or upon a sealed-bid basis, or if it has no intrinsic value, or if its value is not sufficient to justify the deposit of the property in the State Treasury, the director may order it destroyed.

(4) All other unclaimed personal property of the decedent not disposed of as provided in paragraph (1), (2), or (3), shall be delivered by the director to the Controller for deposit in the State Treasury under Article 1 (commencing with Section 1440) of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure.

SEC. 142. Section 5076.2 of the Penal Code is amended to read:

5076.2. (a) Any rules and regulations, including any resolutions and policy statements, promulgated by the Board of Prison Terms, shall be promulgated and filed pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and shall, to the extent practical, be stated in language that is easily understood by the general public.

(b) The Board of Prison Terms shall maintain, publish and make available to the general public, a compendium of its rules and regulations, including any resolutions and policy statements, promulgated pursuant to this section.

(c) The exception specified in this subdivision to the procedures specified in this section shall apply to the Board of Prison Terms. The chairperson may specify an effective date that is any time more than 30 days after the rule or regulation is filed with the Secretary of State. However, no less than 20 days prior to that effective date, copies of the rule or regulation shall be posted in conspicuous places throughout each institution and shall be mailed to all persons or organizations who request them.

SEC. 143. Section 6352 of the Penal Code is amended to read:

6352. Each visitor center shall provide, at a minimum, each of the following services to prison visitors:

(a) Assistance to visitors with transportation between public transit terminals and prisons.

(b) Child care for visitors' children.

(c) Emergency clothing.

(d) Information on visiting regulations and processes.

(e) Referral to other agencies and services.

(f) A sheltered area, which is outside of the security perimeter, for visitors who are waiting before or after visits.

In addition, each center shall maintain working relations with the local community and institution.

SEC. 144. Section 1043 of the Probate Code is amended to read:

1043. An executor or administrator to whom letters are issued on the estate of a nonresident decedent by a court of competent jurisdiction of any state or territory of the United States desiring to collect any claim or receive any personal property in this state of the decedent and remove that collected or received to the jurisdiction in which his or her letters are issued, shall publish in some newspaper of general circulation published in the county where the debtor resides or the property is located, if there be one, if not, then in some newspaper of general circulation in the county, notice to all persons interested in the estate as creditors or as heirs, legatees or devisees. The notice shall set forth the names and addresses of the decedent and the person in this state indebted to or holding personal property of the decedent, shall state that the executor or administrator desires to collect a claim or receive personal property and remove that collected or received, and shall require all persons having claims against the decedent or an interest in his or her estate and wishing to object to the removal to give written notice of the objection to the person indebted to or holding personal property of the decedent within three months after the first publication of the notice. Publication shall be pursuant to Section 6064 of the Government Code.

Upon the expiration of three months after the first publication of the notice, if the person so indebted to or holding personal property of the decedent either has not received written notice from any person claiming as a creditor, heir, devisee or legatee and objecting to the removal, or has received the consent of the person, then he or she may pay the debt or deliver the personal property to the executor or administrator, upon receipt of the following:

(a) An affidavit of the executor or administrator that valid letters were issued to him or her by a court of competent jurisdiction of a named state or territory of the United States on the estate of a nonresident decedent and averring to the best of his or her knowledge and belief that no other letters on the estate are then outstanding, that no petition for letters is then pending in this state, that no ancillary proceedings will be brought, and that there are no unpaid creditors of the decedent or the estate in this state who have not consented to the removal.

(b) An authenticated copy of his or her letters.

(c) An affidavit showing publication of the notice required under this section and be discharged from further liability and responsibility for the debt or property, without the necessity of inquiring into the truth of any of the facts stated in the foregoing documents.

"Person" as used herein includes a partnership, association, firm or corporation.

If the person indebted to or holding personal property of the decedent maintains branch offices, the publication shall be in the county where it is located, and the notices and consents by claimants shall be given to, the office or branch at which the account evidencing the indebtedness or credit is carried, or at which the personal property is located or controlled.

SEC. 145. Section 20128.5 of the Public Contract Code, as added by Chapter 164 of the Statutes of 1983, is repealed.

SEC. 146. The heading of Chapter 2.5 (commencing with Section 700) of Division 1 of the Public Resources Code is amended to read:

CHAPTER 2.5. DEPARTMENT OF FORESTRY AND FIRE PROTECTION

SEC. 147. Section 700 of the Public Resources Code is amended to read:

700. As used in this chapter:

(a) "Board" means the State Board of Forestry.

(b) "Department" means the Department of Forestry and Fire Protection.

(c) "Director" means the Director of Forestry and Fire Protection.

SEC. 148. Section 701 of the Public Resources Code is amended to read:

701. (a) There is in the Resources Agency the Department of Forestry and Fire Protection, which is under the control of an executive officer known as the Director of Forestry and Fire Protection. The director is appointed by the Governor and holds office at the pleasure of the Governor. The appointment of the director is subject to confirmation by the Senate at the next regular or special session of the Legislature, and the refusal or failure of the Senate to confirm the appointment shall create a vacancy in the office. The director shall receive an annual salary as provided by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) There shall be one Deputy Director of Forestry and Fire Protection appointed by the director who shall be exempt from civil service.

(c) There shall be one Deputy Director of Forestry and Fire Protection appointed by the director in accordance with the State Civil Service Act who shall be a registered professional forester.

(d) The deputy directors shall have duties as assigned, from time to time, by the director, and they shall be responsible to the director for the performance of those duties.

SEC. 149. Section 712 of the Public Resources Code is amended to read:

712. Notwithstanding any other provision of this code or of law,

and except as provided in the State Building Standards Law, Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, on and after January 1, 1980, the Director of Forestry and Fire Protection, the Department of Forestry and Fire Protection, or the State Board of Forestry shall not adopt nor publish a building standard as defined in Section 18909 of the Health and Safety Code unless the provisions of Sections 18930, 18933, 18938, 18940, 18943, 18944, and 18945 of the Health and Safety Code are expressly excepted in the statute under which the authority to adopt rules, regulations, or orders is delegated. Any building standard adopted in violation of this section shall have no force or effect. Any building standard adopted before January 1, 1980, pursuant to this code and not expressly excepted by statute from the provisions of the State Building Standards Law shall remain in effect only until January 1, 1985, or until adopted, amended, or superseded by provisions published in the State Building Standards Code, whichever occurs sooner.

SEC. 150. Section 4003 of the Public Resources Code is amended to read:

4003. "Department" means the Department of Forestry and Fire Protection.

SEC. 151. Section 4004 of the Public Resources Code is amended to read:

4004. "Director" means the Director of Forestry and Fire Protection.

SEC. 152. Section 21167.6 of the Public Resources Code, as added by Chapter 1438 of the Statutes of 1984, is repealed.

SEC. 153. Section 25531 of the Public Resources Code is amended to read:

25531. (a) The decisions of the commission on any application of any electric utility for certification of a site and related facility are subject to judicial review in the same manner as the decisions of the Public Utilities Commission on the application for a Certificate of Public Convenience and Necessity for the same site and related facility.

(b) No new or additional evidence may be introduced upon review and the cause shall be heard on the record of the commission as certified to by it. The review shall not be extended further than to determine whether the commission has regularly pursued its authority, including a determination of whether the order or decision under review violates any right of the petitioner under the United States Constitution or the California Constitution. The findings and conclusions of the commission on questions of fact are final and are not subject to review, except as provided in this article. These questions of fact shall include ultimate facts and the findings and conclusions of the commission. A report prepared by, or an approval of, the commission pursuant to Section 25510, 25514, 25516, or 25516.5, or subdivision (b) of Section 25520.5, shall not constitute a decision of the commission subject to judicial review.

(c) Subject to the right of judicial review of decisions of the commission, no court in this state has jurisdiction to hear or determine any case or controversy concerning any matter which was, or could have been, determined in a proceeding before the commission, or to stop or delay the construction or operation of any thermal powerplant except to enforce compliance with the provisions of a decision of the commission.

(d) Notwithstanding Section 1250.370 of the Code of Civil Procedure:

(1) If the commission requires, pursuant to subdivision (a) of Section 25528, as a condition of certification of any site and related facility, that the applicant acquire development rights, that requirement conclusively establishes the matters referred to in Sections 1240.030 and 1240.220 of the Code of Civil Procedure in any eminent domain proceeding brought by the applicant to acquire the development rights.

(2) If the commission certifies any site and related facility, that certification conclusively establishes the matters referred to in Sections 1240.030 and 1240.220 of the Code of Civil Procedure in any eminent domain proceeding brought to acquire the site and related facility.

(e) No decision of the commission pursuant to Section 25516, 25522, or 25523 shall be found to mandate a specific supply plan for any utility as prohibited by Section 25323.

SEC. 154. Chapter 7.6 (commencing with Section 25675) of Division 15 of the Public Resources Code, as added by Chapter 1340 of the Statutes of 1986, is repealed.

SEC. 155. Chapter 7.7 (commencing with Section 25678) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 7.7. CLEAN FUELS ACT

25678. The commission shall establish a grant program which provides a forty cent ($0.40) per gallon production incentive for liquid fuels fermented in this state from biomass and biomass-derived resources produced in this state. Eligible liquid fuels include, but are not limited to, ethanol, methanol, and vegetable oils. Eligible biomass resources include, but are not limited to, agricultural products and byproducts, forestry products and byproducts, and industrial wastes. The commission shall adopt rules and regulations necessary to implement the program. Prior to determining an applicant eligible for participation in the production incentive program, the commission shall find, among other things, that the production techniques employed will lead to a net increase in the amount of energy available for consumption.

25679. Applicants for a grant under this chapter shall submit an application on a form prescribed by the commission which is responsible for administration of the program.

SEC. 156. Section 26022 of the Public Resources Code is amended

to read:

26022. (a) The authority is authorized from time to time to issue its negotiable bonds, notes, debentures, or other securities (hereinafter collectively called "bonds") for any of its purposes. The bonds may be authorized, without limiting the generality of the foregoing, to finance a single project for a single participating party, a series of projects for a single participating party, a single project for several participating parties, or several projects for several participating parties. In anticipation of the sale of bonds as authorized by Section 26020, or as may be authorized pursuant to Section 26021, the authority may issue negotiable bond anticipation notes and may renew the notes from time to time. The bond anticipation notes may be paid from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. Notes and agreements relating to the notes and bond anticipation notes, hereinafter collectively called notes, and the resolution or resolutions authorizing the notes may contain any provisions, conditions or limitations which a bond, agreement relating to the bond, and bond resolution of the authority may contain. However, a note or renewal of the note shall mature at a time not exceeding two years from the date of issue of the original note.

(b) Except as may otherwise be expressly provided by the authority, every issue of its bonds, notes, or other obligations shall be general obligations of the authority payable from any revenues or moneys of the authority available for these purposes and not otherwise pledged, subject only to any agreements with the holders of particular bonds, notes, or other obligations pledging any particular revenues or moneys and subject to any agreements with any participating party. Notwithstanding that the bonds, notes, or other obligations may be payable from a special fund, they are for all purposes negotiable instruments, subject only to the provisions of the bonds, notes, or other obligations for registration.

(c) Subject to the limitations in Sections 26020 and 26021, the bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the authority and shall bear the date or dates, mature at the time or times, not exceeding 50 years from their respective dates, bear interest at the rate or rates, be payable at the time or times, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in a manner, be payable in lawful money of the United States of America at a place or places, and be subject to terms of redemption, as the resolution or resolutions may provide. The bonds or notes shall be sold by the Treasurer within 60 days of receipt of a certified copy of the authority's resolution authorizing the sale of the bonds. However, the authority, at its discretion, may adopt a resolution extending the 60-day period. The sales may be a public or private sale, and for the price or prices and on the terms and conditions, as the authority shall determine after giving due

consideration to the recommendations of any participating party to be assisted from the proceeds of the bonds or notes. Pending preparation of the definitive bonds, the Treasurer may issue interim receipts, certificates, or temporary bonds which shall be exchanged for the definitive bonds. The Treasurer may sell any bonds, notes, or other evidence of indebtedness at a price below their par value. However, the discount on any security so sold shall not exceed 6 percent of the par value.

(d) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized, as to all of the following:

(1) Pledging the full faith and credit of the authority or pledging all or any part of the revenues of any project or any revenue-producing contract or contracts made by the authority with any individual, partnership, corporation, or association or other body, public or private, or other moneys of the authority, to secure the payment of the bonds or of any particular issue of bonds, subject to the agreements with bondholders as may then exist.

(2) The rentals, fees, purchase payments, loan repayments, and other charges to be charged, and the amounts to be raised in each year by the charges, and the use and disposition of the revenues.

(3) The setting aside of reserves or sinking funds, and the regulation and disposition of the reserves or sinking funds.

(4) Limitations on the right of the authority or its agent to restrict and regulate the use of the project or projects to be financed out of the proceeds of the bonds or any particular issue of bonds.

(5) Limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging those proceeds to secure the payment of the bonds or any issue of the bonds.

(6) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds.

(7) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which that consent may be given.

(8) Limitations on expenditures for operating, administrative, or other expenses of the authority.

(9) Defining the acts or omissions to act which constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of the holders in the event of a default.

(10) The mortgaging of any project and the site of the project for the purpose of securing the bondholders.

(11) The mortgaging of land, improvements, or other assets owned by a participating party for the purpose of securing the bondholders.

(12) Procedures for the selection of projects to be financed with the proceeds of the bonds authorized by the resolution, if the bonds are to be sold in advance of the designation of the projects and participating parties to receive the financing.

(e) Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

(f) The authority shall have power out of any funds available for these purposes to purchase its bonds or notes. The authority may hold, pledge, cancel, or resell those bonds, subject to and in accordance with agreements with bondholders.

SEC. 157. The heading of Division 16 (commencing with Section 26400) of the Public Resources Code is amended and renumbered to read:

DIVISION 16.5. ENERGY AND RESOURCES FUND

SEC. 158. Section 30170.7 of the Public Resources Code is repealed.

SEC. 159. The heading of Chapter 4 (commencing with Section 32200) of Division 22 of the Public Resources Code is amended and renumbered to read:

CHAPTER 5. CONSTRUCTION AND LEASES OF FACILITIES

SEC. 160. Section 310 of the Public Utilities Code is amended to read:

310. No vacancy in the commission impairs the right of the remaining commissioners to exercise all the powers of the commission. A majority of the commissioners constitutes a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the commission. Any investigation, inquiry, or hearing which the commission may undertake or hold may be undertaken or held by or before any commissioner or commissioners designated for the purpose by the commission. The evidence in any investigation, inquiry, or hearing may be taken by the commissioner or commissioners to whom the investigation, inquiry, or hearing has been assigned or, in his, her, or their behalf, by an administrative law judge designated for that purpose. Every finding, opinion, and order made by the commissioner or commissioners so designated, pursuant to the investigation, inquiry, or hearing, when approved or confirmed by the commission and ordered filed in its office, is the finding, opinion, and order of the commission.

SEC. 161. 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 is 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 of the decision. 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 that to do so is required in the public interest in a particular case.

SEC. 162. The heading of Division 12.5 (commencing with Section 132000) of the Public Utilities Code is amended and renumbered to read:

DIVISION 12.7. COUNTY AND REGIONAL TRANSPORTATION COMMISSIONS

SEC. 163. The heading of Division 15 (commencing with Section

150000) of the Public Utilities Code is amended and renumbered to read:

DIVISION 15.5. TUOLUMNE COUNTY TRAFFIC AUTHORITY

SEC. 164. Section 65 of the Revenue and Taxation Code is amended to read:

65. (a) The creation, transfer, or termination of any joint tenancy is a change in ownership except as provided in this section and Sections 62 and 63. Upon a change in ownership of a joint tenancy interest only the interest or portion which is thereby transferred from one owner to another owner shall be reappraised.

(b) There shall be no change in ownership upon the creation or transfer of a joint tenancy interest if the transferor or transferors, after the creation or transfer, are among the joint tenants. Upon the creation of a joint tenancy interest described in this subdivision, the transferor or transferors shall be the "original transferor or transferors" for purposes of determining the property to be reappraised on subsequent transfers. The spouses of original transferors shall also be considered original transferors within the meaning of this section.

(c) Upon the termination of an interest in any joint tenancy described in subdivision (b), the entire portion of the property held by the original transferor or transferors prior to the creation of the joint tenancy shall be reappraised unless it vests, in whole or in part, in any remaining original transferor, in which case there shall be no reappraisal. Upon the termination of the interest of the last surviving original transferor, there shall be a reappraisal of the interest then transferred and all other interests in the properties held by all original transferors which were previously excluded from reappraisal pursuant to this section.

(d) Upon the termination of an interest held by other than the original transferor in any joint tenancy described in subdivision (b), there shall be no reappraisal if the entire interest is transferred either to an original transferor or to all remaining joint tenants.

(e) For purposes of this section, for joint tenancies created on or before March 1, 1975, it shall be rebuttably presumed that each joint tenant holding an interest in property as of March 1, 1975, shall be an "original transferor." This presumption is not applicable to joint tenancies created after March 1, 1975.

SEC. 165. Section 69.5 of the Revenue and Taxation Code is amended 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 is 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 is 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 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 is also 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. 166. Section 99 of the Revenue and Taxation Code is amended to read:

99. (a) For the purposes of the computations required by this chapter:

(1) In the case of a jurisdictional change, other than a city incorporation or a formation of a district as defined in Section 2215 , the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 97, or the annual tax increment determined pursuant to Section 98, for local agencies whose service area or service responsibility would be altered by the jurisdictional change, as determined pursuant to subdivision (b) or (c).

(2) In the case of a city incorporation or a formation of a district as defined in Section 2215, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56842 of the Government Code to the newly formed city or district and shall make the adjustment as determined by Section 56842 in the allocation of property tax revenue determined pursuant to Section 96 or 97 for each local agency whose service area or service responsibilities would be altered by the incorporation or formation.

(b) Upon the filing of an application or a resolution pursuant to

the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), but prior to the issuance of a certificate of filing, the executive officer shall give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. The notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change.

(1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.

(B) The auditor shall estimate the amount of property tax revenue generated within the territory which is the subject of the jurisdictional change during the current fiscal year.

(2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Section 96 or 97, and Section 98, notwithstanding the provisions of Section 98.6.

(3) Within 45 days of notice of the filing of an application or resolution, the auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) which is subject to a negotiated exchange.

(4) Upon receipt of the estimates pursuant to paragraph (3) the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. The negotiation period shall not exceed 30 days.

The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.

(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues.

(6) Notwithstanding any other provision of law, the executive officer shall not issue a certificate of filing pursuant to Section 56828 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the 30-day negotiation period, present resolutions adopted by each county and city whereby each county and city agrees to accept the exchange of property tax revenues.

(7) In the event that the commission modifies the proposal or its

resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 15 days for the affected agencies, pursuant to paragraph (4), to renegotiate an exchange of property tax revenues. Notwithstanding the time period specified in paragraph (4), if the resolutions required pursuant to paragraph (6) are not presented to the executive officer within the 15-day period, all proceedings of the jurisdictional change shall automatically be terminated.

(8) No later than the date on which the certificate of completion of the jurisdictional change is recorded with the county recorder, the executive officer shall notify the auditor or auditors of the exchange of property tax revenues and the auditor or auditors shall make the appropriate adjustments as provided in subdivision (a).

(c) Whenever a jurisdictional change is not required to be reviewed and approved by a local agency formation commission, the local agencies whose service area or service responsibilities would be altered by the proposed change, shall give notice to the State Board of Equalization and the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. The notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change and request the auditor and assessor to make the determinations required pursuant to paragraphs (1) and (2) of subdivision (b). Upon notification by the auditor of the amount of, and allocation factors with respect to, property tax subject to exchange, the local agencies, pursuant to the provisions of paragraphs (4), (5), and (6) of subdivision (b), shall determine the amount of property tax revenues to be exchanged between and among the local agencies. Notwithstanding any other provision of law, no jurisdictional change shall become effective until each county and city included in the negotiations agrees, by resolution, to accept the negotiated exchange of property tax revenues. The exchange may be limited to an exchange of property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years. Upon the adoption of the resolutions required pursuant to this section, the adopting agencies shall notify the auditor who shall make the appropriate adjustments as provided in subdivision (a).

(d) With respect to adjustments in the allocation of property taxes pursuant to this section, a county and any local agency or agencies within the county may develop and adopt a master property tax transfer agreement. The agreement may be revised from time to time by the parties subject to the agreement.

(e) Except as otherwise provided in subdivision (f), for the purpose of determining the amount of property tax to be allocated

in the 1979–80 fiscal year and thereafter for those local agencies which were affected by a jurisdictional change which was filed with the State Board of Equalization after January 1, 1978 but on or before January 1, 1979. The local agencies shall determine by resolution the amount of property tax revenues to be exchanged between and among the affected agencies and notify the auditor of the determination.

(f) For the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and thereafter, for a city incorporation which was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978–79 fiscal year shall be equal to two-thirds of the amount of property tax revenue projected in the final local agency formation commission staff report pertaining to the incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978–79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977–78 fiscal year. However, in the event that the final commission report did not specify the amount of property tax revenue projected for the incorporation, the commission shall by October 10, determine pursuant to Section 56842 of the Government Code the amount of property tax to be transferred to the city.

This subdivision shall also apply to the allocation of property taxes for the 1980–81 fiscal year and thereafter for incorporations approved by the voters in June 1979.

(g) For the purpose of the computations made pursuant to this section, in the case of a district formation which was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1978, but before January 1, 1979, the amount of property tax to be allocated to the district for the 1979–80 fiscal year and each fiscal year thereafter shall be determined pursuant to Section 56842 of the Government Code.

(h) For the purposes of the computations required by this chapter, in the case of a jurisdictional change, other than a change requiring an adjustment by the auditor pursuant to subdivision (a), the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 97, or the annual tax increment determined pursuant to Section 98, for each local school district, community college district, or county superintendent of schools whose service area or service responsibility would be altered by the jurisdictional change, as determined as follows:

(1) The governing body of each district, county superintendent of schools, or county whose service areas or service responsibilities would be altered by the change shall determine the amount of property tax revenues to be exchanged between and among the affected jurisdictions. The determination shall be adopted by each

affected jurisdiction by resolution. For the purpose of negotiation, the county auditor shall furnish the parties and the county board of education with an estimate of the property tax revenue subject to negotiation.

(2) In the event that the affected jurisdictions are unable to agree, within 60 days after the effective date of the jurisdictional change, and if all the jurisdictions are wholly within one county, the county board of education shall, by resolution, determine the amount of property tax revenue to be exchanged. If the jurisdictions are in more than one county, the State Board of Education shall, by resolution, within 60 days after the effective date of the jurisdictional change, determine the amount of property tax to be exchanged.

(3) Upon adoption of any resolution pursuant to this subdivision, the adopting jurisdictions or State Board of Education shall notify the county auditor who shall make the appropriate adjustments as provided in subdivision (a).

(i) For purposes of subdivision (h), the annexation by a community college district of territory within a county not previously served by a community college district is an alteration of service area. The community college district and the county shall negotiate the amount, if any, of property tax revenues to be exchanged. In the negotiations, there shall be taken into consideration the amount of revenue received from the timber yield tax and forest reserve receipts by the community college district in the area not previously served. In no event shall the property tax revenue to be exchanged exceed the amount of property tax revenue collected prior to the annexation for the purposes of paying tuition expenses of residents enrolled in the community college district, adjusted each year by the percentage change in population and the percentage change in cost of living, or per capita personal income, whichever is lower, less the amount of revenue received by the community college district in the annexed area from the timber yield tax and forest reserve receipts.

(j) At any time after a jurisdictional change is effective, any of the local agencies party to the agreement to exchange property tax revenue may renegotiate the agreement with respect to the current fiscal year or subsequent fiscal years, subject to approval by all local agencies affected by the renegotiation.

SEC. 167. The heading of Article 3.5 (commencing with Section 2250) of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code is repealed.

SEC. 168. The heading of Article 3.6 (commencing with Section 2256) of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code is repealed.

SEC. 169. Section 6007.5 of the Revenue and Taxation Code, as added by Chapter 70 of the Statutes of 1955, is repealed.

SEC. 170. Section 6203 of the Revenue and Taxation Code is amended to read:

6203. Except as provided by Sections 6292 and 6293, every retailer

engaged in business in this state and making sales of tangible personal property for storage, use, or other consumption in this state, not exempted under Chapter 3.5 (commencing with Section 6271) or Chapter 4 (commencing with Section 6351), shall, at the time of making the sales or, if the storage, use, or other consumption of the tangible personal property is not then taxable hereunder, at the time the storage, use, or other consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a receipt for the tax in the manner and form prescribed by the board.

As respects leases constituting sales of tangible personal property, the tax shall be collected from the lessee at the time amounts are paid by the lessee under the lease.

"Retailer engaged in business in this state," as used in this section and in Section 6202, means and includes any of the following:

(a) Any retailer maintaining, occupying, or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business.

(b) Any retailer having any representative, agent, salesperson, canvasser, or solicitor operating in this state under the authority of the retailer or its subsidiary for the purpose of selling, delivering, or the taking of orders for any tangible personal property.

(c) As respects a lease, any retailer deriving rentals from a lease of tangible personal property situated in this state.

(d) Any retailer soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this state.

(e) Any retailer who, pursuant to a contract with a broadcaster or publisher located in this state, solicits orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this state and only secondarily to bordering jurisdictions.

(f) Any retailer soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this state or benefits from the location in this state of authorized installation, servicing, or repair facilities.

(g) Any retailer owned or controlled by the same interests which own or control any retailer engaged in business in the same or a similar line of business in this state.

(h) Any retailer having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this section.

(i) Any retailer who, pursuant to a contract with a cable television operator located in this state, solicits orders for tangible personal

property by means of advertising which is transmitted or distributed over a cable television system in this state.

SEC. 171. The heading of Article 1 (commencing with Section 19251) of Chapter 21 of Part 10 of Division 2 of the Revenue and Taxation Code is amended to read:

Article 1. Powers and Duties of the Franchise Tax Board

SEC. 172. The heading of Chapter 11.7 (commencing with Section 24591) of Part 11 of Division 2 of the Revenue and Taxation Code is amended and renumbered to read:

CHAPTER 11.8. CARRYOVERS

SEC. 173. Section 25110 of the Revenue and Taxation Code is amended to read:

25110. (a) Notwithstanding Section 25101, a qualified taxpayer, as defined in paragraph (2) of subdivision (b) which is subject to the tax imposed under this part, may elect to determine its income derived from or attributable to sources within this state pursuant to a water's-edge election in accordance with the provisions of this part, as modified by this article. A taxpayer which makes a water's-edge election shall take into account the income and apportionment factors of the following affiliated entities only:

(1) Affiliated banks or corporations which are eligible to be included in a federal consolidated return as described in Sections 1501 to 1505, inclusive, of the Internal Revenue Code.

(2) Domestic international sales corporations, as described in Sections 991 to 994, inclusive, of the Internal Revenue Code, and foreign sales corporations as described in Sections 921 to 927, inclusive, of the Internal Revenue Code.

(3) Any corporation, regardless of the place where it is incorporated, if the average of its property, payroll, and sales factors within the United States is 20 percent or more.

(4) Banks and corporations which are incorporated in the United States, excluding corporations described in Sections 931 to 936, inclusive, of the Internal Revenue Code, of which more than 50 percent of their stock is controlled directly or indirectly by the same interests, which are not included in paragraph (1).

(5) A bank or corporation which is not described in paragraphs (1) to (4), inclusive, or paragraph (6), but only to the extent of its income derived from or attributable to sources within the United States and its factors assignable to a location within the United States in accordance with paragraph (3). Income of such a bank or corporation derived from or attributable to sources within the United States shall be limited to and determined from the books of account maintained by the bank or corporation with respect to its activities conducted within the United States as determined by federal income tax law.

(6) Export trade corporations, as described in Sections 970 to 972, inclusive, of the Internal Revenue Code.

(7) (A) The income and factors of the above-enumerated banks and corporations shall be taken into account only if the income and factors would have been taken into account under Section 25101 if this section had not been enacted.

(B) The income and factors of a bank which is not described in paragraphs (1) to (4), inclusive, and paragraph (6) and which is an electing taxpayer under this subdivision shall be taken into account in determining its income only to the extent set forth in paragraph (5).

(8) Any affiliated bank or corporation which is a "controlled foreign corporation," as defined in Section 957 of the Internal Revenue Code, if all or part of the income of that affiliate is defined in Section 952 of Subpart F of the Internal Revenue Code ("Subpart F income"). The income and apportionment factors of any affiliate to be included under this paragraph shall be determined by multiplying the income and apportionment factors of that affiliate without application of this paragraph by a fraction, not to exceed one, the numerator of which is the "Subpart F income" of that bank or corporation and the denominator of which is the "earnings and profits" of that bank or corporation, as defined in Section 964 of the Internal Revenue Code.

(b) For purposes of this section:

(1) An "affiliated bank or corporation," for purposes of this article, means a bank or corporation which is part of one or more chains of banks or corporations connected through stock ownership with a common parent if both of the following exist:

(A) Over 50 percent of the voting stock of the bank or corporation is directly or indirectly owned or controlled by one or more of the other banks or corporations.

(B) The common parent owns directly or indirectly over 50 percent of the voting stock of at least one of the other banks or corporations.

(2) A "qualified taxpayer" means a bank or corporation which does both of the following:

(A) Files with the state tax return on which the water's-edge election is made a consent to the taking of depositions from key domestic corporate individuals and to the acceptance of subpoenas duces tecum requiring reasonable production of documents to the Franchise Tax Board as provided in Section 26423 or by the State Board of Equalization or by the courts of this state. The consent shall remain in effect so long as the water's-edge election is in effect and shall be limited to providing that information necessary to review or to adjust income or deductions in a manner authorized under Sections 482, 861, Subpart F of Part III of Subchapter N, or similar provisions of the Internal Revenue Code, together with the regulations adopted pursuant to those provisions, and for the conduct of an investigation with respect to any unitary business in which the

taxpayer may be involved.

(B) Agrees that for purposes of this article, dividends received by any bank or corporation whose income and apportionment factors are taken into account pursuant to subdivision (a) from either of the following are functionally related dividends subject to Section 24111 and shall be presumed to be business income:

(i) A bank or corporation of which more than 50 percent of the voting stock is owned, directly or indirectly, by members of the unitary group and which is engaged in the same general line of business.

(ii) Any bank or corporation which is either a significant source of supply for the unitary business or a significant purchaser of the output of the unitary business, or which sells a significant part of its output or obtains a significant part of its raw materials or input from the unitary business. "Significant," as used in this subparagraph, means an amount of 15 percent or more of either input or output.

All other dividends shall be classified as business or nonbusiness income without regard to this subparagraph.

(3) The definitions and locations of property, payroll, and sales shall be determined under the laws and regulations which set forth the apportionment formulas used by the individual states to assign net income subject to taxes on or measured by net income in that state. If a state does not impose a tax on or measured by net income or does not have laws or regulations with respect to the assignment of property, payroll, and sales, the laws and regulations provided in Article 2 (commencing with Section 25120) shall apply.

Sales shall be considered to be made to a state only if the bank or corporation making the sale may otherwise be subject to a tax on or measured by net income under the Constitution or laws of the United States, and shall not include sales made to a bank or corporation whose income and apportionment factors are taken into account pursuant to this subdivision.

(4) The Franchise Tax Board, for purposes of administering the provisions of Sections 25110 and 25115, shall examine the returns filed by taxpayers subject to these provisions. Where this examination reveals potential noncompliance, a detailed examination shall be made notwithstanding the potential net revenue benefit to the state unless the taxpayer is being examined by the Internal Revenue Service for the same year or years on the same issues.

In any case of two or more organizations, trades, or businesses, whether or not organized in the United States and whether or not affiliated, which are owned or controlled directly or indirectly by the same interests, the Franchise Tax Board may distribute, apportion, or allocate gross income, deductions, credits, or allowances between or among these organizations, trades, or businesses, if the board determines that the distribution, apportionment, or allocation is necessary in order to prevent evasion of taxes or clearly to reflect the income of any of these organizations, trades, or businesses.

In making distributions, apportionments, and allocations under

this section, the Franchise Tax Board shall generally follow the rules, regulations, and procedures of the Internal Revenue Service in making audits under Section 482 of the Internal Revenue Code. Any of these rules, regulations, and procedures adopted by the Franchise Tax Board shall not be subject to review by the Office of Administrative Law.

If the Internal Revenue Service has conducted a detailed audit under Section 482 of the Internal Revenue Code and has made adjustments pursuant to that section, it shall be presumed that no further adjustments are necessary for this state's purposes. If the Internal Revenue Service has conducted a detailed audit under this section and has made or proposed no adjustments to the transaction examined, it shall be presumed that no adjustment is necessary for this state's purposes. These presumptions shall be overcome if the Franchise Tax Board or the taxpayer demonstrates that an adjustment or a failure to make an adjustment was erroneous, if it demonstrates that the results of such an adjustment would produce a minimal tax change for federal purposes because of correlative or offsetting adjustments or for other reasons, or if substantially the same federal tax result was obtained under other sections of the Internal Revenue Code. No inference shall be drawn from an Internal Revenue Service failure to audit international transactions under Section 482 of the Internal Revenue Code and it shall not be presumed that these transactions were correctly reported.

(5) "The United States" means the 50 states of the United States and the District of Columbia.

(c) All references in this part to income determined pursuant to Section 25101 shall also mean income determined pursuant to this section.

(d) A water's-edge election may be disregarded by the Franchise Tax Board only if any of the following occurs:

(1) A bank or corporation fails to comply substantially with Section 25114 or any federal law requiring the filing of domestic spreadsheets.

(2) After a reasonable adjustment of transfer prices, royalty rates, the allocation of common expenses, and similar adjustments, the return filed pursuant to this section fails to prevent the evasion of taxes.

(3) An otherwise qualified taxpayer fails to do any of the following:

(A) Retain and make available upon request the documents and information, including any questionnaires completed and submitted to the Internal Revenue Service or qualified states, which are necessary to audit issues involving attribution of income to the United States or foreign jurisdictions under Sections 482, 861, 863, 902, and 904, and Subpart F of Part III of Subchapter N, or similar sections of the Internal Revenue Code.

(B) Identify, upon request, principal officers or employees who have substantial knowledge of and access to documents and records

which discuss pricing policies, profit centers, cost centers, and the methods of allocating income and expense among these centers. The information shall include the employees' titles and addresses.

(C) Retain and make available upon request all documents and correspondence ordinarily available to a bank or corporation included in the water's-edge election which are submitted to or obtained from the Internal Revenue Service, foreign countries or their territories or possessions, and competent authority pertaining to ruling requests, rulings, settlement resolutions, and competing claims involving jurisdictional assignment and sourcing of income that affect the assignment of income to the United States. The documents shall include all ruling requests and rulings on reorganizations involving foreign incorporation of branches, all ruling requests and rulings on changing a bank or corporation's jurisdictional incorporation, and all documents which are ordinarily available to a bank or corporation included in the water's-edge election which pertain to the determination of foreign tax liability, including examination reports issued by foreign taxing administrations. If the documents have been translated, the translations shall be furnished.

(D) Prepare and make available upon request for each bank or corporation included in the disclosure spreadsheet referred to in Section 25114 in which the taxpayer is included, a list of each state of the United States, including the District of Columbia, territories or possessions, and each foreign country in which it has payroll, property, or sales. The sales shall be determined by destination whether or not the taxpayer is taxable in the destination jurisdiction.

(E) Retain and make available upon request forms filed with the Internal Revenue Service to comply with Sections 6038, 6038A, and 6041 of the Internal Revenue Code.

(F) Prepare and make available upon request, for each bank or corporation organized or created under the laws of the United States or a political subdivision thereof, of which 50 percent or more of its voting stock is directly or indirectly owned or controlled, the information which would be included in the forms described in subparagraph (E) if those forms were required for United States corporations.

(G) Retain and make available upon request all state tax returns filed by each bank or corporation included under subdivision (a) in each state, including the District of Columbia.

(H) Comply with reasonable requests for discovery directed at obtaining information necessary to determine or verify its net income, apportionment factors, or the geographic source of that income pursuant to the Internal Revenue Code.

(I) For purposes of this subdivision, information for any year shall be retained for that period of time in which the taxpayer's income or franchise tax liability to this state may be subject to adjustment, including all periods in which additional income or franchise taxes may be assessed or during which an appeal is pending before the

State Board of Equalization or a lawsuit is pending in the courts of this state or the United States with respect to California franchise or income tax.

(4) A failure to satisfy any of the requirements of paragraph (3) shall mean a willful failure to retain and make available documents that are material to a determination by the Franchise Tax Board of a qualified taxpayer's tax under this part.

SEC. 174. Section 26073a of the Revenue and Taxation Code is amended and renumbered to read:

26073.2. If (1) the taxpayer has, within the period prescribed in Section 26073, agreed in writing, under Article 1 (commencing with Section 25661) of Chapter 20, to extend the time within which the Franchise Tax Board may propose an additional assessment, or (2) the taxpayer has agreed with the United States Commissioner of Internal Revenue for an extension, or renewals thereof, of the period for proposing and assessing deficiencies in federal income tax for any year, the period within which a claim for credit or refund may be filed, or credit or refund allowed or made if no claim is filed, shall be the period within which the Franchise Tax Board may issue a notice of proposed additional assessment under those circumstances. This section shall apply to any claim filed, or credit or refund allowed or made, before the execution of the agreements.

SEC. 175. Section 26073b of the Revenue and Taxation Code is amended and renumbered to read:

26073.4. If a taxpayer is required to report a change or correction by the Commissioner of Internal Revenue or other officer of the United States or other competent authority or to file an amended return as required by Section 25432 and does report the change or files the return, a claim for credit or refund resulting from the adjustment may be filed within six months from the date the notice or amended return is filed with the Franchise Tax Board by the taxpayer or within the period provided in Section 26073.2, whichever period expires later.

SEC. 176. Section 26073c of the Revenue and Taxation Code is amended and renumbered to read:

26073.6. A claim for credit or refund based upon an overpayment on account of the deductibility, under Section 24348, of a bad debt as one which became worthless, or an erroneous inclusion of an amount attributable to the recovery of a bad debt, prior tax or delinquency amount under Section 24310, due to an adjustment of a bad debt deduction, shall be filed within seven years from the date prescribed by law for filing the return for the year with respect to which the claim is made.

SEC. 177. Section 26073d of the Revenue and Taxation Code is amended and renumbered to read:

26073.8. (a) Notwithstanding any statute of limitations otherwise provided for in this part, any overpayment due a taxpayer for any year, shall be allowed as an offset in computing any deficiency in tax, for the same or any other year, if the overpayment results from either

of the following:

(1) A transfer of items of income or deductions or both to or from another year for the same taxpayer.

(2) A transfer of items of income or deductions or both to or from another taxpayer for the same or different years if the items of income or deductions are transferred between affiliated taxpayers whose tax is determined under Chapter 17 (commencing with Section 25101).

(b) The offset provided by subdivision (a) shall not be allowed after the expiration of seven years from the due date of the return or returns on which the overpayment is determined.

(c) No refund shall be allowed under subdivision (a) unless the overpayment is certified to the State Board of Control, or a claim for refund is filed within the time otherwise provided for in this part.

SEC. 178. Section 32177.5 of the Revenue and Taxation Code is repealed.

SEC. 179. Section 44187 of the Revenue and Taxation Code is repealed.

SEC. 180. Section 3114 of the Streets and Highways Code is amended to read:

3114. (a) This section applies only to assessment districts.

(b) After the confirmation by the legislative body of any assessment, the clerk of the legislative body shall file, in the office of the county recorder, a copy of the assessment diagram.

(c) The assessment diagram shall be prepared by the engineer responsible for engineering work. The assessment diagram shall be legibly drawn, and at least one copy shall be printed or reproduced by a process that provides a permanent record. Each sheet of paper or other material used for the permanent record map shall be 18 by 26 inches in size, shall clearly show the particular number of the sheet, the total number of sheets comprising the map, its relation to each adjoining sheet, and shall have encompassing its border a line that leaves a blank margin one inch in width.

The map shall be labeled substantially as follows: Assessment Diagram, (here insert name or number of district) Assessment District, (here insert city and name of county thereafter), State of California.

The map shall also have legends reading substantially as follows:

(1) Filed in the office of the (clerk of the legislative body), this _____ day of _____, 19__.

_____

(Clerk of the legislative body)

(2) Recorded in the office of the (superintendent of streets) this _____ day of _____, 19__.

_____

(Superintendent of Streets)

(3) An assessment was levied by the city council (or other appropriate legislative body) on the lots, pieces, and parcels of land

shown on this assessment diagram. The assessment was levied on the _____ day of _____, 19__; the assessment diagram and the assessment roll were recorded in the office of the superintendent of streets of that city on the _____ day of _____, 19__. Reference is made to the assessment roll recorded in the office of the superintendent of streets for the exact amount of each assessment levied against each parcel of land shown on this assessment diagram.

_____

(Clerk of the legislative body)

(4) Filed this _____ day of _____, 19__, at the hour of _____ o'clock __m. in Book _____ of Maps of Assessment and Community Facilities Districts at page _____, in the office of the county recorder of the County of _____, State of California.

_____

(County Recorder of County of _____)

(d) The clerk shall file a copy of the assessment diagram referred to in subdivision (c) in the office of the county recorder of the county in which all or any part of the assessment district shown on the assessment diagram is located upon payment of the filing fee. The filing of the assessment diagram shall be made by the clerk.

(e) The county recorder shall endorse upon the assessment diagram filed with him or her, pursuant to subdivision (d), the time and date of filing and shall fasten it securely in the "Book of Maps of Assessment and Community Facilities Districts" in which the county recorder is obligated to keep boundary maps under Section 3112. The county recorder shall cross-index the assessment diagram by reference to the city conducting the proceedings and by reference to the page of the book of maps of assessment and community facilities districts in which the boundary map of the district was filed in the book.

(f) After the confirmation by the legislative body of any assessment and the recording of the assessment and diagram in the office of the street superintendent or other officer of the city in whose office the assessment and diagram have been recorded, the clerk of the legislative body shall execute and record a notice of assessment in the office of the county recorder of each county in which all or any part of the assessment district is located. The notice of assessment shall be in substantially the following form:

NOTICE OF ASSESSMENT

Pursuant to the requirements of Section 3114 of the Streets and Highways Code, the undersigned clerk of the legislative body of _____, State of California, hereby gives notice that a diagram and assessment were recorded in the office of the _____ of that city as provided for in Section 3114 of the Streets and Highways Code, and relating to the following described real property:

(The real property in the assessment district may be described by:

(a) stating its exterior boundaries; or (b) describing the property according to any official or recorded map; or (c) referring to the assessment diagram filed in accordance with subdivisions (d) and (e) of Section 3114 and the book and page number in the office of the county recorder of the filed plat or map.)

Notice is further given that upon the recording of this notice in the office of the county recorder, the several assessments assessed on the lots, pieces, and parcels shown on the filed assessment diagram shall become a lien upon the lots or portions of lots assessed, respectively.

Reference is made to the assessment diagram and assessment roll recorded in the office of the _____ of that city.

Dated: _____

If the assessment district is located in two or more counties, the assessment notice, in lieu of the paragraph following the description of the property, shall state:

Notice is further given that the above-described real property is located in the Counties of _____ and _____ and upon the recording of this notice in the office of the county recorder of all those counties, effective upon the date of the last recording, the several assessments on the lots, pieces, and parcels shown on the filed assessment diagram shall become a lien upon the lots or portions of lots assessed, respectively.

SEC. 181. Section 22651.7 of the Vehicle Code, as added by Chapter 279 of the Statutes of 1987, is amended and renumbered to read:

22655.3. 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.

This section is not intended to change current statute and case law governing searches and seizures.

SEC. 182. 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. 183. 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. Notwithstanding any other requirements for the court to impose a minimum fine contained in Article 2 (commencing with Section 23152) and in order to implement this article, a court in a county selected pursuant to Section 23249 may impose as a condition of probation for any person whose driving privilege is restricted pursuant to Section 23240 that the person pay a fine of not more than one thousand dollars ($1,000), unless the person is convicted of a

violation of Section 23153, punishable under Section 23185 or 23190, in which case the court may impose as a condition of probation that the person pay a fine of not more than five thousand dollars ($5,000), which fine is in lieu of the fine prescribed in Article 2 (commencing with Section 23152). The court may consider in determining the amount of the fine to be imposed the cost to the person of installing the ignition interlock device.

This section does not affect any other terms or conditions of probation required by Article 2 (commencing with Section 23152) other than those provisions prescribing minimum fines to be imposed as terms and conditions of probation.

23249.52. 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. Any judicial district within the county may elect not to participate in the county alcohol and drug problem assessment program. The alcohol and drug problem assessment program may include a referral and client tracking component.

23249.53. Any person convicted of a violation of Section 23152 or 23153 in a judicial district that participates in a county alcohol and drug problem assessment program pursuant to this article shall participate in the program.

23249.54. 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.

23249.55. (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 participates in a county 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 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.

23249.56. The Office of Traffic Safety shall adopt rules and guidelines to implement this article.

23249.57. Any alcohol and drug problem assessment program established pursuant to this article may be terminated by the county on or before December 31, 1989.

23249.58. 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. 184. Section 42001.9 of the Vehicle Code, as amended by Chapter 1027 of the Statutes of 1987, 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 fifty dollars ($50) for a first offense, and not more than two hundred fifty dollars ($250) for every subsequent offense.

SEC. 185. Section 37155.1 of the Water Code is amended to read:

37155.1. After receiving a demand for a collector's deed pursuant to Section 37155, and not less than 45 days nor more than 60 days before delivery of a collector's deed pursuant to that demand, the collector shall publish in the manner prescribed in Section 6063 of the Government Code a notice which shall contain all of the following:

(a) The date of the notice.

(b) A statement that as of a stated date, three years or more will have elapsed since the property or properties described in the notice were sold to the district pursuant to Chapter 4 (commencing with Section 36950).

(c) A statement that on the stated date, the board, by resolution, demanded delivery of a collector's deed to the property to the district.

(d) A statement that unless sooner redeemed, or, if the district has provided for installment redemption, an installment plan of redemption is initiated, a collector's deed to the property will be delivered to the district.

(e) The date and time at which the collector's deed will be executed and delivered.

(f) A statement that if the collector's deed is executed and

delivered the right of redemption will terminate.

(g) The name, address, and telephone number of the official who will furnish all information concerning redemption.

(h) The fiscal year or years for which the delinquent assessments were levied.

(i) A description of the property.

(j) The amount required to redeem, which shall include the amounts specified in Section 37155.3.

(k) The name of the assessee on the current assessment book of the district.

(*l*) The street address of the property, if available.

SEC. 186. 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 on parole or who has been permitted his or her liberty on 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. 187. Section 5467 of the Welfare and Institutions Code is amended to read:

5467. The State Department of Mental Health shall develop a long-range plan to implement the program changes necessary to address the service needs of clients aged 21 to 64, inclusive, who are currently served in skilled nursing facilities with state-certified Special Treatment Programs. On or before September 1, 1988, the department shall distribute this plan to all interested parties, including, but not limited to, the Legislature, mental health providers, consumers, and family organizations, as well as entities of county government. In developing the plan, the department shall ensure the maximum feasible opportunity for public participation.

SEC. 188. Section 9400 of the Welfare and Institutions Code, as added by Chapter 1215 of the Statutes of 1986, is amended and renumbered to read:

9399.5. Each year, the Governor shall present one award in each of the three categories of community service, education, and the arts

to three outstanding California seniors in recognition of their individual contributions to either community service, education, or the arts. The awards shall be presented to three seniors selected from a list of 33 candidates compiled annually by the California Commission on Aging, which shall solicit candidates from a broad variety of senior organizations and senior service providers in each of the state's 33 planning and service areas.

SEC. 189. Section 10850.1 of the Welfare and Institutions Code is amended 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 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.

SEC. 190. Section 11002.5 of the Welfare and Institutions Code is repealed.

SEC. 191. Section 11320.2 of the Welfare and Institutions Code is amended to read:

11320.2. (a) County welfare departments shall administer this chapter, in a manner consistent with the provisions of this chapter and regulations adopted by the department in order to implement this chapter.

(b) Each county welfare department, with the cooperation of community college districts, county offices of education, and local private industry councils established under Chapter 4 (commencing with Section 15030) of Division 8 of the Unemployment Insurance Code, shall design a package of services to be provided to participants receiving services under this article, that reflect available resources and local job market needs. A joint plan may be submitted by two or more consenting counties.

Each county plan shall include a participant and labor market needs assessment, to be revised annually, which shall specify all of the following:

(1) The full employment goal of the plan, which shall be the

provision of unsubsidized employment for all county registrants subject to this article.

(2) An assessment of the county's current and projected unsubsidized employment needs.

(3) An inventory of services, including those specified in subdivision (c) of Section 11320, available to county residents.

(4) The amount and kind of services required to meet the full employment goal for all registrants.

(5) The amount and kind of services that will be used in the plan year.

(6) An assessment of what services are currently unavailable and needed, including child care services, to meet the full employment goal and a plan for developing the availability of these services within a reasonable period of time, including a proposed program budget.

(c) The county welfare department shall submit to the department a program budget proposal in conjunction with the county plan, as specified in this section. The budget proposal shall specify the costs associated with providing the range of services included in the plan in the most cost-effective manner. The budget proposal shall identify the amount of funds that the county expects to spend for each component and shall provide supporting detail regarding the caseloads anticipated in each component and the amount that will be spent for (1) county employees, by classification, (2) administrative support and overhead, and (3) contracted services and support. Prior to final approval of the county's plan, as specified in subdivision (f), the department shall notify each county of the amount of its allocation of funds to carry out the plan and the assumptions used to develop that allocation. If the allocation is less than the amount of funds that the county proposed in the program budget, the department shall notify the county that the proposed program budget exceeds the funds available. The department shall specify how the costs proposed by the county exceed the costs used to develop the county's allocation. The county may provide any additional documentation to justify the higher funding level. If, after reviewing the additional information, the department finds that the proposed program costs are not reasonable or cost-effective, the county shall submit the necessary revisions to its plan and program budget to keep program expenditures within the amount of its allocation.

In subsequent years, the county welfare department shall submit its program budget proposal for this article at the same time as the county submits its administrative cost control plan for the Aid to Families with Dependent Children, Medi-Cal, and Food Stamp programs. If services are not available in the county, the county plan may include provisions for the purchase of services from other counties.

The plan shall be approved by the board of supervisors of each county, after a public hearing is held in accordance with existing county public hearing procedures that provide adequate notice and

an opportunity for affected groups and individuals to present their views and suggestions. In approving the plan, the board shall consider the views presented by affected groups during, and as part of the record of, the public hearing.

Prior to implementation, each plan must receive approval by the department. In determining whether a plan should be approved, the department shall consider the projected long-range cost-effectiveness of the plan, in addition to the appropriateness of the services proposed to be delivered under the plan, given the local labor market, maximum utilization of existing and generic services, and administrative ease.

No plan shall be approved by the department that does not provide an adequate range of services as described in Section 11320.3. With respect to large counties, as defined by the department for cost control purposes, "an adequate range of services" means that the counties shall provide all of the services outlined in Section 11320.3.

If two or more counties submit a joint plan, and the joint plan serves a participant caseload equal to or greater than a large county, the plan shall provide for all of the services outlined in Section 11320.3. If the services listed in Section 11320.3 are not provided for in the county plan, the county shall submit a justification as to why the services are not necessary. No plan shall be approved which requires job search and work experience of participants to the exclusion of a range of services and which does not specify the range of services, both existing and proposed to be offered participants, in accordance with this section.

No funds appropriated for purposes of this article shall be used to fund education or training services in any county plan if these services could reasonably be provided by local educational agencies from Section A or Section B of the State School Fund which are not otherwise committed. No local educational agency shall be authorized to receive funds appropriated for purposes of this article unless it has demonstrated that it has fully committed all the funds from Section A or Section B of the State School Fund available to it, as certified by the district to the Chancellor of the California Community Colleges, or the Superintendent of Public Instruction. The Chancellor of the California Community Colleges and the Superintendent of Public Instruction, as appropriate, shall certify this information to the Director of Finance.

(d) In order to measure the effectiveness of county plans under this article, performance standards for this article shall be consistent with those developed for service delivery areas pursuant to Division 8 (commencing with Section 15000) of the Unemployment Insurance Code. The Health and Welfare Agency shall insure that these standards include, but are not limited to all of the following goals:

(1) The training program participants for unsubsidized employment.

(2) Reducing welfare costs by increasing earnings of program

participants in unsubsidized employment.

(3) Placement in unsubsidized employment resulting from all program components.

(e) (1) A county plan may also provide that the program provided for in this article shall apply to recipients of aid under Part 5 (commencing with Section 17000), except that no funds appropriated for purposes of this article shall be utilized for purposes of applying this article to these individuals. A county plan may also provide that the program provided for in this article shall apply to refugees receiving Refugee Cash Assistance or assistance under Article 1 (commencing with Section 13200) of Chapter 5.2. The county shall maintain separate accounting records of expenditures related to applicants for, and recipients of, aid under this chapter, and for the individuals to whom the program applies pursuant to this subdivision. If a county elects to apply the program provided for in this article to refugees receiving Refugee Cash Assistance or assistance under Article 1 (commencing with Section 13200) of Chapter 5.2 or to refugee recipients of aid under Part 5 (commencing with Section 17000), costs of applying the program shall be funded from the county's federal social services and targeted assistance allocation as provided for under Chapter 5.5 (commencing with Section 13275).

(2) If, pursuant to paragraph (1), a county elects to apply the program provided for in this article to refugees or to recipients of aid under Part 5 (commencing with Section 17000), these individuals shall have the same rights, duties, and responsibilities that a participant has who is an applicant for, or a recipient of, aid under this chapter. Any participation by general assistance recipients shall not constitute any actual or implied responsibility for, or assumption of, costs of general assistance by the state.

(f) Each county shall submit its plan to the department within two years from September 26, 1985. The department shall approve a county plan within a reasonable period of time after submission of the county plan. Notwithstanding subdivision (f), a county may phase in the participation in its program for all qualified persons over a period of up to two years from the date upon which the program commences to operate in the county. A county may incorporate into its plan any existing employment or training program for applicants for, or recipients of, aid under this chapter which is operating in the county to the extent that the program is consistent with this article.

(g) This program shall be fully operational on a statewide basis within three years after September 26, 1985, by which time the department shall approve all county plans.

(h) Counties shall continually monitor their program expenditures throughout the fiscal year. If a county determines that its anticipated expenditures will exceed the amount of that year's allocation as a result of an unexpected event, including caseload increases, court cases, or significant justifiable increases in component costs, the county shall immediately notify the

department and submit a reduction plan to the department. The department shall review and respond to a county's proposed reduction plan within 30 days of receipt of the plan. The department may provide additional funds for the existing appropriation to forestall the need for county program reductions. If the department does not respond within 30 days, the plan shall be deemed to be approved. If the department disapproves the reduction plan the county shall continue to provide services as specified in the approved plan. The department shall submit within 30 days of the disapproval of a reduction plan, a report to the Joint Legislative Budget Committee setting forth the reason for the department's disapproval.

A county's approved reduction plan shall remain in effect for no longer than the duration of the fiscal year in which the plan is approved. At the beginning of the following fiscal year, the county shall provide services pursuant to its approved program plan.

A county's plan shall propose only the following methods of reducing costs and shall use only those methods that are necessary to bring anticipated expenditures within the amounts allocated to the county, and shall use these methods for only a specified period and only in the order in which they appear below:

(1) Temporary exemption of new applicants for aid under the Aid to Families with Dependent Children—Unemployed Parent program.

(2) Temporary exemption of all Aid to Families with Dependent Children Unemployed Parent recipients who have been continuously on aid for less than one year.

(3) Temporary assignment of volunteer registrants to a waiting list, during which time these registrants will receive no services.

(4) Temporary exemption of all new applicants for aid under the Aid to Families with Dependent Children—Family Group program.

(5) Temporary exemption of all Aid to Families with Dependent Children—Family Group recipients who have been on aid for one year or more.

(6) Temporary exemption of all Aid to Families with Dependent Children—Family Group recipients who have been on aid continuously for less than one year.

(7) Temporary exemption of all Aid to Families with Dependent Children—Family Group recipients who have been continuously on aid for less than two years.

(8) Temporary exemption of all participants, based on the time on aid, with participants who have been on aid the longest being the last to receive exemptions.

Counties that can remain within their allocation shall not implement reductions.

(i) The department shall evaluate the program and shall collect data on program cost, caseload movement, and program outcomes, including data on all of the following:

(1) The numbers of voluntary and mandatory participants in each

program component.

(2) The amount of time that each participant remains in each component and the types of services, including supportive services, each participant receives.

(3) The number of recipients in each component that move to each of the other components.

(4) The number of participants sanctioned as well as the amount and duration of the sanction, the reason for the sanction, and the amount of time the participant was in the program prior to the sanction.

(5) The number of participants who go off aid, and to the extent possible, the reason they have gone off aid.

(6) The number of applicants who reapplied for and received aid after having gone off aid during the time they were participating in the program.

(7) The starting salary of employed participants.

(8) Participants job retention rates.

(9) The appropriateness of the categorization of participants.

(10) The appropriateness of assessments and employment plans.

(11) The appropriateness of preemployment preparation assignments, including a periodic review of the appropriateness of these assignments.

(12) The effectiveness of training components based upon the number of individuals placed in employment.

(13) The timeliness of preemployment preparation assignment reviews.

(14) The appropriateness of sanctions applied under this article.

The department may use standard statistical sampling methods to conduct the evaluation. The department shall maintain this data for the state and for each county. The department may contract with a qualified organization for the evaluation required by this section. The department shall submit a plan for implementing this evaluation to the Joint Legislative Budget Committee. To the extent possible, the data collection system for this evaluation shall be designed to collect data in the least expensive and least time-consuming manner possible.

Utilizing the data compiled pursuant to this subdivision, the department shall, commencing one year after September 26, 1985, annually report, by January 10, to the Legislature and the Governor on the effectiveness of the program provided for in this article. The Legislative Analyst shall submit a review of this report to the Legislature by April 15 of each year.

SEC. 192. Section 12302.2 of the Welfare and Institutions Code, as added by Chapter 1085 of the Statutes of 1986, is amended and renumbered to read:

12302.4. A county, in receiving bids for a contract pursuant to Sections 12302, 12302.1, and 12303, may evaluate all or any bidders to determine their responsibility, and their responsiveness to the requirements of the bidding document. The county may take all of

the following into account:

(a) Whether the bidder possesses adequate financial resources, or the ability to obtain those resources as required before the beginning of the performance of the contract.

(b) Whether the bidder has the ability to comply with the proposed delivery and performance schedule, taking into consideration available expertise and any other existing business commitments.

(c) Whether the bidder has any record of unsatisfactory performance. In determining if a bidder has a record of unsatisfactory performance, the bidder shall submit a list to the county of all prior in-home supportive services contracts awarded, if any. A county may review past contracts, if any, to determine if the bidder's past in-home supportive services contract performance has been unsatisfactory.

(d) Whether the bidder has any record of lack of integrity or poor business ethics.

(e) Whether the bidder is otherwise qualified and eligible to receive an award under applicable statutes and regulations.

(f) Whether the bid substantially and materially complies with all requirements of the county's bidding document.

SEC. 193. The heading of Article 2.5 (commencing with Section 15060) of Chapter 9 of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 194. 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 assistance 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.

SEC. 195. Section 16122 of the Welfare and Institutions Code is amended to read:

16122. (a) It is the intent of the Legislature in enacting this chapter to provide special needs children with permanent adoptive homes. It is also the intent of this Legislature to encourage private adoption agencies to continue placing special needs children, and in so doing, to achieve a substantial savings to the state in foster care costs.

(b) From any funds appropriated for this purpose, the state shall reimburse private adoption agencies licensed pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code for costs of aid to adoption for special needs children, less the amount of fees received by the agencies from adoptive parents.

These agencies shall be reimbursed for the placement of special needs children in an amount not to exceed an average cost of three thousand five hundred dollars ($3,500) per placement for the agency's claims submitted for a fiscal year. This amount shall be based upon the agency's actual costs per placement, less the amount of fees received by the agency from adoptive parents. Requests for reimbursement shall conform to claims procedures established by the department. This section shall not be construed to authorize reimbursement to private agencies for intercountry adoption services.

SEC. 196. Section 16144.3 of the Welfare and Institutions Code is amended and renumbered to read:

16147. Notwithstanding any other provision of law, the parent or parents of a person under 21 years of age who is domiciled in this state shall not be held financially responsible, nor shall financial contributions be requested or required of the parent or parents, for maternity home care, social service counseling, or other services related to pregnancy of the person which are provided by a licensed maternity home pursuant to this chapter.

SEC. 197. Any section of any act enacted by the Legislature during the 1988 calendar year, which takes effect on or before January 1, 1989, 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 161

An act to amend Sections 12753 and 12841 of, and to add Section 12754.5 to, the Food and Agricultural Code, relating to pesticides, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 12753 of the Food and Agricultural Code is amended to read:

12753. "Economic poison" includes any of the following:

(a) Any spray adjuvant.

(b) Any substance, or mixture of substances which is intended to be used for defoliating plants, regulating plant growth, or for preventing, destroying, repelling, or mitigating any pest, as defined in Section 12754.5, which may infest or be detrimental to vegetation, man, animals, or households, or be present in any agricultural or nonagricultural environment whatsoever.

SEC. 2. Section 12754.5 is added to the Food and Agricultural Code, to read:

12754.5. "Pest" means any of the following that is, or is liable to become, dangerous or detrimental to the agricultural or nonagricultural environment of the state:

(a) Any insect, predatory animal, rodent, nematode, or weed.

(b) Any form of terrestrial, aquatic, or aerial plant or animal, virus, fungus, bacteria, or other microorganism (except viruses, fungi, bacteria, or other microorganisms on or in living man or other living animals).

(c) Anything that the director, by regulation, declares to be a pest.

SEC. 3. Section 12841 of the Food and Agricultural Code is amended to read:

12841. (a) Each registrant shall pay to the director an assessment not to exceed eight mills ($0.008) per dollar of sales for all sales of his or her registered and labeled economic poisons for use in this state. A registrant is not required to pay an assessment on his or her products registered and labeled only for use in further manufacturing or formulating of economic poisons. The director may reduce the assessment if he or she determines that a lesser assessment rate, together with other available funds, will provide adequate revenue to administer and enforce Division 6 (commencing with Section 11401), this chapter, Chapter 3 (commencing with Section 14001), and Chapter 3.5 (commencing with Section 14101).

(b) Upon application of any registrant, the director shall determine whether a fertilizer or paper product is used as a carrier for economic poison, and is sold in combination, and whether the mill assessment under this section shall be on the economic poison value only, when the product is designed, developed, manufactured, and sold primarily for other than an economic poison use. If the director finds that the combination product has such a major component and is designed, developed, manufactured, and sold primarily for other than an economic poison use, the assessment provided for by this section shall be paid on the equivalent percentage of the sales price of the active ingredients of the economic poison product. The director shall establish this percentage of the sales price. The percentage shall be the ratio of that portion of the sales price attributable to the economic poison portion to the total sales price of the combination product.

(c) For purposes of this section, "active ingredient" means any active ingredient which is required to be stated on the label on any registered economic poison under Section 12883.

(d) It has been and continues to be the intent of the Legislature that this division requires the department to register all economic poisons prior to their sale for use in this state and, except as otherwise provided by law, requires the department to regulate and control economic poison use in accordance with this division. The department shall continue to collect the mill tax as provided in this section at the same rate on all registered agricultural and registered nonagricultural economic poisons.

SEC. 4. The amendment of Sections 12753 and 12841 of, and the addition of Section 12754.5 to, the Food and Agricultural Code by this act are declaratory of existing law and do not constitute a change in the law and no change is made in the program or budget of the Department of Food and Agriculture as a result of this enactment.

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 that the Department of Food and Agriculture may continue to regulate the sale and use of pesticides without any ambiguity as to the department's authority to do so, it is necessary that this act take effect immediately.

CHAPTER 162

An act to add Chapter 6 (commencing with Section 66010) to Division 1 of Title 7 of the Government Code, relating to development projects.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Chapter 6 (commencing with Section 66010) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 6. FEES FOR DEVELOPMENT PROJECTS RECONSTRUCTED AFTER A NATURAL DISASTER

66010. As used in this chapter:

(a) "Development project" means any project undertaken for the purpose of development. "Development project" includes a project involving the issuance of a permit for construction or reconstruction, but not a permit to operate.

(b) "Fee" means a monetary exaction or a dedication, other than a tax or special assessment, which is required by a local agency of the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees for processing applications for governmental regulatory actions or approvals.

(c) "Local agency" means a county, city, whether general law or chartered, city and county, school district, special district, or any other municipal public corporation or district.

(d) "Public facilities" includes public improvements, public services, and community amenities.

(e) "Reconstruction" means the reconstruction of the real property, or portion thereof, where the property after reconstruction is substantially equivalent to the property prior to damage or destruction.

66011. No fee may be applied by a local agency to the reconstruction of any residential, commercial, or industrial development project that is damaged or destroyed as a result of a natural disaster, as declared by the Governor. Any reconstruction of real property, or portion thereof, which is not substantially equivalent to the damaged or destroyed property, shall be deemed to be new construction and only that portion which exceeds substantially equivalent construction may be assessed a fee. The term substantially equivalent, as used in this section, shall have the same meaning as the term in subdivision (c) of Section 70 of the Revenue and Taxation Code.

CHAPTER 163

An act to amend Sections 12001, 12070, 12072, 12073, and 12078 of the Penal Code, and to amend Section 10334 of the Public Contract Code, relating to crime.

[Approved by Governor June 10, 1988 Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 12001 of the Penal Code is amended to read:

12001. (a) As used in this chapter, the terms "pistol," "revolver," and "firearm capable of being concealed upon the person" shall apply to and include any device, designed to be used as a weapon, from which is expelled a projectile by the force of any explosion, or other form of combustion, and which has a barrel less than 16 inches in length. These terms also include any device which has a barrel 16 inches or more in length which is designed to be interchanged with a barrel less than 16 inches in length.

(b) As used in Sections 12021, 12021.1, 12070, 12072, and 12073 of this code, and Sections 8100 and 8103 of the Welfare and Institutions Code, the terms "pistol," "revolver," and "firearm capable of being concealed upon the person" include the frame or receiver of any such weapon.

(c) For the purpose of Sections 12025 and 12031 the term "firearm" shall also include any rocket, rocket propelled projectile launcher or similar device containing any explosive or incendiary material whether or not such device is designed for emergency or distress signaling purposes.

(d) For purposes of Sections 12070, 12071, and subdivisions (c) and (d) of Section 12072, the terms "pistol," "revolver," or "firearm capable of being concealed upon the person" do not include an unloaded firearm which is defined as an "antique firearm" in Section 921(a)(16) of Title 18 of the United States Code or a curio, or relic, as defined in Section 178.11 of Title 27 of the Code of Federal Regulations if the antique, curio, or relic is not designed or redesigned to fire rimfire or conventional center fire fixed ammunition.

(e) Nothing shall prevent a device defined as a "pistol," "revolver," or "firearm capable of being concealed upon the person" from also being found to be a sawed-off shotgun, as defined in Section 12020.

SEC. 2. Section 12070 of the Penal Code is amended to read:

12070. No person shall engage in the business of selling, transferring, advertising, offering, or exposing for sale or transfer, any pistol, revolver, or other firearm capable of being concealed upon the person unless that person has been issued a license pursuant to Section 12071. Any person violating this section is guilty of a

misdemeanor. As used in this article, engaging in the business of selling or transferring a pistol, revolver, or other firearm capable of being concealed upon the person does not include the infrequent sale or transfer, offering, exposing for sale, or advertising for sale of any pistol, revolver, or other firearm capable of being concealed upon the person at a gun show, swap meet or similar event.

As used in this section, "infrequent" means occasional and without regularity.

SEC. 3. Section 12072 of the Penal Code is amended to read:

12072. (a) No person, corporation, or dealer shall sell, deliver, or otherwise transfer any pistol, revolver, or other firearm capable of being concealed upon the person to any person whom he or she has cause to believe to be within any of the classes prohibited by Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code from owning or possessing these firearms.

(b) No dealer shall sell, deliver, or transfer any firearm capable of being concealed upon the person to any person under the age of 21 years.

(c) In no event shall any of these firearms be delivered to the purchaser within 15 days of the application for the purchase thereof, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 15 days of the submission to the department of corrected copies of the register or within 15 days of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later and when delivered the firearm shall be either securely wrapped or in a locked container and shall be unloaded.

(d) Where neither party to the transaction holds a dealer's license, no person shall sell or otherwise transfer any such firearm to any other person within this state who is not personally known to the vendor.

(e) Any violation of this section is a misdemeanor.

SEC. 4. Section 12073 of the Penal Code is amended to read:

12073. (a) Every person in the business of selling, leasing or otherwise transferring a pistol, revolver, or other firearm, capable of being concealed upon the person, whether such seller, lessor or transferor is a retail dealer, pawnbroker, or otherwise, except as provided by this chapter, shall keep a register in which shall be entered the time of sale, the date of sale, the name of the salesperson making the sale, the place where sold, the make, model, manufacturer's number, caliber, or other marks of identification on that pistol, revolver, or other firearm capable of being concealed upon the person.

(b) This section shall not apply to wholesale dealers in their business intercourse with retail dealers, nor to wholesale or retail dealers in the regular or ordinary transport of unloaded firearms as merchandise to other wholesale or retail dealers by mail, express or other mode of shipment, to points outside of the city or county wherein they are situated.

SEC. 5. Section 12078 of the Penal Code is amended to read:

12078. The preceding provisions of this article do not apply to sales of pistols, revolvers, or other firearms capable of being concealed upon the person made to persons properly identified as full-time paid peace officers as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, provided that the peace officers are authorized by their employer to carry firearms while in the performance of their duties, nor to sales of pistols, revolvers, or other firearms capable of being concealed upon the person made to authorized representatives of cities, cities and counties, counties, state or federal governments for use by such governmental agencies. Proper identification is defined as verifiable written certification from the head of the agency by which the purchaser is employed, identifying the purchaser as a peace officer who is authorized to carry firearms while in the performance of his or her duties, and authorizing the purchase. The certification shall be delivered to the seller at the time of purchase and the purchaser shall identify himself or herself as the person authorized in the certification. On the day the sale is made, the dealer shall forward by prepaid mail to the Department of Justice a report of the sale and the type of information concerning the buyer and the firearm sold as is indicated in Section 12077.

SEC. 6. Section 10334 of the Public Contract Code is amended to read:

10334. (a) No state employee shall purchase any goods, supplies, equipment, or materials from the state, unless the goods, supplies, equipment, or materials are offered to the general public in the regular course of the state's business on the same terms and conditions as those applicable to the employee. "State employee," as used in this section, means any employee of the state included within Section 82009 of the Government Code, and all officers and employees included within Section 4 of Article VII of the California Constitution, except those persons excluded from the definition of "designated employee" under the last paragraph of Section 82019 of the Government Code.

(b) Notwithstanding subdivision (a), any peace officer described in subdivision (a), (b), (g), (h), or (i) of Section 830.2 of the Penal Code, employed by the State of California for a period of more than 120 months who has been duly retired through a service retirement or a peace officer retiring from a job-incurred disability not related to a mental or emotional disorder and who has been granted the legal right to carry a concealed firearm pursuant to subdivision (a) of Section 12027 of the Penal Code may be authorized by the person's department head to purchase his or her state-issued handgun. Disability retired peace officers need not meet the 120 month employment requirement. The cost of the handgun shall be the fair market value as listed in the annual Blue Book of Gun Values or replacement cost, whichever is less, of the handgun issued as determined by the appointing power, plus a charge for the cost of

handling. The retiring officer shall request to purchase his or her handgun in writing to the department within 30 calendar days of his or her retirement date.

CHAPTER 164

An act to amend Sections 7.2 and 25.6 of the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951), relating to the Santa Clara Valley Water District.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Section 7.2 of the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951) is amended to read:

Sec. 7.2. The two appointed directors shall represent the district at large, but one appointed director shall have been a qualified elector for a period of at least two years immediately preceding his or her appointment in that portion of the district which consisted of the area of the Gavilan Water Conservation District on November 8, 1967. The other appointed director shall have been a qualified elector in that portion of the district which consisted of the area of the Santa Clara Valley Water Conservation District on November 8, 1967. Each appointed director shall continue to reside within the area from which the director was appointed during his or her incumbency in office.

The first term of office of the appointed director residing in the area of the Santa Clara Valley Water Conservation District shall terminate on the first Monday in January of the first even-numbered year following his or her appointment, and the first term of office of the director residing in the area of the Gavilan Water Conservation District shall terminate on the first Monday in January of the second even-numbered year following his or her appointment.

SEC. 2. Section 25.6 of the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951) is amended to read:

Sec. 25.6. (a) The district may borrow money and incur indebtedness, not to exceed the amount of eight million dollars ($8,000,000) as provided in this section by action of the board of directors and without the necessity of calling and holding an election in the district.

(b) Indebtness may be incurred pursuant to this section for any purpose for which the district is authorized to expend funds.

(c) Indebtedness incurred under this section shall be evidenced by short-term notes payable at stated times fixed by the board. The maturity of short-term notes shall be not later than five years from the date of issuance. Short-term notes shall bear interest at a rate not

exceeding 10 percent per annum payable annually or semiannually. Short-term notes shall be general obligations of the district payable from revenues, charges, taxes, and assessments levied for purposes of the district.

(d) Short-term notes shall not be issued pursuant to this section which are payable in any fiscal year in an amount which, when added to the interest thereon, exceeds 85 percent of the estimated amount of the revenues, charges, taxes, and assessments of or allocable to the district which will be available in that fiscal year for payment of short-term notes and the interest thereon.

CHAPTER 165

An act to amend Section 38505 of, and to amend and renumber the heading of Chapter 6 (commencing with Section 38500) of Division 16.5 of, the Vehicle Code, relating to vehicles.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. The heading of Chapter 6 (commencing with Section 38500) of Division 16.5 of the Vehicle Code is amended and renumbered to read:

CHAPTER 7. ALL-TERRAIN VEHICLES

SEC. 2. Section 38505 of the Vehicle Code is amended to read:

38505. No person, on and after January 1, 1989, shall operate, ride, or be otherwise propelled on an all-terrain vehicle on public lands unless the person wears a safety helmet meeting requirements established for motorcycles and motorized bicycles, pursuant to Section 27802.

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 166

An act to add Item 9840-001-890 to Section 2.00 of the Budget Act of 1987, and to make an appropriation in augmentation of Items 9840-001-001, 9840-001-494, 9840-001-890, and 9840-001-988 of Section 2.00 of the Budget Act of 1987, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 10, 1988. Filed with Secretary of State June 10, 1988.]

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

SECTION 1. Item 9840-001-890 is added to Section 2.00 of the Budget Act of 1987, to read:

9840-001-890—For Reserve for Contingencies or Emergencies, payable from the Federal Trust Fund..... 0
Provisions:
1. Provisions 1, 2, 3, 4, 5, and 6 for Item 9840-001-001 are also applicable to this item.

SEC. 2. (a) The sum of three hundred thirty-two million seven hundred two thousand dollars ($332,702,000) is hereby appropriated for expenditure in the 1987–88 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 1987, in accordance with the following schedule:

(1) Two hundred sixty-one million seventy-two thousand dollars ($261,072,000) from the General Fund to the Reserve for Contingencies or Emergencies in Item 9840-001-001.

(2) Nine million seven hundred thirty-three thousand dollars ($9,733,000) from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(3) Fifty-nine million one hundred nineteen thousand dollars ($59,119,000) from federal funds to the Reserve for Contingencies or Emergencies in Item 9840-001-890.

(4) Two million seven hundred seventy-eight thousand dollars ($2,778,000) 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. 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 167

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

[Became law without Governor's signature. Filed with Secretary of State June 13, 1988.]

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

SECTION 1. The sum of twenty-five million dollars ($25,000,000) is hereby appropriated from the State Highway Account in the State Transportation Fund to the Department of Transportation to implement the Big Rock Mesa Landslide Litigation Sliding Scale Recovery Settlement Agreement.

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 the timely payment of the Big Rock Mesa settlement and to avoid further litigation, it is necessary that this act take effect immediately.

CHAPTER 168

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

[Approved by Governor June 13, 1988. Filed with Secretary of State June 13, 1988.]

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

SECTION 1. (a) The Department of Corrections shall permit scientific investigations, conducted either by medical researchers operating under institutional review board approval or by the Department of Health Services, or by the Centers for Disease Control under the United States Public Health Services, through access to the prison population for the purposes of this section, in a manner that does not jeopardize institutional security, as determined by the Department of Corrections, in accordance with research protocols approved by the State Department of Health Services. The researchers may solicit voluntary inmate participation, provided that both anonymity and confidentiality of participant identity and results are assured, in research, including administration of a blood test for evidence of antibodies to the probable causative agent of acquired immune deficiency syndrome (AIDS) for the purpose of conducting epidemiological studies to identify the extent of

seropositivity and to assess the transmission of the virus within state penal institutions.

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 best protect the health and safety of persons who may be exposed to life-threatening communicable diseases, it is necessary that this act go into immediate effect.

CHAPTER 169

An act to add Section 10061.5 to the Health and Safety Code, relating to records.

[Approved by Governor June 13, 1988. Filed with Secretary of State June 13, 1988.]

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

SECTION 1. Section 10061.5 is added to the Health and Safety Code, to read:

10061.5. The county board of supervisors may, by resolution, require the local registrar to send a copy of each certificate of death to the physician and surgeon whose statement appears on the certificate pursuant to Section 10225.

CHAPTER 170

An act to amend Sections 14507.5, 14529, 14561, and 14574 of, to amend, repeal, and add Section 14504 of, and to add Section 14528.5 to, the Public Resources Code, relating to beverage containers, and making an appropriation therefor.

[Approved by Governor June 13, 1988. Filed with Secretary of State June 13, 1988.]

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

SECTION 1. Section 14504 of the Public Resources Code is amended to read:

14504. (a) "Beverage" means beer and other malt beverages, carbonated mineral and soda waters, and similar carbonated soft drinks in liquid form which are intended for human consumption.

(b) "Beverage" does not include wine, or wine from which alcohol has been removed in whole or in part, whether or not sparkling or carbonated.

(c) "Soft drink" does not include 100 percent fruit juice to which carbonation is added.

(d) 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 14504 is added to the Public Resources Code, to read:

14504. (a) "Beverage" means beer and other malt beverages, wine and distilled spirit coolers, carbonated mineral and soda waters, and similar carbonated soft drinks in liquid form which are intended for human consumption.

(b) "Beverage" does not include wine, or wine from which alcohol has been removed in whole or in part, whether or not sparkling or carbonated.

(c) "Soft drink" does not include 100 percent fruit juice to which carbonation is added.

(d) This section shall become operative on January 1, 1990.

SEC. 3. Section 14507.5 of the Public Resources Code is amended to read:

14507.5. "Community Conservation Corps" means a nonprofit public benefit corporation formed or operating pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, or an agency operated by a city, or city and county, which is certified by the California Conservation Corps as meeting all of the following criteria:

(a) The corps consists of not less than 50 corpsmembers organized in the form of supervised work crews and selects young men and women for participation on the basis of the criteria specified in Section 14302.

(b) The corps' program is based upon a highly disciplined work experience, includes an educational component, and is designed to develop corpsmembers' character and civic consciousness through rigorous work on public projects.

(c) The corps compensates corpsmembers at not less than the federal minimum wage, and provides corpsmembers assistance in obtaining permanent employment following their participation in the corps program.

(d) The corps engages in recycling and litter abatement projects as well as projects which accomplish the conservationist and other purposes described in subdivisions (a) to (h), inclusive, of Section 14300, and which assist agencies of local government and other nonprofit community organizations in developing, rehabilitating, and restoring parklands, recreational facilities, and other community resources.

SEC. 4. Section 14528.5 is added to the Public Resources Code, to read:

14528.5. "Wine and distilled spirit cooler" means a beverage containing wine or distilled spirits to which is added concentrated or unconcentrated juice or flavoring material and containing not more

than 7 percent alcohol by volume.

This section shall become operative on January 1, 1990.

SEC. 5. Section 14529 of the Public Resources Code is amended to read:

14529. This division is a matter of statewide interest and concern and is applicable uniformly throughout the state. Accordingly, this division occupies the whole field of regulation of recycling-related refund or redemption values, deposits, and similar fees relating to beverage containers, as provided in this division, and to containers of wine and distilled spirits products. No city, county, or other public agency may enforce or implement any existing or new ordinance, resolution, regulation, or rule establishing recycling-related refund or redemption values, deposits, or similar fees relating to these containers in the state unless expressly authorized by this division. If a federal law is enacted which establishes recycling-related refund or redemption values, deposits, and similar fees, relating to beverage containers, other than a federal law only affecting federal lands, or if a state law is enacted by initiative, which establishes recycling-related refund or redemption values, deposits, and similar fees relating to beverage containers, this division shall become inoperative. This section does not prohibit the implementation or enforcement of any ordinance or regulation governing curbside or dropoff recycling programs operated by, or pursuant to a contract with, a city, county, or other public agency, including actions relating to fees, or establishing fees, for these programs.

SEC. 6. 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) On and after January 1, 1990, a manufacturer of wine and distilled spirit cooler beverages shall clearly indicate on every container thereof 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.

(d) Any refillable beverage container sold or offered for sale is exempt from subdivisions (a), (b) and (c). 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.

(e) On and after October 1, 1987, no person shall offer to sell, or sell to a consumer a beverage container subject to subdivision (a) or (b) which has not been labeled pursuant to this section, except for a refillable beverage container which is exempt from labeling.

(f) On and after January 1, 1990, no person shall offer to sell, or sell to a consumer a beverage container subject to subdivision (c) which has not been labeled pursuant to this section, except for a refillable beverage container which is exempt from labeling.

(g) 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.

(h) 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.

(i) 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.

(j) 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. 7. 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) A distributor of wine and distilled spirit coolers shall pay to the department the redemption value of every beverage container, other than a refillable beverage container, sold or transferred to a dealer on and after January 1, 1990, 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.

(d) Notwithstanding subdivisions (b) and (c), and upon approval of the department, a distributor of carbonated mineral and soda waters and similar carbonated soft drinks in liquid form, or a distributor of wine and distilled spirit coolers, may make payments in accordance with subdivision (a). The department shall prescribe the terms and conditions for payments pursuant to subdivision (a).

SEC. 8. Since manufacturers of wine and distilled spirit coolers were not originally subject to Division 12.1 (commencing with Section 14500) of the Public Resources Code and therefore require additional time to comply with its provisions, it is the intent of the Legislature to delay the operative date of Sections 2 and 4 of this act to January 1, 1990.

SEC. 9. The amendments made by the addition of subdivision (b) to Section 14504 of the Public Resources Code are declaratory of existing law. Although it is not disputed that the California Beverage Container Recycling and Litter Reduction Act does not apply to wine generally, its application to nonalcoholic wine is unclear. The purpose of this legislation is to make clear that the Legislature never intended the California Beverage Container Recycling and Litter Reduction Act to apply to nonalcoholic wine.

SEC. 10. 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 171

An act to amend Section 798.56 of the Civil Code, and to amend Section 65863.7 of the Government Code, relating to mobilehome parks.

[Approved by Governor June 13, 1988. Filed with Secretary of State June 13, 1988.]

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) (1) Nonpayment of rent, utility charges, or reasonable incidental service charges; provided that the amount due has been unpaid for a period of at least five days from its due date, and provided, that the homeowner shall be given a three-day written notice subsequent to that five-day period 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 shall cure a default under this subdivision.

(2) However, if a homeowner has been given a three-day notice to pay the amount due or to vacate the tenancy on three or more occasions within the preceding 12-month period, no written three-day notice shall be required for a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges.

(3) 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.

(4) The homeowner shall remain liable for all payments due up until the time the tenancy is vacated.

(5) 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.

(g) The report required pursuant to subdivisions (b) and (i) of Section 65863.7 of the Government Code shall be given to the homeowners or residents at the same time that notice is required pursuant to paragraph (1) of subdivision (f) of this section.

SEC. 1.5. 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 which is part of the rental agreement or any amendment thereto.

No act or omission of the homeowner or resident shall constitute a failure to comply with a reasonable rule or regulation 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) (1) Nonpayment of rent, utility charges, or reasonable incidental service charges; provided that the amount due has been unpaid for a period of at least five days from its due date, and provided, that the homeowner shall be given a three-day written notice subsequent to that five-day period 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 shall cure a default under this subdivision.

(2) However, if a homeowner has been given a three-day notice to pay the amount due or to vacate the tenancy on three or more occasions within the preceding 12-month period, no written three-day notice shall be required for a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges.

(3) 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.

(4) The homeowner shall remain liable for all payments due up until the time the tenancy is vacated.

(5) 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.

(g) The report required pursuant to subdivisions (b) and (i) of Section 65863.7 of the Government Code shall be given to the homeowners or residents at the same time that notice is required pursuant to paragraph (1) of subdivision (f) of this section.

SEC. 2. Section 65863.7 of the Government Code is amended to read:

65863.7. (a) Prior to the conversion of a mobilehome park to another use, except pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7), or prior to closure of a mobilehome park or cessation of use of the land as a mobilehome park, the person or entity proposing the change in use shall file a report on the impact of the conversion, closure, or cessation of use upon the displaced residents of the mobilehome park to be converted or closed. In determining the impact of the conversion, closure, or cessation of use on displaced mobilehome park residents, the report shall address the availability of adequate replacement housing in mobilehome parks and relocation costs.

(b) The person proposing the change in use shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at least 15 days prior to the hearing, if any, on the impact report by the advisory agency, or if there is no advisory agency, by the legislative body.

(c) When the impact report is filed prior to the closure or cessation of use, the person or entity proposing the change shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at the same time as the notice of the change is provided to the residents pursuant to paragraph (2) of subdivision (f) of Section 798.56 of the Civil Code.

(d) When the impact report is filed prior to the closure or cessation of use, the person or entity filing the report or park resident may request, and shall have a right to, a hearing before the legislative body on the sufficiency of the report.

(e) The legislative body, or its delegated advisory agency, shall review the report, prior to any change of use, and may require, as a condition of the change, the person or entity to take steps to mitigate any adverse impact of the conversion, closure, or cessation of use on the ability of displaced mobilehome park residents to find adequate housing in a mobilehome park. The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation.

(f) If the closure or cessation of use of a mobilehome park results from an adjudication of bankruptcy, the provisions of this section shall not be applicable.

(g) The legislative body may establish reasonable fees pursuant to Chapter 13 (commencing with Section 54990) of Part 1 of Division 2 of Title 5 to cover any costs incurred by the local agency in implementing this section. Those fees shall be paid by the person or entity proposing the change in use.

(h) This section is applicable to charter cities.

(i) This section is applicable when the closure, cessation, or change of use is the result of a decision by a local governmental entity or planning agency not to renew a conditional use permit or zoning variance under which the mobilehome park has operated, or as a result of any other zoning or planning decision, action, or inaction. In this case, the local governmental agency is the person proposing the change in use for the purposes of preparing the impact report

required by this section and is required to take steps to mitigate the adverse impact of the change as may be required in subdivision (e).

SEC. 3. Section 1.5 of this bill incorporates amendments to Section 798.56 of the Civil Code proposed by both this bill and AB 3720. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1989, (2) each bill amends Section 798.56 of the Civil Code, and (3) this bill is enacted after AB 3720, in which case Section 1 of this bill shall not become operative.

CHAPTER 172

An act to amend Section 10125 of the Health and Safety Code, relating to health and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1988. Filed with Secretary of State June 13, 1988.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Lack of health insurance is a serious health problem in this state, affecting over 20 percent of California.

(b) It is especially problematic for pregnant women and children because birth outcomes are so dependent on adequate prenatal care.

(c) We know a greater proportion of women are receiving later or no prenatal care, especially in groups more likely to be uninsured, and that lack of prenatal care is associated with adverse birth outcomes.

(d) We cannot now show that lack of insurance, rather than race, culture, or behavior, is the cause of lack of care because no population-based data links insurance status with birth outcomes.

(e) The State of Massachusetts currently records financial coverage for prenatal care and delivery on their birth certificate.

(f) Collection of this information is not a difficult task since the categories of information to be collected are merely a condensed form of information already contained in hospital discharge data.

SEC. 2. Section 10125 of the Health and Safety Code is amended to read:

10125. (a) The certificate of live birth for any live birth occurring on or after January 1, 1980, shall contain those items necessary to establish the fact of the birth and shall contain only the following information:

(1) Full name and sex of child.

(2) Date of birth, including month, day, hour, and year.

(3) Planned place of birth and place of birth.

(4) Full name of father, birthplace, and date of birth of father

including month, day, and year.

(5) Full birth name of mother, birthplace, and date of birth of mother including month, day, and year.

(6) Multiple births and birth order of multiple births.

(7) Signature, and relationship to child, of a parent or other informant, and date signed.

(8) Name, title, and mailing address of attending physician and surgeon or principal attendant, signature, and certification of live birth by attending physician and surgeon or principal attendant or certifier, date signed, and name and title of certifier if other than attending physician and surgeon or principal attendant.

(9) Date accepted for registration and signature of local registrar.

(10) A state birth certificate number and local registration district and number.

(11) A blank space for entry of date of death with a caption reading "Date of Death."

(b) In addition to the items listed in subdivision (a), the certificate of live birth shall contain the following medical and social information, provided that the information is kept confidential pursuant to the provisions of Section 10125.5 and is clearly labeled "Confidential Information for Public Health Use Only":

(1) Birth weight.

(2) Pregnancy history.

(3) Race and ethnicity of mother and father.

(4) Residence address of mother.

(5) A blank space for entry of census tract for mother's address.

(6) Month prenatal care began and number of prenatal visits.

(7) Date of last normal menses.

(8) Description of complications of pregnancy and concurrent illnesses, congenital malformation, and any complication of labor and delivery, including surgery; provided that this information is essential medical information and appears in total on the face of the certificate.

(9) Mother's and father's occupations and kind of business or industry.

(10) Education level of mother and father.

(11) Principal source of pay for prenatal care, which shall include all of the following: Medi-Cal, health maintenance organization or prepaid health plan, private insurance companies, medically indigent, self-pay, other sources which shall include, Medicare, workers' compensation, Title V, other government or nongovernment programs, no charge, and other categories as determined by the State Department of Health Services.

This paragraph shall become inoperative on January 1, 1999, or on the implementation date of the decennial birth certificate revision due to occur on or about January 1, 1999, whichever occurs first.

(12) Expected principal source of pay for delivery, which shall include all of the following: Medi-Cal, health maintenance organization or prepaid health plan, private insurance companies,

medically indigent, self-pay, other sources which shall include, Medicare, workers' compensation, Title V, other government or nongovernment programs, no charge, and other categories as determined by the State Department of Health Services.

This paragraph shall become inoperative on January 1, 1999, or on the implementation date of the decennial birth certificate revision due to occur on or about January 1, 1999, whichever occurs first.

(c) Item 8, specified in subdivision (b), shall be completed by the attending physician and surgeon or the attending physician's and surgeon's designated representative. The names and addresses of children born with congenital malformations, who require followup treatment, as determined by the child's physician and surgeon, shall be furnished by the physician and surgeon to the local health officer, if permission is granted by either parent of the child.

(d) The parent shall only be asked to sign the form after both the public portion and the confidential medical and social information items have been entered upon the certificate of live birth.

(e) The State Registrar shall instruct all local registrars to collect the information specified in this section with respect to certificates of live birth. The information shall be transcribed on the certificate of live birth in use at the time and shall be limited to the information specified in this section.

Information relating to concurrent illnesses, complications of pregnancy and delivery, and congenital malformations shall be completed by the physician and surgeon, or physician's and surgeon's designee, inserting in the space provided on the confidential portion of the certificate the appropriate number or numbers listed on the VS-10A supplemental worksheet. The VS-10A supplemental form shall be used as a worksheet only and shall not in any manner be linked with the identity of the child or the mother, nor submitted with the certificate to the State Registrar. All information transferred from the worksheet to the certificate shall be fully explained to the parent or other informant prior to the signing of the certificate. No questions relating to drug or alcohol abuse may be asked.

(f) If the implementation date of the decennial birth certificate revision occurs prior to January 1, 1999, within 30 days of this implementation date the State Department of Health Services shall file a letter with the Secretary of the Senate and with the Chief Clerk of the Assembly, so certifying.

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.

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

In order to ensure that the addition of categories concerning financial information are included in the revisions now being made to California birth certificates, it is necessary that this act go into immediate effect.

CHAPTER 173

An act to amend Section 17538 of the Business and Professions Code, relating to consumer affairs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988]

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

SECTION 1. Section 17538 of the Business and Professions Code is amended to read:

17538. (a) It is unlawful in the sale or lease or offering for sale or lease of goods or services, for any person conducting sales or leases by telephone, mail order, or catalog in this state, including, but not limited to, the offering for sale or lease on television, radio, or other telecommunications device of goods or services which may be ordered by mail, telephone, or other telecommunications device, or for any person advertising in connection with those sales, leases, or advertisements a mailing address or telephone number, to accept payment from or for a buyer, for the purchase or lease of goods or services ordered by mail, telephone, or other telecommunications device, whether payment to the vendor is made directly, through the mails, by means of a transfer of funds from an account of the buyer or any other person, or by any other means, and then permit 30 days, unless otherwise conspicuously stated in the offering or advertisement, or unless a shorter time is clearly communicated by the person conducting the sale or lease, to elapse without doing any one of the following things:

(1) Shipping, mailing, or providing the goods or services ordered.

(2) Mailing a full refund or, if payment was made by means of a transfer from an account, (A) crediting the account in the full

amount of the debit, or (B) if a third party is the creditor, issuing a credit memorandum to the third party who shall promptly credit the account in the full amount of the debit.

(3) Sending the buyer a letter or other written notice (A) advising the buyer of the duration of an expected delay expressed as a specific number of days or weeks, or proposing the substitution of goods or services of equivalent or superior quality, and (B) offering to make a full refund, in accordance with paragraph (2), within one week if the buyer so requests. The vendor shall provide to the buyer a toll-free telephone number or other cost-free method to communicate the buyer's request for a full refund. If the vendor proposes to substitute goods or services, the vendor shall describe the substitute goods or services in detail, indicating fully how the substitute differs from the goods or services ordered.

(4) (A) Shipping, mailing, or providing substitute goods or services of equivalent or superior quality, if the buyer is extended the opportunity to return the substitute goods or services and the vendor promises to refund to the buyer (i) the cost of returning the substitute goods or services and (ii) any portion of the purchase price previously paid by the buyer.

(B) Except as provided in subparagraph (C), a notice to the buyer shall accompany the mailing, shipping, or providing of the substitute goods or services which informs the buyer of the substitution; describes fully how the substitute differs from the goods or services ordered, except that obvious nontechnical differences, such as color, need not be described; and discloses the buyer's right to reject the substitute goods or services and obtain a full refund of the amount paid, plus the cost of returning the substitute goods or services.

(C) The vendor may omit from the notice required by subparagraph (B) a description of how the substitute goods or services differ from the ordered goods or services if the notice otherwise complies with subparagraph (B), and if all the following requirements are complied with:

(i) The vendor maintains at least 100 retail outlets located in at least 20 counties in this state that are open to the public regularly during normal business hours where buyers can order catalog goods, pick them up, and return them for refunds.

(ii) The vendor maintains a toll-free telephone number and provides to each buyer, at the time of the buyer's call, a full description of how substitute goods or services differ from ordered goods or services. The toll-free telephone number shall operate and be staffed at all times during which goods or services normally are available for pick up from the vendor's retail outlets.

(iii) If the buyer picks up substitute goods or services from the vendor's retail outlet, the notice required by subparagraph (B) as modified by this subparagraph is placed on, or attached to, the exterior of the package or wrapping containing the substitute, or is handed to the buyer at the time the buyer picks up the substitute.

(iv) The notice contains a reference number or some other means

of identifying the ordered goods or services and the substitute goods or services.

(v) The notice contains the vendor's toll-free telephone number and instructions to the buyer that the buyer may call that number to obtain a full description of how the substitute differs from the ordered goods.

(b) For purposes of paragraphs (3) and (4) of subdivision (a), goods or services shall be considered of "equivalent or superior quality" only if they are (1) substantially similar to the goods or services ordered, (2) fit for the usual purposes for which the goods or services ordered are used, and (3) normally offered by the vendor at a price equal to or greater than the price of the goods or services ordered.

(c) When a buyer makes an initial application for an open-end credit plan, as defined in the Federal Consumer Credit Protection Act (15 U.S.C. Sec. 1682), at the same time the goods or services are ordered, and the goods or services are to be purchased on credit, the person conducting the business shall have 50 days, rather than 30 days, to perform the actions specified in this section.

(d) As used in this section and Section 17538.3, the following words have the following meanings:

(1) "Goods" means tangible chattels, including certificates or coupons exchangeable for such goods, and including goods which, at the time of the sale or subsequently, are to be so affixed to real property as to become a part of such real property, whether or not severable therefrom.

(2) "Person" means an individual, partnership, corporation, association, or other group, however organized.

(3) "Buyer" means a person who seeks or acquires, by purchase or lease, any goods or services for any purpose.

(4) "Services" means work, labor, and services, including services furnished in connection with the sale or repair of goods.

(5) "Vendor" means a person who, as described in subdivision (a), vends, sells, leases, supplies, or ships goods or services, who conducts sales or leases of goods or services, or who offers goods or services for sale or lease.

(e) Any violation of the provisions of this section is a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding one thousand dollars ($1,000), or by both.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 adequate information and service to consumers without delay or confusion, it is necessary that this act take effect immediately.

CHAPTER 174

An act to amend Section 2 of Chapter 820 of the Statutes of 1987, relating to San Diego Bay, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1988 Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 2 of Chapter 820 of the Statutes of 1987 is amended to read:

Sec. 2. (a) The San Diego Interagency Water Quality Panel is hereby created and shall consist of representatives of governmental agencies having jurisdiction over various activities involving San Diego Bay and other interested parties. The panel shall provide technical and advisory input into the activities of the San Diego Regional Water Quality Control Board in its study of water quality problems in the bay. The panel shall assist the regional board in the identification of all sources of water quality information on the bay, and assist in the development of a framework for greater coordination of these sources for rapid identification of potential water quality problems. The panel may also make recommendations for changes to state laws that are necessary to improve the quality of the waters of the bay. Members of the panel shall include, to the extent that they are available to serve on the panel, a representive of each of the following:

(1) The San Diego Unified Port District.
(2) The San Diego Regional Water Quality Control Board.
(3) The State Department of Health Services.
(4) The Department of Food and Agriculture.
(5) The Department of Fish and Game.
(6) The San Diego County Department of Health Services.
(7) The United States Environmental Protection Agency.
(8) The United States Fish and Wildlife Service.
(9) The National Marine Fisheries Service.
(10) The Army Corps of Engineers.
(11) The Department of the Navy.
(12) The Scripps Institution of Oceanography.
(13) Commercial users of the bay.
(14) Recreational users of the bay.
(15) Industrial users of the bay.
(16) Environmental groups with an interest in the bay.
(17) The Cities of San Diego, National City, Chula Vista, and Coronado.
(18) The California Coastal Commission.
(19) The State Lands Commission.

(b) (1) The regional board representative shall serve as the

chairperson of the panel and shall convene the panel at least twice each calendar year, including at least one meeting to review and approve the annual report required by subdivision (c). The regional board shall provide clerical and administrative support for the panel. Costs incurred by each organization represented on the panel shall be limited to the cost of its own participation at the meetings called by the chairperson.

(2) The governing body or the director of each agency, whichever applies, shall appoint the agency's representative to the panel. Members of the panel, to the extent feasible, shall be qualified scientists with experience relevant to the marine environment or public health.

(3) The panel shall have an executive committee, consisting of the representatives of the agencies named in paragraphs (1) to (6), inclusive, of subdivision (a). The representative of the regional board shall serve as the chairperson of the executive committee. The executive committee shall meet at least once every two months to discuss the status of the regional board's study of the bay, and to review any relevant information regarding the bay brought to the panel.

(4) The executive committee shall request each agency, organization, or citizens group listed in subdivision (a) to submit its nominee to serve on the panel. A majority vote of the executive committee is required for the nominee to be approved for membership on the panel.

(c) The panel shall publish annually a report on the status of water quality in San Diego Bay, including specific findings and recommendations made during the year, and shall transmit a copy of that report to the State Water Resources Control Board.

(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. 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 protect the unique and vital resources of San Diego Bay from pollution at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 175

An act to amend Sections 45308 and 88127 of the Education Code, relating to classified employees.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988.]

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.

If a governing board enters into an agreement with the exclusive representative of classified employees that defines "length of service" to mean hire date, the governing board may define "length of service" to mean hire date for a classification of employee not represented by any exclusive bargaining unit.

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.

If a governing board enters into an agreement with the exclusive representative of classified employees that defines "length of service" to mean hire date, the governing board may define "length of service" to mean hire date for a classification of employee not represented by any exclusive bargaining unit.

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 176

An act to amend Section 8760 of the Education Code, relating to education.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 8760 of the Education Code is amended to read:

8760. (a) The governing board of any school district or community college district may do the following:

(1) Conduct programs and classes in outdoor science education and conservation education within or without the boundaries of the district and for that purpose employ instructors, supervisors, and other personnel and provide necessary equipment and supplies.

(2) Acquire and maintain real or personal property needed for outdoor science education and conservation education programs and classes either within or without the boundaries of the district either

by purchase, rental, lease, gift, or other means in the same manner as if the property were within the boundaries of the school district or community college district.

(3) Contract with the United States, the State of California, any city, county, city and county or school district or community college district therein, or any combination thereof, for the joint operation and maintenance of these programs and classes in outdoor science education and conservation education or for assistance in their operation and maintenance.

(4) Transport or arrange transportation of pupils, instructors, supervisors, or other personnel to or from places where these programs and classes are being conducted, whether within or without the district; provided, the transportation is within the state.

(b) The governing board of any school district may contract with an outside provider for the services of naturalists. The services provided by the naturalists shall be under the exclusive control and management of the governing board of the school district and shall comply with all guidelines established by the Superintendent of Public Instruction relating to outdoor educational programs. Any naturalist under contract with the governing board of a school district pursuant to this section and all services provided by a naturalist shall be under the supervision of a certificated employee of the school district. Any naturalist assigned to serve school districts under an outside contract shall be subject to Sections 45125 and 49406. No person who has been convicted of any sex offense defined in Section 44010, or any controlled substance offense defined in Section 44011, shall be permitted to render service as a naturalist.

CHAPTER 177

An act to amend Section 2984.1 of the Civil Code, relating to vehicles.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 2984.1 of the Civil Code is amended to read:

2984.1. Every conditional sale contract shall contain a statement in contrasting red print in at least 8-point bold type which shall satisfy the requirements of Section 5604 of the Vehicle Code and be signed or initialed by the buyer, as follows:

THE MINIMUM PUBLIC LIABILITY INSURANCE LIMITS PROVIDED IN LAW MUST BE MET BY EVERY PERSON WHO PURCHASES A VEHICLE. IF YOU ARE UNSURE WHETHER OR NOT YOUR CURRENT INSURANCE POLICY WILL COVER

YOUR NEWLY ACQUIRED VEHICLE IN THE EVENT OF AN ACCIDENT, YOU SHOULD CONTACT YOUR INSURANCE AGENT.

WARNING:
YOUR PRESENT POLICY MAY NOT COVER COLLISION DAMAGE OR MAY NOT PROVIDE FOR FULL REPLACEMENT COSTS FOR THE VEHICLE BEING PURCHASED. IF YOU DO NOT HAVE FULL COVERAGE, SUPPLEMENTAL COVERAGE FOR COLLISION DAMAGE MAY BE AVAILABLE TO YOU THROUGH YOUR INSURANCE AGENT OR THROUGH THE SELLING DEALER. HOWEVER, UNLESS OTHERWISE SPECIFIED, THE COVERAGE YOU OBTAIN THROUGH THE DEALER PROTECTS ONLY THE DEALER, USUALLY UP TO THE AMOUNT OF THE UNPAID BALANCE REMAINING AFTER THE VEHICLE HAS BEEN REPOSSESSED AND SOLD.

FOR ADVICE ON FULL COVERAGE THAT WILL PROTECT YOU IN THE EVENT OF LOSS OR DAMAGE TO YOUR VEHICLE, YOU SHOULD CONTACT YOUR INSURANCE AGENT.

THE BUYER SHALL SIGN TO ACKNOWLEDGE THAT HE/SHE UNDERSTANDS THESE PUBLIC LIABILITY TERMS AND CONDITIONS.
s/s _____.

No person shall print for use as a sales contract form, any form which does not comply with this section.

CHAPTER 178

An act to amend Section 74934 of the Government Code, relating to courts.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988]

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

SECTION 1. Section 74934 of the Government Code, as added by Chapter 525 of the Statutes of 1986, is amended to read:

74934. This article applies only to municipal courts established in the following judicial districts in Butte County:

(a) A district embracing the Cities of Chico and Paradise, designated as the North Butte County Judicial District headquartered in the City of Chico.

(b) A district embracing the Cities of Oroville, Biggs, and Gridley, designated as the South Butte County Judicial District which is

hereby created and shall be headquartered in the City of Oroville.

CHAPTER 179

An act to add Sections 1922.13 and 2924.7 to the Civil Code, relating to real property.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 1922.13 is added to the Civil Code, to read:

1922.13. (a) If a person requests an appraisal prepared in conformance with this title, any appraisal of real property containing one to four residential units may be termed by the appraiser to be a certified appraisal pursuant to this title if each of the following conditions are met:

(1) A Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC) form approved for current usage by the agency or agencies designated in the form is utilized for purposes of the appraisal.

(2) That form is completed in compliance with the rules and regulations of the agency or agencies promulgating that form, whether or not it is intended for the use of the agency or agencies.

(3) The preparation of the form is in compliance with the requirements of subdivisions (a), (b), and (c) of Section 1922.2.

(b) Sections 1922.10 and 1922.11 apply to any appraisal termed a certified appraisal in accordance with this section.

SEC. 2. Section 2924.7 is added to the Civil Code, to read:

2924.7. (a) The provisions of any deed of trust or mortgage on real property which authorize any beneficiary, trustee, mortgagee, or his or her agent or successor in interest, 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 beneficiary, mortgagee, or his or her agent or successor in interest 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 pay the taxes, rents, assessments, insurance premiums, or advances.

(b) The provisions of any deed of trust or mortgage on real property which authorize any beneficiary, trustee, mortgagee, or his or her agent or successor in interest, 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. 3. 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 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 180

An act to amend Sections 44269, 44868, and 44869 of the Education Code, relating to education.

[Approved by Governor June 15, 1988 Filed with Secretary of State June 15, 1988.]

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

SECTION 1. The Legislature hereby declares the need to more appropriately identify the "librarian" credential as the "library media teacher" credential.

SEC. 2. Section 44269 of the Education Code is amended to read:

44269. The commission may issue a services credential authorizing service as a library media teacher upon completion of specialized preparation as required by the commission.

The standards for these credentials are a baccalaureate degree or higher degree from an institution approved by the commission, a valid teaching credential and specialized and professional preparation as the commission may require.

Whenever the term "librarian" is used in this article, it shall be deemed to refer to "library media teacher."

SEC. 3. Section 44868 of the Education Code is amended to read:

44868. No person shall be employed as a library media teacher in any elementary or secondary school, unless he or she holds a valid credential of proper grade authorizing service as a library media teacher or a valid teaching credential issued by the Commission for Teacher Preparation and Licensing if he or she has completed the specialized area of librarianship.

SEC. 4. Section 44869 of the Education Code is amended to read:

44869. Any library media teacher when employed full time as a library media teacher or serving full time, partly as a library media

teacher and partly as a teacher, shall rank as a teacher.

CHAPTER 181

An act to add Section 731.1 to, and to amend Sections 1752.82 and 1766.1 of, the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor June 15, 1988 Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 731.1 is added to the Welfare and Institutions Code, to read:

731.1. (a) When a minor is committed to the Youth Authority, in lieu of imposing all or a portion of the restitution fine required by Section 730.6, the court shall order restitution to be paid to the victim in cases in which the victim has suffered economic loss as a result of the minor's criminal conduct. For purposes of this section, "victim" shall include the immediate surviving family of the actual victim in homicide cases. For purposes of this section, "restitution" means payment described in subdivision (d) of Section 729.6.

(b) A restitution order imposed pursuant to this section shall identify the losses to which it pertains and may be enforced in a manner provided for the enforcement of money judgments. The making of a restitution order pursuant to this section shall not affect the right of a victim to recovery from the Restitution Fund as provided by law, except to the extent that restitution is actually collected pursuant to the order. Restitution collected pursuant to this section shall be credited to any other judgments obtained by the victim against the minor arising out of the offense for which the minor was found to be a person described in Section 602.

(c) If the court finds that there are compelling and extraordinary reasons, the court may waive imposition of restitution. When such a waiver is granted, the court shall state on the record all reasons supporting the waiver.

SEC. 2. 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 or 731.1 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 or to the victim. The committing court shall be provided a record of any such payments.

SEC. 3. 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 or 731.1 of this code. Payment shall be in installments set in an amount consistent with the adult's or minor's ability to pay.

CHAPTER 182

An act to amend Section 136.2 of the Penal Code, relating to crime, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1988 Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 136.2 of the Penal Code is amended to read:

136.2. Upon a good cause belief that intimidation or dissuasion of a victim or witness has occurred or is reasonably likely to occur, any court with jurisdiction over a criminal matter may issue orders including, but not limited to, the following:

(a) An order that a defendant shall not violate any provision of Section 136.1.

(b) An order that a person before the court other than a defendant, including, but not limited to, a subpoenaed witness or other person entering the courtroom of the court, shall not violate any provisions of Section 136.1.

(c) An order that any person described in this section shall have no communication whatsoever with any specified witness or any victim, except through an attorney under such reasonable restrictions as the court may impose.

(d) An order calling for a hearing to determine if an order as described in subdivisions (a) to (c), inclusive, should be issued.

(e) An order that a particular law enforcement agency within the jurisdiction of the court provide protection for a victim or a witness or both. Such an order shall not be made without the consent of such agency except for limited and specified periods of time and upon an express finding by the court of a clear and present danger of harm to the victim or witness.

(f) Any order protecting victims of violent crime from contact, with the intent to annoy, harass, threaten, or commit acts of violence, by the defendant.

Any person violating any order made pursuant to subdivisions (a) to (f), inclusive, may be punished for any substantive offense described in Section 136.1, or for a contempt of the court making the order. No finding of contempt shall be a bar to prosecution for a violation of Section 136.1. However, any person so held in contempt shall be entitled to credit for any punishment imposed therein against any sentence imposed upon conviction of an offense described in Section 136.1. Any conviction or acquittal for any substantive offense under Section 136.1 shall be a bar to a subsequent punishment for contempt arising out of the same act.

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 security and the protection of the courts for the victims of violent crimes, it is necessary that this act take effect immediately.

CHAPTER 183

An act to amend Sections 42450 and 42451 of the Health and Safety Code, relating to air pollution.

[Approved by Governor June 15, 1988 Filed with Secretary of State June 15, 1988]

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

SECTION 1. Section 42450 of the Health and Safety Code is amended to read:

42450. The district board may, after notice and a hearing, issue an order for abatement whenever it finds that any person is constructing or operating any article, machine, equipment, or other contrivance without a permit required by this part, or is in violation of Section 41700 or 41701 or of any order, rule, or regulation prohibiting or limiting the discharge of air contaminants into the air.

In holding such a hearing, the district board shall be vested with all the powers and duties of the hearing board. Notice shall be given, and the hearing shall be held, pursuant to Chapter 8 (commencing with Section 40800) of Part 3.

SEC. 2. Section 42451 of the Health and Safety Code is amended to read:

42451. (a) On its own motion, or upon the motion of the district board or the air pollution control officer, the hearing board may, after notice and a hearing, issue an order for abatement whenever

it finds that any person is constructing or operating any article, machine, equipment, or other contrivance without a permit required by this part, or is in violation of Section 41700 or 41701 or of any order, rule, or regulation prohibiting or limiting the discharge of air contaminants into the air.

(b) As an alternative to subdivision (a), the hearing board may issue an order for abatement pursuant to the stipulation of the air pollution control officer and the person or persons accused of constructing or operating any article, machine, equipment, or other contrivance without a permit required by this part, or of violating Section 41700 or 41701, or any order, rule, or regulation prohibiting or limiting the discharge of air contaminants into the air, upon the terms and conditions set forth in the stipulation, without making the finding required under subdivision (a). The hearing board shall, however, include a written explanation of its action in the order for abatement.

SEC. 3. Sections 42450 and 42451 of the Health and Safety Code, as amended by Sections 1 and 2 of this act, apply whether the violation occurred before or after the effective date of this act.

CHAPTER 184

An act to amend Section 1985.3 of the Code of Civil Procedure, relating to civil procedure.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988.]

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, veterinarian, veterinary hospital, veterinary clinic, 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 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.

CHAPTER 185

An act to add Section 29370.1 to the Government Code, relating to county funds.

[Approved by Governor June 15, 1988 Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 29370.1 is added to the Government Code, to read:

29370.1. As an alternative to Section 29370, the board of supervisors may, by resolution, authorize the county auditor to perform the functions of the board in establishing, increasing, reducing, or discontinuing any county officers cash difference fund. The resolution adopted by the board of supervisors may set the amount of the fund. If the board of supervisors adopts the resolution, the county auditor shall do all of the following:

(a) Be subject to the same requirements and limitations otherwise prescribed for the board of supervisors in this article.

(b) In lieu of acting by resolution, act by signed statement having the same content otherwise prescribed in this article for resolutions.

(c) Render a written report to the board of supervisers at the end of each fiscal year identifying the cash difference funds in existence during the fiscal year, the amount of those funds, and the officer using the fund. The board of supervisors may require the county auditor to give an account of the cash difference fund at any other time.

The county auditor shall send a copy of his or her signed statement to each county officer or administrative head of a county department or judicial district who has the fund.

CHAPTER 186

An act to amend Section 1102.7 of the Penal Code, relating to criminal procedure.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988]

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

SECTION 1. Section 1102.7 of the Penal Code is amended to read:

1102.7. Notwithstanding any other provision of law, the prosecution shall not be required to furnish to the defendant himself or herself, but only to his or her attorney, the address or telephone number of any victim or witness absent a showing of good cause as determined by the court, unless the defendant is acting as his or her own attorney. When an address or telephone number is released to the defendant's attorney, the court shall order the defendant's attorney not to disclose the information to the defendant.

If the defendant is acting as his or her own attorney in a case involving force or violence, dangerous or deadly weapons, or witness intimidation and where there is a possibility that the defendant poses a continuing threat to the victim or witness, the court shall protect the address and telephone number of the victim or witness by providing for contact only through a court-appointed licensed private investigator or by imposing other reasonable restrictions. When an address or telephone number is released to a court-appointed licensed private investigator, the court shall order the investigator not to disclose this information to the defendant.

CHAPTER 187

An act to amend Section 20291 of the Public Contract Code, and to amend Section 98147 of the Public Utilities Code, relating to transit districts.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988.]

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

SECTION 1. Section 20291 of the Public Contract Code is amended to read:

20291. The purchase of all supplies, equipment and materials, and construction of facilities and works, when the expenditure required exceeds ten thousand dollars ($10,000), 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 98147 of the Public Utilities Code is amended to read:

98147. The general manager shall provide for the custody of the funds of the district and the keeping of accounts of all receipts and disbursements. Payments shall be made only upon warrants duly and regularly signed by the chairperson or vice chairperson of the board, or other person authorized by the board to do so, and by the general manager or secretary. Alternatively, the board may request the Auditor of the County of Santa Cruz to audit, allow, and draw warrants on the district treasurer for all legal claims presented to the county auditor and approved by a majority of the board, and the treasurer shall pay those warrants in the order in which they are presented.

CHAPTER 188

An act to repeal and add Section 467.5 of the Business and Professions Code, relating to dispute resolution programs.

[Approved by Governor June 15, 1988. Filed with Secretary of State June 15, 1988]

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

SECTION 1. Section 467.5 of the Business and Professions Code is repealed.

SEC. 2. Section 467.5 is added to the Business and Professions Code, to read:

467.5. Notwithstanding the express application of Section 1152.5 of the Evidence Code to mediations, all proceedings conducted by a program funded pursuant to this chapter, including, but not limited to, arbitrations and conciliations, are subject to Section 1152.5 of the Evidence Code.

CHAPTER 189

An act to amend Section 1030 of the Code of Civil Procedure, relating to actions and proceedings.

[Approved by Governor June 16, 1988. Filed with Secretary of State June 16, 1988.]

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

SECTION 1. Section 1030 of the Code of Civil Procedure is amended to read:

1030. (a) When the plaintiff in an action or special proceeding resides out of the state, or is a foreign corporation, the defendant may at any time apply to the court by noticed motion for an order requiring the plaintiff to file an undertaking to secure an award of costs and attorney's fees which may be awarded in the action or special proceeding. For the purposes of this section, "attorney's fees" means reasonable attorney's fees a party may be authorized to recover by a statute apart from this section or by contract.

(b) The motion shall be made on the grounds that the plaintiff resides out of the state or is a foreign corporation and that there is a reasonable possibility that the moving defendant will obtain judgment in the action or special proceeding. The motion shall be accompanied by an affidavit in support of the grounds for the motion and by a memorandum of points and authorities. The affidavit shall set forth the nature and amount of the costs and attorney's fees the defendant has incurred and expects to incur by the conclusion of the action or special proceeding.

(c) If the court, after hearing, determines that the grounds for the motion have been established, the court shall order that the plaintiff file the undertaking in an amount specified in the court's order as security for costs and attorney's fees.

(d) The plaintiff shall file the undertaking not later than 30 days after service of the court's order requiring it or within a greater time allowed by the court. If the plaintiff fails to file the undertaking within the time allowed, the plaintiff's action or special proceeding shall be dismissed as to the defendant in whose favor the order requiring the undertaking was made.

(e) If the defendant's motion for an order requiring an undertaking is filed not later than 30 days after service of summons on the defendant, further proceedings may be stayed in the discretion of the court upon application to the court by the defendant by noticed motion for the stay until 10 days after the motion for the undertaking is denied or, if granted, until 10 days after the required undertaking has been filed and the defendant has been served with a copy of the undertaking. The hearing on the application for the stay shall be held not later than 60 days after service of the summons. If the defendant files a motion for an order

requiring an undertaking, which is granted but the defendant objects to the undertaking, the court may in its discretion stay the proceedings not longer than 10 days after a sufficient undertaking has been filed and the defendant has been served with a copy of the undertaking.

(f) The determinations of the court under this section have no effect on the determination of any issues on the merits of the action or special proceeding and may not be given in evidence nor referred to in the trial of the action or proceeding.

(g) An order granting or denying a motion for an undertaking under this section is not appealable.

CHAPTER 190

An act to amend Sections 56106, 56842.5, and 56844 of the Government Code, and to amend Section 99 of the Revenue and Taxation Code, relating to local agency organization.

[Approved by Governor June 16, 1988 Filed with Secretary of State June 16, 1988.]

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

SECTION 1. Section 56106 of the Government Code is amended to read:

56106. Any provisions in this division governing the time within which an official, a conducting authority, or the commission is to act shall in all instances, except for notice requirements and the requirements of subdivision (i) of Section 56828, be deemed directory, rather than mandatory.

SEC. 2. Section 56842.5 of the Government Code is amended to read:

56842.5. If a proposal includes the incorporation of a city, or the formation of a district, the commission shall determine the amount of appropriations subject to limitation for the city or district in accordance with Section 7902.7 and Article XIII B of the California Constitution.

SEC. 3. 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, including the imposition of a fee pursuant to Section 50029 or 66484.3 or the approval by the voters of general or special taxes. For the purposes of this section, imposition of a fee as a condition of the issuance of a building permit does not constitute direct regulation of land use, property development, or subdivision requirements.

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

(u) The transfer of authority and responsibility among any affected cities, affected counties, and affected districts for the administration of special tax and special assessment districts, including, but not limited to, the levying and collecting of special

taxes and special assessments, including the determination of the annual special tax rate within authorized limits; the management of redemption, reserve, special reserve, and construction funds; the issuance of bonds which are authorized but not yet issued at the time of the transfer, including not yet issued portions or phases of bonds which are authorized; supervision of construction paid for with bond or special tax or assessment proceeds; administration of agreements to acquire public facilities and reimburse advances made to the district; and all other rights and responsibilities with respect to the levies, bonds, funds, and use of proceeds that would have applied to the local agency that created the special tax or special assessment district.

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

SEC. 4. Section 99 of the Revenue and Taxation Code is amended to read:

99. (a) For the purposes of the computations required by this chapter:

(1) In the case of a jurisdictional change, other than a city incorporation or a formation of a district as defined in Section 2215 , the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 97, or the annual tax increment determined pursuant to Section 98, for local agencies whose service area or service responsibility would be altered by the jurisdictional change, as determined pursuant to subdivision (b) or (c).

(2) In the case of a city incorporation or a formation of a district as defined in Section 2215, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56842 of the Government Code to the newly formed city or district and shall make the adjustment as determined by Section 56842 in the allocation of property tax revenue determined pursuant to Section 96 or 97 for each local agency whose service area or service responsibilities would be altered by the incorporation or formation.

(b) Upon the filing of an application or a resolution pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), but prior to the issuance of a certificate of filing, the executive officer shall give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change.

(1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.

(B) The auditor shall estimate the amount of property tax revenue generated within the territory which is the subject of the jurisdictional change during the current fiscal year.

(2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Section 96 or 97, and Section 98, notwithstanding Section 98.6.

(3) Within 45 days of notice of the filing of an application or resolution, the auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) which is subject to a negotiated exchange.

(4) Upon receipt of the estimates pursuant to paragraph (3) the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. This negotiation period shall not exceed 30 days.

The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.

(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues.

(6) Notwithstanding any other provision of law, the executive officer shall not issue a certificate of filing pursuant to Section 56828 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the 30-day negotiation period, present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of property tax revenues.

(7) In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 15 days for the affected agencies, pursuant to paragraph (4) to renegotiate an exchange of property tax revenues. Notwithstanding the time period specified in paragraph (4), if the resolutions required pursuant to paragraph (6) are not presented to the executive officer within the 15-day period, all proceedings of the jurisdictional change shall automatically be terminated.

(8) No later than the date on which the certificate of completion of the jurisdictional change is recorded with the county recorder, the executive officer shall notify the auditor or auditors of the exchange of property tax revenues and the auditor or auditors shall make the appropriate adjustments as provided in subdivision (a).

(c) Whenever a jurisdictional change is not required to be

reviewed and approved by a local agency formation commission, the local agencies whose service area or service responsibilities would be altered by the proposed change, shall give notice to the State Board of Equalization and the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change and request the auditor and assessor to make the determinations required pursuant to paragraphs (1) and (2) of subdivision (b). Upon notification by the auditor of the amount of, and allocation factors with respect to, property tax subject to exchange, the local agencies, pursuant to the provisions of paragraphs (4), (5), and (6) of subdivision (b), shall determine the amount of property tax revenues to be exchanged between and among the local agencies. Notwithstanding any other provision of law, no such jurisdictional change shall become effective until each county and city included in these negotiations agrees, by resolution, to accept the negotiated exchange of property tax revenues. The exchange may be limited to an exchange of property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years. Upon the adoption of the resolutions required pursuant to this section, the adopting agencies shall notify the auditor who shall make the appropriate adjustments as provided in subdivision (a).

(d) With respect to adjustments in the allocation of property taxes pursuant to this section, a county and any local agency or agencies within the county may develop and adopt a master property tax transfer agreement. The agreement may be revised from time to time by the parties subject to the agreement.

(e) Except as otherwise provided in subdivision (f), for the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and thereafter for those local agencies which were affected by a jurisdictional change which was filed with the State Board of Equalization after January 1, 1978 but on or before January 1, 1979. The local agencies shall determine by resolution the amount of property tax revenues to be exchanged between and among the affected agencies and notify the auditor of the determination.

(f) For the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and thereafter, for a city incorporation which was filed pursuant to Sections 54900 to 54904 after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978–79 fiscal year shall be equal to two-thirds of the amount of property tax revenue projected in the final local agency formation commission staff report pertaining to the

incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978–79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977–78 fiscal year. Except, however, in the event that the final commission report did not specify the amount of property tax revenue projected for such incorporation, the commission shall by October 10, determine pursuant to Section 54790.3 of the Government Code the amount of property tax to be transferred to the city.

The provisions of this subdivision shall also apply to the allocation of property taxes for the 1980–81 fiscal year and thereafter for incorporations approved by the voters in June 1979.

(g) For the purpose of the computations made pursuant to this section, in the case of a district formation which was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1978, but before January 1, 1979, the amount of property tax to be allocated to the district for the 1979–80 fiscal year and each fiscal year thereafter shall be determined pursuant to Section 54790.3 of the Government Code.

(h) For the purposes of the computations required by this chapter, in the case of a jurisdictional change, other than a change requiring an adjustment by the auditor pursuant to subdivision (a), the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 97, or the annual tax increment determined pursuant to Section 98, for each local school district, community college district, or county superintendent of schools whose service area or service responsibility would be altered by the jurisdictional change, as determined as follows:

(1) The governing body of each district, county superintendent of schools, or county whose service areas or service responsibilities would be altered by the change shall determine the amount of property tax revenues to be exchanged between and among the affected jurisdictions. This determination shall be adopted by each affected jurisdiction by resolution. For the purpose of negotiation, the county auditor shall furnish the parties and the county board of education with an estimate of the property tax revenue subject to negotiation.

(2) In the event that the affected jurisdictions are unable to agree, within 60 days after the effective date of the jurisdictional change, and if all the jurisdictions are wholly within one county, the county board of education shall, by resolution, determine the amount of property tax revenue to be exchanged. If the jurisdictions are in more than one county, the State Board of Education shall, by resolution, within 60 days after the effective date of the jurisdictional change, determine the amount of property tax to be exchanged.

(3) Upon adoption of any resolution pursuant to this subdivision, the adopting jurisdictions or State Board of Education shall notify the county auditor who shall make the appropriate adjustments as

provided in subdivision (a).

(i) For purposes of subdivision (h), the annexation by a community college district of territory within a county not previously served by a community college district is an alteration of service area. The community college district and the county shall negotiate the amount, if any, of property tax revenues to be exchanged. In these negotiations, there shall be taken into consideration the amount of revenue received from the timber yield tax and forest reserve receipts by the community college district in the area not previously served. In no event shall the property tax revenue to be exchanged exceed the amount of property tax revenue collected prior to the annexation for the purposes of paying tuition expenses of residents enrolled in the community college district, adjusted each year by the percentage change in population and the percentage change in cost of living, or per capita personal income, whichever is lower, less the amount of revenue received by the community college district in the annexed area from the timber yield tax and forest reserve receipts.

(j) At any time after a jurisdictional change is effective, any of the local agencies party to the agreement to exchange property tax revenue may renegotiate the agreement with respect to the current fiscal year or subsequent fiscal years, subject to approval by all local agencies affected by the renegotiation.

CHAPTER 191

An act to amend Section 2708 of the Unemployment Insurance Code, relating to unemployment compensation.

[Approved by Governor June 16, 1988. Filed with Secretary of State June 16, 1988.]

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

SECTION 1. Section 2708 of the Unemployment Insurance Code is amended to read:

2708. The director shall require for each uninterrupted period of disability that the first claim for disability benefits be supported by the certificate of a physician as defined in Section 3209.3 of the Labor Code, or the certificate of a nurse-midwife, dentist, or podiatrist duly certified or licensed under California state law, acting within the scope of his or her practice, or for the purposes of disability related to normal pregnancy or childbirth, the certificate of a nurse practitioner duly licensed and certified under California state law, acting within the scope of his or her practice. The certificate shall contain a statement of the medical facts within his or her knowledge, his or her conclusion with respect to the disability of the claimant, and his or her opinion with respect to probable duration of the

disability. The claim of any eligible individual who obtains care and treatment outside this state or in any foreign country may, pursuant to authorized regulations, be supported by a like certificate of a similar licensee of the state or foreign country in which the claimant is receiving care and treatment. With respect to any eligible claimant who is hospitalized in a county hospital in this state or is hospitalized by the county hospital in another hospital, a certificate as to the individual's disability as shown by his or her hospital chart signed by the registrar of the hospital shall satisfy the requirements of this section. Where any eligible claimant is hospitalized in or under the care of any medical facility of the United States government, a certificate as to the individual's disability signed by any duly authorized medical officer of the facility shall satisfy the requirements of this section.

CHAPTER 192

An act to add Section 61601.22 to the Government Code, relating to community services districts.

[Approved by Governor June 16, 1988. Filed with Secretary of State June 16, 1988]

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

SECTION 1. Section 61601.22 is added to the Government Code, to read:

61601.22. In addition to the powers which may be exercised pursuant to Section 61600, whenever the Board of Directors of the Stallion Springs Community Services District determines by resolution, entered into the minutes, that it is feasible, economically sound, and in the public interest, and if pursuant to Section 61601, a majority of the voters voting on the proposition vote in favor of the adoption of the additional purpose, the district may construct, repair, and maintain mailboxes within district road rights-of-way and adopt rules for the purpose of maintaining uniform standards of mailboxes within the district. The power to carry on that activity may be divested in the same manner as that power was acquired.

Notwithstanding any other provision of law, a reasonable charge may be assessed to cover the cost of construction, repair, and maintenance of mailboxes, which shall not exceed twenty-five dollars ($25) for each mailbox user on a one-time basis.

CHAPTER 193

An act to amend Section 1000.8 of the Penal Code, relating to crime, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1988. Filed with Secretary of State June 16, 1988.]

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

SECTION 1. The Legislature hereby finds and declares that in many cases persons charged with a misdemeanor act of domestic violence who are diverted and referred to counseling programs do not receive counseling which is appropriate to the offense for which they are charged. The Legislature further finds that materials applicable to batterer's treatment programs are readily available and that the establishment of these programs in each county would greatly benefit both the defendant and the victim.

It is the intent of the Legislature in enacting this act to provide that defendants in domestic violence cases shall be diverted and referred to counseling in batterer's treatment programs. It is further the intent of the Legislature to encourage counties without existing batterer's treatment programs to establish these counseling programs on or before January 1, 1990.

SEC. 2. Section 1000.8 of the Penal Code is amended to read:

1000.8. (a) The court shall hold a hearing and, after consideration of the probation department's report and any other information considered by the court to be relevant to its decision, shall determine if the defendant consents to further proceedings under this chapter and waives his or her right to a speedy trial and if the defendant should be diverted and referred for batterer's treatment counseling directed specifically to the violent conduct of the defendant. The court, in determining the defendant's eligibility for diversion, shall consider the nature and extent of the injury inflicted upon the victim, any prior incidents of domestic violence by the defendant, and any factors which would adversely influence the likelihood of successful completion of the diversion program. If the court does not deem the defendant a person who would be benefited by diversion, or if the defendant does not consent to participate, the proceedings shall continue as in any other case. If the court orders a defendant to be diverted, the court shall make inquiry into the financial condition of the defendant and upon a finding that the defendant is able in whole or part to pay the expense of such counseling the court may order him or her to pay for all or part of such expense.

Nothing in this subdivision shall prohibit the placement of a defendant in another appropriate counseling program if the court determines that there is no available batterer's treatment counseling

program.

(b) At such time that the defendant's case is diverted, any bail bond or undertaking, or deposit in lieu thereof, on file by or on behalf of him or her shall be exonerated, and the court shall enter an order so directing.

(c) The period during which further criminal proceedings against a person may be diverted pursuant to this chapter shall be for no less than six months nor longer than two years.

The court shall set forth in writing or state on the record its reason for granting or denying diversion. The court's decision in such matter shall be final and shall not constitute an appealable order.

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

In order to provide the most effective means to prevent future domestic violence at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 194

An act to amend Section 46114 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1988 Filed with Secretary of State June 16, 1988]

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

SECTION 1. Section 46114 of the Education Code is amended to read:

46114. (a) The minimum schoolday in grades 1, 2, and 3 in elementary schools may be computed by determining the number of minutes of attendance in any 10 consecutive schooldays and dividing that number by 10. If the resulting quotient is 230 or more, the pupils shall be deemed to have complied with Section 46112, even if the number of minutes attended in any one schoolday is less than 230, but not less than 170.

(b) The minimum schoolday in grades 4, 5, 6, 7, and 8 in elementary schools may be computed by determining the number of minutes of attendance in any 10 consecutive schooldays and dividing that number by 10. If the resulting quotient is 240 or more, the pupils shall be deemed to have complied with Section 46113, even if the number of minutes attended in any one schoolday is less than 240, but not less than 180.

(c) The minimum schoolday in kindergarten in elementary schools may be computed by determining the number of minutes of

attendance in any 10 consecutive schooldays and dividing that number by 10. If the resulting quotient is 180 or more, pupils shall be deemed to have complied with Section 46117, even if the number of minutes attended in any one schoolday is less than 180, but not less than 60.

No computation authorized by this section shall result in any increase in state apportionments.

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 alternative method established by this act for the computation of the minimum schoolday in kindergarten may be used at the start of the 1988–89 school year, it is necessary that this act take effect immediately as an urgency statute.

CHAPTER 195

An act to amend Section 43.55 of the Civil Code, to repeal Section 1527.10 of the Health and Safety Code, to amend Section 676.2 of the Insurance Code, and to amend Sections 18964, 18964.1, 18964.5, and 18964.6 of the Welfare and Institutions Code, relating to child welfare, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1988. Filed with Secretary of State June 16, 1988.]

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

SECTION 1. Section 43.55 of the Civil Code, as added by Chapter 1330 of the Statutes of 1986, is amended to read:

43.55. No cause of action arises against a foster parent for alienation of affection of a foster child.

SEC. 2. Section 1527.10 of the Health and Safety Code is repealed.

SEC. 3. Section 676.2 of the Insurance Code, as added by Chapter 1330 of the Statutes of 1986, is amended to read:

676.2. (a) No admitted insurer, licensed to issue and issuing homeowner's or tenant's policies, as described in Section 122, shall (1) fail or refuse to accept an application for that insurance or to issue that insurance to an applicant or (2) cancel that insurance, solely on the basis that the applicant or policyholder is engaged in foster home activities in a licensed foster family home or licensed small family home, as defined in Section 1502 of the Health and Safety Code.

(b) Coverage under policies described in subdivision (a) with respect to a foster child shall be the same as that provided for a natural child. However, unless specifically provided in the policy, there shall be no coverage expressly provided in the policy for any

bodily injury arising out of the operation or use of any motor vehicle, aircraft, or watercraft owned or operated by, or rented or loaned to, any foster parent.

(c) It is against public policy for a policy of homeowner's or tenant's insurance subject to this section to provide liability coverage for any of the following losses:

(1) Claims of a foster child, or a parent, guardian, or guardian ad litem thereof, of a type payable by the Foster Family Home and Small Family Home Insurance Fund established by Section 1527.1 of the Health and Safety Code, regardless of whether the claim is within the limits of coverage specified in Section 1527.4 of the Health and Safety Code.

(2) An insurer shall not be liable, under a policy of insurance subject to this section, to any governmental agency for damage arising from occurrences peculiar to the foster-care relationship and the provision of foster-care services.

(3) Alienation of affection of a foster child.

(4) Any loss arising out of licentious, immoral or sexual behavior on the part of a foster parent intended to lead to, or culminating in, any sexual act.

(5) Any loss arising out of a dishonest, fraudulent, criminal, or intentional act.

(d) There shall be no penalty for violations of this section prior to January 1, 1987.

(e) Insurers may provide a special endorsement to a homeowners' or tenants' policy covering claims related to foster care that are not excluded by subdivision (c).

(f) Insurers may provide by a separate policy for some or all of the claims related to foster care that are excluded by subdivision (c).

SEC. 4. Section 18964 of the Welfare and Institutions Code is amended to read:

18964. The Office of Child Abuse Prevention shall contract for the operation of eight pilot projects to be based on in-home care, which shall be designed to avoid the out-of-home placement of abused or neglected children. These programs shall do all of the following:

(a) Provide in-home services utilizing licensed therapists who have at least a masters degree or the equivalent combination of education and experience.

(b) Provide intensive supplemental training to any staff therapist concerning therapeutic techniques local resources, and assure that the therapist has received the intensive supplemental training specified in Section 18964.5, before assigning any client to the therapist.

(c) Limit the number of families assigned to a therapist at any given time to a maximum of three, except that if a therapist team is utilized, the maximum number of families assigned to such a team shall be six at any given time.

(d) Offer services only to families where it appears that unless the

program's services are provided, it will be necessary to place one or more children out of the home.

(e) Have the therapists assigned to a family, be on call and available to the family 24 hours a day, for a period appropriate to the family's needs, which is ordinarily a period of four to six weeks.

(f) Keep records, conduct internal evaluation, and cooperate with external evaluation as directed by the Office of Child Abuse Prevention.

To qualify for continued funding each agency shall meet all of the following annual minimum performance goals:

(1) Each agency shall demonstrate a success rate of 75 percent in avoiding out-of-home placement six months after intervention, with increased success rates in subsequent years.

(2) Each agency shall submit a detailed budget and annual audit.

(3) Each agency shall submit a letter of agreement from the local county department conducting the duties of the probation officer concerning dependent children as described in Section 300, indicating continued support and cooperation with the funded agency.

These pilot projects shall provide services to children who are within the jurisdiction of the juvenile court pursuant to Section 330, or who are dependent children not taken from the physical custody of their parents or guardian pursuant to Section 364, or who are dependent children removed from the physical custody of their parents or guardian pursuant to Section 361. The caseworker may return a dependent child removed from the home pursuant to Section 361, with appropriate pilot project services, in an appropriate case, pursuant to a new court order which may be granted on an ex parte basis. Each family receiving services shall have an open and active emergency response or family maintenance care plan.

Not more than one pilot project shall be located in any one county. At least one pilot project shall be in a rural county. For the purpose of this section, a rural county is a county with a population of less than 125,000 persons. Services to minority populations shall be reflected in the funding of programs. Each agency applying for funding shall submit with its application, a letter from the local county department conducting the duties of the probation department concerning dependent children described in Section 300, indicating a willingness to work cooperatively with the applicant agency and its proposed project. The selection of agencies to be funded shall be determined by the Office of Child Abuse Prevention. The projects shall be funded at an average level of not more than one hundred fifty thousand dollars ($150,000) per year, less the allowable department administrative costs described in Section 18969.

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. 5. Section 18964.1 of the Welfare and Institutions Code is

amended to read:

18964.1. The Office of Child Abuse Prevention shall develop specific criteria to contract for the operation of three pilot projects, designed to maximize the safety, security, comfort, and quality of life of children aged 14 or under who are in self-care during hours of parental employment or other unavailability, by training families in how to accomplish these goals, and by other techniques designed to accomplish these goals that are consistent with the requests for proposals issued pursuant to Section 18964.5. Not more than one pilot project shall be located in any one county. At least one pilot project shall be located in a rural county. For the purpose of this section, rural counties are those having populations of under 125,000 persons. Geographic equity throughout the state shall be reflected in the funding of programs.

Each pilot project shall provide training to families who use self-care with young children. The selection of agencies to be funded shall be determined by the Office of Child Abuse Prevention. The projects shall be funded at an average level of not more than seventy-five thousand dollars ($75,000) per year, less allowable the departmental administrative costs described in Section 18969.

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. 6. Section 18964.5 of the Welfare and Institutions Code is amended to read:

18964.5. Contracts for pilot projects established under Sections 18964 and 18964.1 shall be entered into utilizing a competitive bid basis. Contracts may only be entered into by public or private nonprofit agencies, except for child protection agencies as defined in subdivision (k) of Section 11165 of the Penal Code.

Projects shall be evaluated through internal and external evaluation processes. The total cost of the external evaluation of the projects under both Sections 18964 and 18964.1 shall not exceed two hundred twenty-five thousand dollars ($225,000). A contract or contracts for evaluation shall be entered into utilizing a competitive bid basis, with no restriction on the categories of agencies that may bid. Requests for evaluation proposals shall be issued within 120 days of the effective date of the addition of this section, as enacted, during the 1985–86 Regular Session. Requests for pilot project proposals shall be issued within 90 days of the date the requests for evaluation proposals are issued.

The request for proposals for the pilot projects established under Section 18964 shall require that applicants identify a plan for acquiring and presenting intensive supplemental training concerning therapeutic techniques and related issues to any staff therapist of a project established under Section 18964 before any client is assigned to the therapist. This requirement recognizes that quality training is needed for the successful completion of the

evaluation of these projects. The request for proposals shall also require that applicants identify a plan for continuing education of the staff therapists. The initial training shall be provided, and the continuing education may be provided, by individuals with recognized expertise in the development, establishment, and administration of in-home care programs similar to those described in Section 18964. Training may be provided by the applicant, with the review and approval of the Office of Child Abuse Prevention.

Agencies selected for funding shall receive funds in a timely manner, including an advance of funds when necessary to initiate a project.

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. 7. Section 18964.6 of the Welfare and Institutions Code is amended to read:

18964.6. The Office of Child Abuse Prevention shall develop a system of written guidelines for funding and a system of performance standards for monitoring the effectiveness of the pilot programs. The standards shall consist of measurable objectives, including, but not limited to, a measure of success at avoiding the need for out-of-home placement and the cessation of abuse, neglect, or sexual exploitation. Each pilot project shall be evaluated in terms of these standards. The effectiveness of programs of pilot projects funded pursuant to Sections 18964 and 18964.1 shall be evaluated by a public institution or private nonprofit agency or other qualified organization selected by the department. Funding for the evaluation of these pilot projects shall be provided from appropriations to the State Children's Trust Fund.

This section shall become inoperative on March 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. 8. (a) Notwithstanding any other provision of law, the unencumbered balance of the appropriation provided for the Foster Family Home and Small Family Home Insurance Fund in Item 5180-001-131 of the Budget Act of 1987 is reappropriated for the purposes specified in Item 5180-001-131 and shall be available for expenditure until June 30, 1989.

(b) Notwithstanding Section 6.50 of the Budget Act of 1987, up to one hundred fifty thousand dollars ($150,000) appropriated for claims payments in Item 5180-001-131 (b) of the Budget Act of 1987 is available for transfer to Item 5180-001-131 (a) for the operation and maintenance of the Foster Family Home and Small Family Home Insurance Fund.

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 ensure the orderly continuation of programs necessary for the promotion of child welfare which are affected by this act, it is necessary for this act to take effect immediately.

CHAPTER 196

An act to add Section 70141.1 to the Government Code, relating to courts.

[Became law without Governor's signature Filed with Secretary of State June 20, 1988.]

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

SECTION 1. Section 70141.1 is added to the Government Code, to read:

70141.1. In El Dorado County, a majority of the judges of the superior court, subject to prior approval by the board of supervisors, may appoint one or more commissioners up to one full-time equivalent. The superior court may provide that the commissioner, in addition to the duties prescribed in Section 259 of the Code of Civil Procedure, shall perform the duties of a probate commissioner appointed pursuant to Section 69897 or any other duties authorized by law for a commissioner to perform. The superior court may also authorize the commissioner to perform the duties of a juvenile court referee appointed pursuant to Section 247 of the Welfare and Institutions Code.

Any commissioner appointed pursuant to this section shall receive compensation pursuant to a contract approved annually by the board of supervisors. The presiding judge of the superior court shall specify the days, hours, and court locations for the commissioner. Each commissioner shall also be allowed actual traveling expenses pursuant to Section 70148.

CHAPTER 197

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

[Approved by Governor June 20, 1988. Filed with Secretary of State June 20, 1988]

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

SECTION 1. The Legislature finds and declares as follows:

(a) The Los Angeles-Fresno-Bay Area/Sacramento transportation corridor has the potential for development in the future as a high-speed rail corridor using modern railroad technology similar to that employed in Europe and Japan.

(b) Development of the existing rail lines in this corridor for rail passenger purposes is tempered by the fact that a modern, direct rail link through the mountainous area known as the Grapevine does not exist. Nevertheless, ridership on the existing Amtrak service between Bakersfield, Fresno, and Oakland more than tripled between 1974 and 1987, and the trains continue to grow in popularity.

(c) It is obvious that development of high-speed rail in this vital transportation corridor will require a new railroad alignment between Los Angeles and Bakersfield, while the existing railroad corridors north of Bakersfield may be usable in conjunction with the new line. The current Amtrak speed limit is 79 miles per hour, while trains in the past have traversed this corridor at 90 miles per hour or more. Over time, it may be necessary to replace the existing line with a higher speed alignment, as development of the corridor proceeds.

(d) Implementation of a high-speed rail corridor requires a long-term planning effort. It is the intent of the Legislature that this process be set in motion as soon as possible.

SEC. 2. (a) There is hereby created the Los Angeles-Fresno-Bay Area/Sacramento High-Speed Rail Corridor Study Group. The Director of Transportation or a designee of the director, shall be chairperson and a local elected official selected by the study group, shall be vice chairperson of the study group. The director, or a designee of the director, shall be responsible for coordinating the meetings of the study group.

(b) Each of the following shall appoint representatives to the study group:

(1) One representative appointed by each county board of supervisors in the Counties of Fresno, Kern, Kings, Madera, Merced, Sacramento, San Joaquin, Stanislaus, and Tulare and one representative jointly selected by the cities in each of these counties; two representatives appointed by the Metropolitan Transportation Commission; one representative appointed by the Los Angeles County Transportation Commission; and one representative appointed by the Southern California Association of Governments. In addition, other transportation planning agencies and local transportation commissions located within the confines of the corridor may participate in the work of the study group as nonvoting members.

(2) The California Transportation Commission.

(3) The National Railroad Passenger Corporation.

(4) The Southern Pacific Transportation Company and the Atchison, Topeka and Santa Fe Railway Company, or their successor

corporations.

(5) The Secretary-Treasurer of the California Labor Federation.

(6) A consumer representative jointly appointed by the Chairperson of the Assembly Committee on Transportation and Chairperson of the Senate Committee on Transportation.

(7) The Public Utilities Commission.

(c) The voting members of the study group shall consist of the Director of Transportation or a designee of the director, the representatives appointed by each county and city, the Metropolitan Transportation Commission, the Los Angeles County Transportation Commission, and the Southern California Association of Governments pursuant to paragraph (1) of subdivision (b), and one representative each from the entities specified in paragraphs (2) to (7), inclusive, of subdivision (b).

(d) The study group shall develop a program of incremental development of the high-speed rail corridor, and shall do all of the following:

(1) Identify improvements on existing rail lines that will reduce train running times, increase reliability of service, and facilitate additional frequencies for passenger train service, while maintaining capacity for freight operations. These improvements shall include, but not be limited to, increasing current slow speeds wherever present, identification of grade crossing signals that can be retimed to permit higher speeds, and installation of a cab signaling or comparable system which permits speeds of 110 miles per hour or more on appropriate track under current federal standards. An analysis of all of the following shall also be included:

(A) Identification of improvements necessary to operate passenger trains between Fresno, Modesto, and Stockton on the Southern Pacific Railroad on a schedule equivalent to running times achievable on the parallel Santa Fe Railway.

(B) Providing direct rail service between Stockton and Sacramento.

(2) Identify new alignments for a high-speed passenger or combined passenger and freight line between Los Angeles and Bakersfield. The study group shall examine any previous plans for such an alignment which may at one time have been studied, and shall consider both an at-grade alignment located essentially within the State Highway Route 5 right-of-way, or a route immediately adjacent or parallel thereto, and possible tunnels through the mountains. The study group may also investigate new alignments elsewhere within the corridor. When considering the possible maximum grade for an alignment, the group shall consider the benefits of electrification.

(3) Develop criteria to determine priorities of these improvements on a cost-benefit basis, and analyze and make suitable recommendations.

(4) Establish an implementation and funding plan, which shall consider the possibility of a state bond issue to finance development

of the high-speed corridor.

(e) The study group may employ the services of outside consultants.

(f) The study group shall prepare and submit to the Legislature a preliminary report of its findings and recommendations on or before January 1, 1990, and a final report on or before July 1, 1990.

SEC. 3. Notwithstanding any other provision of law, one hundred fifty thousand dollars ($150,000) of the unencumbered balance, or the unliquidated encumbrance, whichever is appropriate, of the funds appropriated in Item 2660-001-046 of the Budget Act of 1985 to the Department of Transportation for payments under contracts with the National Rail Passenger Corporation or a railroad corporation entered into under Section 14035 of the Government Code, are hereby reverted to the Transportation Planning and Development Account in the State Transportation Fund.

SEC. 4. The sum of one hundred fifty thousand dollars ($150,000) from the Transportation Planning and Development Account in the State Transportation Fund is hereby appropriated to the Department of Transportation for allocation by the Director of Transportation for purposes of Section 2 of this act, including any state-mandated local program costs imposed by that section.

The director shall make the funds available in an amount equal to funds provided for these purposes from nonstate sources.

SEC. 5. This act shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 6. 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 this act 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. 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 funds which would otherwise revert to the Transportation Planning and Development Account as of July 1, 1988, may be made available for the study provided for in this act, it is necessary that this act take effect immediately.

CHAPTER 198

An act to amend Section 1 of Chapter 1257 of the Statutes of 1986, relating to the Lodi Unified School District.

[Approved by Governor June 20, 1988 Filed with Secretary of State June 20, 1988.]

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

SECTION 1. Section 1 of Chapter 1257 of the Statutes of 1986 is amended to read:

Section 1. The Lodi Unified School District may lease residential houses constructed after January 1, 1978, to house elementary school pupils, until June 30, 1990, if the facilities meet all applicable provisions of state and local building standards for residential houses existing at the time of construction of the houses. Notwithstanding any other provision of law, residential houses that meet those requirements, and that were leased by the Lodi Unified School District as of January 1, 1988, are exempt from Article 3 (commencing with Section 39140) and Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

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 chaptered before June 30, 1990, deletes or extends that date.

SEC. 2. Due to unique circumstances concerning the school facilities in the Lodi Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

CHAPTER 199

An act to amend Sections 19611.5, 19614.2, and 19617 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 20, 1988 Filed with Secretary of State June 21, 1988]

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

SECTION 1. Section 19611.5 of the Business and Professions Code is amended to read:

19611.5. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association other than the California State Fair and Exposition or a district or county fair which conducts a thoroughbred race meeting may deduct from the total amount handled in daily double, quiniela, exacta, and other multiple

wagering pools approved by the board up to 3 percent thereof to be distributed as commissions and purses in the following percentage ratios: in 1978, 56 percent as commissions and 44 percent as purses; in 1979, 55 percent as commissions and 45 percent as purses; in 1980, 54 percent as commissions and 46 percent as purses; in 1981, 53 percent as commissions and 47 percent as purses; in 1982, 52 percent as commissions and 48 percent as purses; in 1983, 51 percent as commissions and 49 percent as purses; and in 1984 and thereafter, 50 percent as commissions and 50 percent as purses.

(b) From the amount deducted for purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be deposited within seven days of the close of the meeting with the official registering agency of California-bred thoroughbred racehorses in a depository approved by the board. After deduction of expenses, not to exceed 5 percent, and approval of all such deductions by the board, the fund shall then be added to the funds described in subdivision (a) of Section 19617 and shall be paid in accordance with subdivisions (b), (c), and (d) of Section 19617.

(c) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

SEC. 2. Section 19614.2 of the Business and Professions Code is amended to read:

19614.2. (a) In addition to the amounts otherwise deducted pursuant to this chapter, the California Exposition and State Fair, or a district or county fair, or an association conducting its meeting pursuant to Section 19549.1, may deduct from the total amount handled in daily double, quiniela, exacta, and other multiple wagering pools approved by the board up to 3 percent thereof to be distributed as additional commissions and purses in the current year of the fair meet. Of the amount deducted, if any, 52 percent shall be distributed as additional purses and 48 percent shall be distributed as additional commissions. For racing meetings conducted pursuant to Section 19549.3, of the amounts deducted, if any, 50 percent shall be distributed as purses and 50 percent shall be distributed as commissions.

(b) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

(c) From the amount deducted for thoroughbred purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be distributed and disbursed as required in subdivision (b) of Section 19611.5.

(d) From the amount deducted for quarter horse purses under subdivision (a), a sum equal to 25 percent thereof shall be held by

the association to be paid as owners' premiums for California-breds winning or placing at the meeting. The premiums shall be distributed within 30 days of the date on which the funds are received by the officially recognized organization designated to administer this subdivision on a prorated percentage basis of first and second place moneys earned to persons owning California-bred quarter horses at the time of their wins or places in races having a total purse value equal to or in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year.

The board shall designate the officially recognized organizations representing quarter horse horsemen to administer this subdivision and to distribute premiums.

The organization may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(e) From the amount deducted for Appaloosa and Arabian horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be paid as owner's premiums for California-breds winning at the meeting. The premiums shall be distributed within 30 days of the close of the meeting on a prorated percentage basis of first moneys earned to persons owning California-bred Appaloosa and Arabian horses at the time of their wins in races having a total purse value in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year. The board shall designate the officially recognized organization representing Appaloosa and Arabian horsemen to administer this subdivision and to distribute premiums. The organization may, with the approval of the board, make a deduction for expenses not to exceed 5 percent of the total awards fund.

SEC. 3. Section 19617 of the Business and Professions Code is amended to read:

19617. (a) Any association conducting a thoroughbred racing meeting shall, within seven days after the close of the meeting, deposit 0.34 percent of the total amount handled on-track, and the 0.40 percent of the total amount handled off-track, in daily conventional and exotic parimutuel pools with the official registering agency of California-bred thoroughbred racehorses as designated by the board.

(b) The official registering agency shall distribute the funds pursuant to Section 19567 to the breeders of California-bred thoroughbred horses becoming entitled thereto at the thoroughbred racing meeting, except that a breeder of a thoroughbred horse winning a race in this state shall be paid a sum equal to 20 percent of the respective share of the purse, and the breeder of a thoroughbred horse placing second or third in a race in this state shall be paid a sum equal to 15 percent of the respective share of the purse, in each case, exclusive of nomination, entry, or starting fees. A

breeder of a California-bred thoroughbred winning, or placing second or third in, a graded stakes race outside the State of California shall be paid a sum equal to 15 percent of the respective share of the purse, exclusive of nomination, entry, and starting fees, with a maximum award of fifteen thousand dollars ($15,000) for a win, five thousand dollars ($5,000) for a second place, and four thousand dollars ($4,000) for a third place.

(c) Following the close of each meeting the official registering agency shall pay an owners' premium award of 20 percent of the winner's share of the purse, exclusive of nomination, entry, or starting fees, to the owner of a California-bred thoroughbred horse winning a race other than a claiming race at a racing meeting in this state, or a claiming race in the central and southern zones when the total purse exceeds the daily average purse in races, excluding stakes, distributed at that meeting during the prior year, or a claiming race in the northern zone when the total purse exceeds 125 percent of the daily average purse in races, excluding stakes, distributed at that meeting during the prior year.

(d) At the end of the fiscal year, the balance of the fund shall be distributed by the official registering agency as stallion awards. Stallion awards shall be made on a prorated percentage based on the share of the purse, exclusive of nomination, entry, or starting fees, to the owner of a sire of California-conceived or California-bred thoroughbred horses which finish first, second, or third in one or more stakes races at a racing meeting in this state or which win one or more races other than claiming races at a racing meeting in this state, or a claiming race in the central or southern zone when the total purse exceeds the daily average purse in races, excluding stakes, distributed at that meeting during the prior year, or a claiming race in the northern zone when the total purse exceeds 125 percent of the daily average purse in races, excluding stakes, distributed at that meeting during the prior year, and, in the case of California-conceived or California-bred thoroughbreds finishing first, second, or third in a graded stakes race outside the State of California, a prorated award shall be made to the owner of the sire, with a maximum award of fifteen thousand dollars ($15,000) for winning any one race, a maximum award of five thousand dollars ($5,000) for finishing second, and a maximum award of four thousand dollars ($4,000) for finishing third. To be eligible for benefits for a given year, a stallion shall have been in California at least from January 15 to July 15, inclusive, of that year. At the end of the year in which benefits are earned, it is the ultimate responsibility of the stallion owner to advise the official registering agency of any qualifying races.

(e) The maximum amount payable to the owner of a California stallion eligible for stallion awards for any one race shall be 3 percent of the total stallion awards fund for the year during which that race was run.

(f) The official registering agency shall make a deduction for

administration and expenses for educational, promotional, and research programs not to exceed 5 percent of the total awards fund, with the deductions having to be approved by the board, which shall report annually to the Governor and Legislature with respect to the distributions.

(g) In the event there are insufficient funds to make all of the distributions in this section, there shall be no additional assessments made against any associations to fund the deficiencies.

SEC. 4. The amendments to Sections 19611.5, 19614.2, and 19617 of the Business and Professions Code made by this act shall apply only to horseracing meetings that commence on or after 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 delete contradictory language in Section 19617 of the Business and Professions Code at the earliest opportunity, it is necessary that this act take effect immediately.

CHAPTER 200

An act to amend Section 25883 of the Health and Safety Code, relating to electrical generators.

[Approved by Governor June 20, 1988. Filed with Secretary of State June 21, 1988.]

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

SECTION 1. Section 25883 of the Health and Safety Code is amended to read:

25883. (a) Every public utility or utility district shall notify all electrical service customers of the electrical backfeed hazards of portable and permanent electric generators.

(b) Any owner, renter, or lessee who possesses and operates an electric generator, when the generator is connected to a commercial, industrial, or residential structure's electrical system which is connected to the service of a public utility or utility district, shall notify the utility of the location of the generator.

CHAPTER 201

An act to amend Section 2884 of the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 20, 1988. Filed with Secretary of State June 21, 1988.]

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

SECTION 1. (a) The Legislature hereby finds and declares as follows:

(1) Changes in the policy and technological environment for telephone service promise a plethora of new and valuable services for telephone subscribers, and the development and emergence of these new services is a matter of vital public concern.

(2) It is in the interest of the people of California for telephone subscribers to be able to selectively access information services via the telephone.

(3) It is also in the interest of the people of California that parents of young children and others who wish to refuse access to information services may do so, without incurring additional telephone charges.

(4) A careful balancing of the First Amendment and privacy rights of telephone subscribers and information providers, as well as the need to stimulate the growth of a responsible, economically viable information service industry, should guide the Public Utilities Commission in the adoption of regulations and tariffs for these services.

(b) It is, therefore, the intent of the Legislature, in enacting amendments to Section 2884 of the Public Utilities Code, to accomplish these purposes and policies.

SEC. 2. Section 2884 of the Public Utilities Code is amended to read:

2884. (a) The commission shall, pursuant to its existing authority, by rule or order, establish procedures governing telephone corporation billing practices and operations to require every telephone corporation, on and after July 1, 1986, or on and after another date or dates which the commission finds and determines to be appropriate and feasible with respect to the capability of particular telephone equipment, to offer residential subscribers the option of deleting access to a class of information-access telephone service, commonly referred to as "976 service," whereby recorded commercial, informational, or public service messages, interactive computer programs, and other services, are provided for a charge, in addition to the basic local exchange charge, to the person calling.

The commission shall specify a method or methods for telephone corporations to institute this deletion of access option for residential

subscribers, taking into consideration the operational requirements of the various types of telephone equipment in use throughout the state. The commission shall impose no charge on residential telephone subscribers for this deletion of access option, and shall require telephone corporations to refund to subscribers any amounts paid prior to the effective date of the amendments to this section enacted in 1988 for deletion of access. The commission shall determine and implement a method by which telephone corporations shall be recompensed for the expenses of providing this deletion of access option.

(b) The commission shall require every telephone corporation which furnishes information-access telephone service to make available a separate, easily distinguishable telephone prefix number for information providers which provide messages which constitute harmful matter and for those who provide other than messages which constitute harmful matter, and to request every information provider to designate which prefix corresponds to the type of messages it proposes to provide. Any information provider which provides any live or recorded message constituting harmful matter through any information-access telephone number other than one within the prefix assigned to information providers furnishing messages constituting harmful matter is in violation of Section 2111. The commission shall require the telephone corporation to offer residential subscribers the option of deleting access to the telephone prefix number by which messages constituting harmful matter are accessed, pursuant to subdivision (a), and shall determine and implement a method by which a telephone corporation shall be recompensed for the expenses of providing this deletion of access option to residential subscribers.

(c) The commission shall require telephone corporations and providers of information-access telephone services to institute a method of handling subscriber complaints concerning these services, which shall include provision for a waiver of certain or all of the charges for these services for a first occasion of their inadvertent or mistaken use.

(d) As used in this section, "harmful matter" means harmful matter as defined in subdivision (a) of Section 313 of the Penal Code.

(e) 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 the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

(f) This section shall become inoperative on July 1, 1991, and, as of January 1, 1992, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1992, deletes or extends the date on which it becomes inoperative and is repealed.

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

immediate effect. The facts constituting the necessity are:

In order to, as quickly as possible, provide for segmentation of information access telephone services, to eliminate charges to residential telephone subscribers for deletion of access to information services, and to clarify the responsibilities of the Public Utilities Commission in this regard to provide protection to residential subscribers from unwanted information services, it is necessary that this act take effect immediately.

CHAPTER 202

An act to add Section 4034.1 to the Business and Professions Code, relating to healing arts.

[Approved by Governor June 23, 1988. Filed with Secretary of State June 23, 1988.]

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

SECTION 1. The Legislature finds and declares that with the advent of home health care, new relationships between pharmacies, hospitals, and patients have developed in servicing the needs of the home health care patient. In order to best facilitate those needs and provide the highest quality of care for the patient, it sometimes necessitates the division of services between pharmacies providing complete home health care services and those pharmacies engaging in the compounding of parenteral medications. The Legislature finds and declares that the law needs to be clarified by adding Section 4034.1 to the Business and Professions Code. It is the intent of the Legislature that the change will not increase the overall cost of delivery of goods and services to the home health care patient. It is further the intent of the Legislature that the State Board of Pharmacy continue to retain full jurisdiction over the pharmacies contracting for those services.

SEC. 2. Section 4034.1 is added to the Business and Professions Code, to read:

4034.1. Notwithstanding Section 4034, "manufacturer" shall not mean a pharmacy compounding a drug for parenteral therapy, pursuant to a prescription, for delivery to another pharmacy for the purpose of delivering or administering the drug to the prescription patient provided that neither the components for the drug nor the drug are compounded, fabricated, packaged, or otherwise prepared prior to receipt of the prescription.

Any pharmacy which contracts to compound a drug for parenteral therapy, pursuant to a prescription, for delivery to another pharmacy shall report that contractual arrangement to the board. That information shall be reported by the pharmacy performing the compounding services within 30 days of commencing that

compounding.

CHAPTER 203

An act to amend Section 9889.75 of the Business and Professions Code, relating to warranties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 23, 1988. Filed with Secretary of State June 23, 1988]

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

SECTION 1. Section 9889.75 of the Business and Professions Code, as added by Chapter 1280 of the Statutes of 1987, is amended to read:

9889.75. The New Motor Vehicle Board in the Department of Motor Vehicles shall, in accordance with the procedures prescribed in this section, administer the collection of fees for the purposes of fully funding the administration of this chapter.

(a) There is hereby created in the Automotive Repair Fund a Certification Account. Fees collected pursuant to this section shall be deposited in the Certification Account and shall be available, upon appropriation by the Legislature, exclusively to pay the expenses incurred by the bureau in administering this chapter. If at the conclusion of any fiscal year the amount of fees collected exceeds the amount of expenditures for that purpose during that fiscal year, the surplus in the Certification Account shall be carried over into the succeeding fiscal year.

(b) Beginning July 1, 1988, and on or before May 1 of each calendar year thereafter, every manufacturer shall file with the New Motor Vehicle Board a statement of the number of motor vehicles sold, leased, or otherwise distributed by or for the manufacturer in this state during the preceding calendar year, and shall, upon written notice delivered to the manufacturer by certified mail, return receipt requested, pay to the New Motor Vehicle Board a fee, not to exceed one dollar ($1) for each motor vehicle sold, leased, or distributed by or for the manufacturer in this state during the preceding calendar year. The total fee paid by each manufacturer shall be rounded to the nearest dollar in the manner described in Section 9559 of the Vehicle Code. No more than one dollar ($1) shall be charged, collected, or received from any one or more manufacturer pursuant to this subdivision with respect to the same motor vehicle.

(c) (1) The fee required by subdivision (b) is due and payable no later than 30 days after the manufacturer has received notice of the amount due and is delinquent after that time. A penalty of 10 percent of the amount delinquent shall be added to that amount, if the

delinquency continues for more than 30 days.

(2) In the event that a manufacturer fails to file the statement required by subdivision (b) by the date specified, the New Motor Vehicle Board shall assess the amount due from the manufacturer by using as the number of motor vehicles sold, leased, or otherwise distributed by or for the manufacturer in this state during the preceding calendar year the total number of new registrations of all motor vehicles sold, leased, or otherwise distributed by or for the manufacturer during the preceding calendar year.

(d) On or before February 1 of each calendar year, the bureau shall notify the New Motor Vehicle Board of the dollar amount necessary to fully fund the program established by this chapter during the following fiscal year. The New Motor Vehicle Board shall use this information in calculating the amounts of the fees to be collected from manufacturers pursuant to this section.

(e) For the purposes of this section, "motor vehicle" means a new passenger or commercial motor vehicle of a kind that is required to be registered under the Vehicle Code, but the term does not include a motorcycle, a motor home, or any vehicle whose gross weight exceeds 10,000 pounds.

(f) The New Motor Vehicle Board may adopt regulations to implement this section. The regulations shall include, at a minimum, a formula for calculating the fee, established pursuant to subdivision (b), for each motor vehicle and the total amount of fees to be collected from each manufacturer.

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:

Chapter 1280 of the Statutes of 1987 established a program in the Bureau of Automotive Repair to certify the operation of third-party dispute resolution processes under the state's "Lemon Law" and imposed fees on auto manufacturers to fund that program. Both the program and fee collections are scheduled to become operative on July 1, 1988. In order to establish a more efficient, less costly method of collecting fees from auto manufacturers to fund the certification program before it begins operation, it is necessary that this act take effect immediately.

CHAPTER 204

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

[Approved by Governor June 23, 1988. Filed with Secretary of State June 23, 1988.]

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

SECTION 1. (a) Pursuant to Section 5096.96 of the Public Resources Code, the Orange County Harbors, Beaches and Parks District, or any successor agency, may convert the Lower Santiago Creek Regional Park, which was acquired with a grant of state funds appropriated in category (183) of Item 412A of Section 2.8A of the Budget Act of 1974 (Chapter 1522 of the Statutes of 1974) and disbursed pursuant to Agreement Number 30-0020, to other uses, if the district, or any successor agency, uses the proceeds of the sale to do either of the following:

(1) Acquire substitute parklands which are of equal or greater fair market value than the converted park.

(2) Develop new recreational facilities on existing parklands and expend for those facilities an amount that is not less than the fair market value of the converted park.

(b) Prior to making the conversion, the district, or any successor agency, shall enter into an agreement with the Department of Parks and Recreation governing the use of the substitute parklands to be acquired or the new recreational facilities to be developed.

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 a water district project essential to a substantial portion of Orange County water distribution plans may be commenced in conjunction with the United States Army Corps of Engineers as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 205

An act to amend Section 6361.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 23, 1988. Filed with Secretary of State June 23, 1988.]

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

SECTION 1. Section 6361.5 of the Revenue and Taxation Code is amended to read:

6361.5. Any public or private school, school district, county office of education, or student organization is a consumer of, and shall not be considered a retailer within the provisions of this part with respect to yearbooks and catalogs prepared for or by it and distributed to students.

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, if any, 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. However, the provisions of this act shall become operative on the first day of the first calendar quarter commencing more than 90 days after the effective date of this act.

CHAPTER 206

An act to add and repeal Section 14407.5 of the Welfare and Institutions Code, relating to medical assistance.

[Approved by Governor June 23, 1988. Filed with Secretary of State June 23, 1988.]

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

SECTION 1. It is the intent of the Legislature to test the cost effectiveness of guaranteed eligibility or lock-ins, or both, as an incentive for Medi-Cal beneficiaries to voluntarily enroll in prepaid health plans.

SEC. 2. The goal of this pilot program is to test the following assumptions:

(a) That continuity of prepaid health plan enrollment and the resulting continuity of care can improve the health status of voluntary prepaid health plan enrollees and avoid Medi-Cal health care expenditures which would otherwise be experienced.

(b) That guaranteed eligibility and a corresponding lock-in period are an effective incentive for Medi-Cal beneficiaries to voluntarily enroll in prepaid health plans, resulting in increased prepaid health plan enrollment without increased administrative costs.

(c) That the state and the prepaid health plan will experience administrative cost savings from guaranteed eligibility or lock-in, or both.

The department shall prepare the necessary methodology required to ensure that accurate data gathering procedures are included in all contracts with prepaid health plans who participate in the pilot project.

SEC. 3. Section 14407.5 is added to the Welfare and Institutions Code, to read:

14407.5. (a) If the State Director of Health Services determines that it is cost-effective and secures the necessary federal waivers, the department shall implement pilot programs to test the enrollment incentives, the improvement in health status, and the cost effectiveness of guaranteed eligibility and lock-ins. The department shall choose a mixture of public and private nonprofit plans that are eligible to participate under the provisions of Section 1902(e) (2) (A) (B) of Title 19 of the Social Security Act (42 U.S.C.A. Sec. 1396a (e) (2) (A) (B)), county health maintenance organizations which provide services pursuant to Section 25209.6 of the Government Code, or county health plans under Article 2.8 (commencing with Section 14087.5) of Chapter 7, in order to ensure sufficient enrollees to test the assumptions contained in Section 3 of the act adding this section.

(b) In order to ensure that the pilot project will generate sufficient data to determine its cost-effectiveness, the department may limit application of this section to any specific Medi-Cal aid categories which it determines to be cost effective and may guarantee eligibility or lock-in or both for a period of time, not to exceed six months in accordance with federal law. The pilot project shall not be implemented, unless and until the director determines that there would be no net costs to the state in implementing this pilot project. Each beneficiary who accepts this offer may not disenroll from the prepaid health plan during this eligibility period except for good cause. For the purpose of this section, good cause shall be limited to the following circumstances:

(1) The beneficiary is enrolled in violation of this article or in violation of the regulations adopted by the department pursuant to this article.

(2) The beneficiary moves outside of the service area of the prepaid health plan in which the beneficiary is enrolled.

(3) The prepaid health plan reduces the scope or level of services it offered to Medi-Cal enrollees at the time the beneficiary elected to enroll in the plan except where the reduction also occurs in the Medi-Cal fee-for-service program.

(4) The disenrollment is requested by the prepaid health plan and

approved by the department because the beneficiary fraudulently uses, or permits to be used fraudulently, the beneficiary's Medi-Cal coverage under the plan.

(5) The disenrollment is requested by the prepaid health plan or the beneficiary and approved by the department because of a breakdown in the physician-patient relationship occurs involving the beneficiary which is irreconcilable after having been processed through the plan's patient relations and grievance systems.

(6) The beneficiary requires services excluded under the prepaid health plan contract for which the beneficiary, except for the existence of the pilot project, would be disenrolled from the plan.

(c) Long-term care services provided in skilled nursing and intermediate care facilities, as licensed by the department, shall not be included in the pilot project authorized under this section.

(d) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 4. The State Department of Health Services shall evaluate the cost effectiveness of the demonstration program prescribed by this act for the state and federal government. The department shall also assess the effectiveness of the enrollment incentives and the continuity of care provided for in the program on the health status of the Medi-Cal beneficiaries. The department shall report to the Legislature its findings on the outcome of the assumptions delineated in Section 2 of this act by December 15, 1990.

CHAPTER 207

An act to add Section 16424 to the Government Code, and to amend Section 10383.5 of the Public Contract Code, relating to state funds.

[Approved by Governor June 27, 1988. Filed with Secretary of State June 27, 1988]

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

SECTION 1. Section 16424 is added to the Government Code, to read:

16424. The Surplus Personal Property Revolving Fund in the State Treasury, created by Section 10383.5 of the Public Contract Code, is abolished. On January 1, 1989, the Controller shall transfer the assets, liabilities, and surplus in that fund to the Service Revolving Fund. Any reference in state law to the "Surplus Personal Property Revolving Fund" shall mean the Service Revolving Fund.

SEC. 2. Section 10383.5 of the Public Contract Code is amended to read:

10383.5. The cash resources of the Surplus Property - Hardware

Program from surplus-personal property transferred to this state in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. Sec. 484(j)) shall be deposited in the Service Revolving Fund in the State Treasury, created pursuant to Section 16420 of the Government Code. All costs of the Department of General Services attributable to the distribution of surplus personal property pursuant to this article shall be paid from the Service Revolving Fund.

CHAPTER 208

An act to add Section 13332.17 to the Government Code, relating to state procurement.

[Approved by Governor June 27, 1988 Filed with Secretary of State June 27, 1988]

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

SECTION 1. Section 13332.17 is added to the Government Code, to read:

13332.17. Purchase estimates for supplies or equipment submitted to the Department of General Services pursuant to Section 10311 of the Public Contract Code which are received during the last 90 days of a fiscal year and for which a purchase order award is pending at the end of that fiscal year, may be awarded during the initial 60 days of the subsequent fiscal year. The 60-day period shall be extended commensurate with the time required to resolve any protest filed pursuant to Section 10306 of the Public Contract Code.

Notwithstanding any other provision of law and regardless of the date of receipt of the materials, supplies or equipment, the date of expenditure and encumbrance for a purchase authorized by this section shall be construed to be the last day of the fiscal year in which the purchase estimate is received by the department. A purchase order awarded in accordance with the provisions of this section shall cite this section and the actual date of award.

CHAPTER 209

An act to add Article 10.5 (commencing with Section 25215) to Chapter 6.5 of Division 20 of the Health and Safety Code, relating to hazardous waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 27, 1988. Filed with Secretary of State June 27, 1988]

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

SECTION 1. Article 10.5 (commencing with Section 25215) is added to Chapter 6.5 of Division 20 of the Health and Safety Code, to read:

Article 10.5. Management of Lead Acid Batteries

25215. The Legislature finds and declares all of the following:

(a) There are currently 24 million motor vehicles registered in this state and each contains a lead acid battery for starting, lighting, and ignition applications.

(b) An estimated 8 million used lead acid batteries are generated and replaced in this state each year. The average lead acid battery contains 17.5 pounds of lead, 1.5 gallons of sulfuric acid, and 1.6 pounds of polypropylene.

(c) There has existed an efficient and comprehensive recycling process whereby used lead acid batteries are returned by the consumer to the lead acid battery retailer when a new lead acid battery is purchased by the consumer, often involving an "exchange" discount. These returned lead batteries are then picked up and eventually transported to secondary lead smelters who then reclaim the lead and polypropylene for use in new batteries and other products and neutralize the sulfuric acid.

(d) This lead acid battery recycling process is losing its comprehensive nature and, in recent years, an estimated 30 percent of all used lead acid batteries nationwide are not finding their way into the recycling process. In California, this gap translates into 2.4 million used lead acid batteries escaping the recycling process each year.

(e) The decline in the lead acid battery recycling process is due to a combination of depressed lead prices, higher operating costs, and an erosion in the exchange process between the consumer and retailer of lead acid batteries. Increasing numbers of consumers are not returning their old lead acid batteries when purchasing new ones and increasing numbers of distributors and retailers are not accepting used lead acid batteries.

(f) While there are no data on where these batteries are going, it is very likely that they are being stored indefinitely in private

garages, or disposed of in municipal sanitary landfills, on roadsides, in ditches, under bridges, in bodies of water, and at secluded locations.

(g) These 2.4 million unrecycled lead acid batteries are not being disposed of properly and represent the introduction of 210,000 tons of lead, 3 million gallons of sulfuric acid, and 3.2 million pounds of polypropylene, all hazardous waste, into the environment each year.

(h) The introduction of these volumes of hazardous waste poses a significant and unacceptable risk to the public health and safety and steps need to be taken to attain the renewed viability of the lead acid battery recycling process.

(i) If consumers and retailers were encouraged to return and collect these used lead acid batteries for the recycling process, a major source of hazardous waste that is presently being disposed of improperly could be successfully eliminated.

25215.1. For purposes of this article, the following definitions shall apply:

(a) "Consumer" means every person who, for his or her use or consumption, purchases a lead acid battery.

(b) "Dealer" means every person who engages in the sale of lead acid batteries directly to consumers.

(c) "Lead acid battery" means any battery which is primarily composed of both lead and sulfuric acid, with a capacity of six volts or more, and which is used for any of the following purposes:

(1) As a starting battery which is designed to deliver a high burst of energy necessary to crank an engine until it starts.

(2) As a motive power battery which is designed to provide the sources of power for propulsion or operation.

(3) As a stationary standby battery which is designed to be used in systems where the battery acts as a source of emergency power, serving as a backup in case of failure or interruption in the flow of power from the primary source.

25215.2. (a) Except as provided in subdivision (b), no person shall dispose, or attempt to dispose, of a lead acid battery at a solid waste facility, or on or in any land, surface waters, watercourses, or marine waters.

(b) A person may dispose of a lead acid battery at any of the following locations:

(1) A facility established and operated for the purpose of recycling, or providing for the eventual recycling of, lead acid batteries, including a facility located at a solid waste facility.

(2) An establishment which is a dealer pursuant to Section 25215.3.

(c) This section shall become operative on January 1, 1989.

25215.3. (a) A dealer shall accept, when offered at the point of transfer, a lead acid battery from a consumer in exchange for the new lead acid battery purchased by that consumer from the dealer.

(b) This section shall become operative on January 1, 1989.

25215.4. The department shall, within 30 days after the effective

date of the act enacting this section, notify all manufacturers of lead acid batteries sold by dealers to consumers in this state of the requirements set forth in Section 25215.2, 25215.3, and 25215.5.

25215.5. Each manufacturer of lead acid batteries sold by dealers to consumers in this state shall, within 60 days after the effective date of the act enacting this section, notify the distributors, wholesalers, and dealers of the lead acid batteries it manufactures of the requirements set forth in Sections 25215.2 and 25215.3.

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 begin reducing the number of lead acid batteries being improperly disposed of into the environment on the earliest possible date, and thereby protect public health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 210

An act to amend Sections 74023 and 74030 of the Government Code, relating to courts.

[Approved by Governor June 27, 1988 Filed with Secretary of State June 27, 1988]

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

SECTION 1. 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.

(e) One account clerk I, II, or III.

(f) One half-time secretary I, II, or III.

SEC. 2. 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	49.0
Supervising municipal court clerk	37.5
Deputy clerk, municipal court clerk I	31.5
Deputy clerk, municipal court clerk II	33.5
Deputy clerk, master calendar clerk	36.5
Senior municipal court clerk	35.5
Account clerk I	30.5
Account clerk II	32.5
Account clerk III	34.5
Secretary I	28.5
Secretary II	30.5
Secretary III	32.5

(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. 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 211

An act to amend Sections 607, 5153, 5153.5, 14236, 14820, and 14821 of, to add Section 3576 to, and to repeal Sections 3756 and 4092 of, the Elections Code, relating to elections.

[Approved by Governor June 27, 1988. Filed with Secretary of State June 27, 1988]

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

SECTION 1. 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, scholarly or political research, or governmental purposes as determined by the Secretary of State.

SEC. 2. Section 3576 is added to the Elections Code, to read:

3576. Not less than 20 days before he or she submits the copy for the ballot pamphlet to the State Printer, the Secretary of State shall make the copy available for public examination. Any voter may seek a writ of mandate requiring any copy to be amended or deleted from the ballot pamphlet. A peremptory writ of mandate shall issue only upon clear and convincing proof that the copy in question is false, misleading, or inconsistent with the requirements of this code or Chapter 8 (commencing with Section 88000) of Title 9 of the Government Code, and that issuance of the writ will not substantially interfere with the printing and distribution of the ballot pamphlet as required by law. Venue for a proceeding under this section shall be exclusively in Sacramento County. The Secretary of State shall be named as the respondent and the State Printer and the person or official who authored the copy in question shall be named as real parties in interest. If the proceeding is initiated by the Secretary of State, the State Printer shall be named as the respondent.

SEC. 3. Section 3756 of the Elections Code is repealed.

SEC. 4. Section 4092 of the Elections Code is repealed.

SEC. 5. Section 5153 of the Elections Code is amended to read:

5153. (a) 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.

(b) 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.

(c) The clerk of the district shall notify the proponents of the petition as to the sufficiency or insufficiency of the petition.

(d) 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.

(e) 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.

SEC. 6. Section 5153.5 of the Elections Code is amended 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.

SEC. 7. Section 14236 of the Elections Code is amended to read:

14236. The precinct officers shall keep a list of the voters who have been assisted in marking their ballots. The list of assisted voters shall be returned to the clerk and preserved with other election materials and records.

SEC. 8. Section 14820 of the Elections Code is amended to read:

14820. (a) The following provisions shall apply to those elections where candidates for one or more of the following offices are voted upon: President, Vice President, United States Senator, and United States Representative.

(b) The elections official shall preserve the package or packages containing the following items for a period of 22 months:

(1) Two tally sheets.

(2) The copy of the index used as the voting record.

(3) The challenge lists.

(4) The assisted voters list.

(c) All voters may inspect the contents of the package or packages at all times following commencement of the official canvass of the votes.

(d) If a contest is not commenced within the 22-month period, or if a criminal prosecution involving fraudulent use, marking, or falsification of ballots or forgery of absent voters' signatures is not commenced within the 22-month period, either of which may involve the vote of the precinct from which voted ballots were received, the elections official may have the packages destroyed or recycled.

SEC. 9. Section 14821 of the Elections Code is amended to read:

14821. (a) The following provisions shall apply to all state or local elections not provided for in subdivision (a) of Section 14820. An election is not deemed a state or local election if votes for candidates for federal office may be cast on the same ballot as votes for candidates for state or local office.

(b) The elections official shall preserve the package or packages containing the following items for a period of six months:

(1) Two tally sheets.

(2) The copy of the index used as the voting record.

(3) The challenge lists.

(4) The assisted voters list.

(b) All voters may inspect the contents of the package or packages at all times following commencement of the official canvass of the votes.

(c) If a contest is not commenced within the six-month period, or if a criminal prosecution involving fraudulent use, marking or falsification of ballots, or forgery of absent voters' signatures is not commenced within the six-month period, either of which may involve the vote of the precinct from which voted ballots were received, the election official may have the packages destroyed or recycled.

CHAPTER 212

An act to amend Section 739 of, and to add Sections 739.6 and 739.7 to, the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1988 Filed with Secretary of State June 28, 1988]

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

SECTION 1. (a) The Legislature finds and declares as follows:

(1) The rates for gas service in excess of the baseline quantity are too high, and cause extremely high residential bills during cold weather.

(2) The Public Utilities Commission should have greater flexibility in establishing rates for baseline service, in order to protect residential ratepayers from excessive rate increases and high winter gas bills.

(b) It is therefore the intent of the Legislature in enacting this act to grant the Public Utilities Commission greater flexibility in pricing the baseline quantity of service, while at the same time assuring the residential ratepayers that in the future they will not be economically worse off, relative to other customers, than they are currently as a consequence of changes in baseline rates pursuant to the amendments to Section 739 of the Public Utilities Code enacted by this act.

SEC. 2. Section 739 of the Public Utilities Code is amended to read:

739. (a) The commission shall designate a baseline quantity of gas and electricity which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer. In estimating those quantities, the commission shall take into account differentials in energy needs between customers whose residential energy needs are currently supplied by electricity alone or by both electricity and gas. The commission shall develop a separate baseline quantity for all-electric residential customers. For these purposes, "all-electric residential customers" are residential customers having electrical service only or whose space heating is provided by electricity, or both. The commission shall also take into account differentials in energy use by climatic zone and season.

(b) The commission shall establish a standard limited allowance which shall be in addition to the baseline quantity of gas and electricity for residential customers dependent on life support equipment, including, but not limited to, emphysema and pulmonary patients. A residential customer dependent on life support equipment shall be given a higher energy allocation than the average residential customer.

"Life support equipment" means that equipment which utilizes

mechanical or artificial means to sustain, restore, or supplant a vital function, or mechanical equipment which is relied upon for mobility both within and outside of buildings. "Life support equipment," as used in this subdivision, includes all of the following: all types of respirators, iron lungs, hemodialysis machines, suction machines, electric nerve stimulators, pressure pads and pumps, aerosol tents, electrostatic and ultrasonic nebulizers, compressors, IPPB machines, and motorized wheelchairs.

The limited additional allowance shall also be made available to paraplegic and quadriplegic persons in consideration of the increased heating needs of those persons.

The limited additional allowance shall also be made available to multiple sclerosis patients in consideration of the increased heating and cooling needs of those persons.

(c) (1) The commission shall require that every electrical and gas corporation file a schedule of rates and charges providing baseline rates. The baseline rates shall apply to the first or lowest block of an increasing block rate structure which shall be the baseline quantity and shall be established for the residential consumption of gas and electricity. In establishing these rates, the commission shall avoid excessive rate increases for residential customers, and shall establish an appropriate gradual differential between the rates for the respective blocks of usage.

(2) In establishing residential electric and gas rates, including baseline rates, the commission shall assure that the rates are sufficient to enable the electrical corporation or gas corporation to recover a just and reasonable amount of revenue from residential customers as a class, while observing the principle that electricity and gas services are necessities, for which a low affordable rate is desirable.

(d) As used in this section:

(1) "Baseline quantity" means a quantity of electricity or gas for residential customers to be established by the commission based on from 50 to 60 percent of average residential consumption of these commodities, except that, for residential gas customers and for all-electric residential customers, the baseline quantity shall be established at from 60 to 70 percent of average residential consumption during the winter heating season. In establishing the baseline quantities, the commission shall take into account climatic and seasonal variations in consumption and the availability of gas service. The commission shall review and revise baseline quantities as average consumption patterns change in order to maintain these ratios.

(2) "Residential customer" means those customers receiving electrical or gas service pursuant to a domestic rate schedules and excludes industrial, commercial, and every other category of customer.

(e) Wholesale electrical or gas purchases and the rates charged therefor are exempt from the provisions of this section.

(f) Nothing contained in this section shall be construed to prohibit experimentation with alternative gas or electrical rate schedules for the purpose of achieving energy conservation.

(g) The commission shall establish a program of assistance to low-income electric and gas customers, the cost of which shall not be borne solely by any single class of customer.

SEC. 3. Section 739.6 is added to the Public Utilities Code, to read:

739.6. The commission shall establish rates using cost allocation principles that fairly and reasonably assign to different customer classes the costs of providing service to those customer classes, consistent with the policies of affordability and conservation. The cost allocation methodology adopted for gas corporations by the commission in Decisions 86-12-009 and 86-12-010, as supplemented by Decisions 87-05-046 and 87-12-039, is consistent with this policy, and shall be retained by the commission at least until December 31, 1990, except that the commission may modify this cost allocation methodology to address customer hardships and inequities if residential customers as a class are not, on balance, adversely affected and the purpose of the modification is not solely protection of gas corporation revenues. If any gas corporation files a cost allocation application seeking to change that methodology after May 1, 1990, the commission may not issue an order on that application until January 1, 1991.

SEC. 4. Section 739.7 is added to the Public Utilities Code, to read:

739.7. In establishing residential rates, the commission shall reduce high nonbaseline residential rates as rapidly as possible. If the commission increases baseline rates pursuant to Section 739, revenues resulting from those increases shall be used exclusively to reduce nonbaseline residential rates. In any event, baseline rates may not be increased so as to result in the substantial elimination of any significant differential between baseline and nonbaseline residential rates in less than 30 months following the effective date of this section.

SEC. 5. Immediately upon the effective date of this act, the Public Utilities Commission shall reduce rates charged for usage over baseline by each electrical corporation and gas corporation, and shall institute appropriate proceedings to accomplish this. If the commission increases baseline rates, it shall apply all revenue derived from that increase to a reduction of the rate charged for residential service over baseline. The reduced rates shall be in effect not later than November 1, 1988.

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:

An emergency exists for the immediate effectiveness of this act due to the extremely high residential rates for electrical and gas

service that the Public Utilities Commission has established, with the consequence that residential ratepayers are at risk for unreasonably high winter heating bills in the 1988–89 winter season.

CHAPTER 213

An act to add Section 509.3 to the Elections Code, relating to elections.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 509.3 is added to the Elections Code, to read:

509.3. The Secretary of State shall prepare and print or cause to be printed an appropriate logo that may be displayed on the windows of offices, stores, and other establishments indicating the availability of voter registration cards for the public. The Secretary of State, upon request, shall provide these logos free of charge to any person or organization who distributes voter registration cards.

CHAPTER 214

An act to amend Section 3046 of the Penal Code, relating to sentences.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988]

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

SECTION 1. Section 3046 of the Penal Code is amended to read:

3046. No prisoner imprisoned under a life sentence may be paroled until he or she has served at least seven calendar years or has served a term as established pursuant to any other section of law that establishes a minimum period of confinement under a life sentence before eligibility for parole, whichever is greater. Where two or more life sentences are ordered to run consecutively to each other pursuant to Section 669, no prisoner so imprisoned may be paroled until he or she has served at least seven calendar years, or has served a term as established pursuant to any other section of law that establishes a minimum period of confinement under a life sentence before eligibility for parole, on each of the life sentences which are ordered to run consecutively, whichever is greater. The Board of Prison Terms shall, in considering a parole for a prisoner, consider

all statements and recommendations which may have been submitted by the judge, district attorney, and sheriff, pursuant to Section 1203.01, or in response to notices given under Section 3042, and recommendations of other persons interested in the granting or denying of the parole. The board shall enter on its order granting or denying parole to these prisoners, the fact that the statements and recommendations have been considered by it.

CHAPTER 215

An act to amend Section 7184 of the Health and Safety Code, relating to anatomical donors.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988]

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

SECTION 1. Section 7184 of the Health and Safety Code is amended to read:

7184. (a) Each general acute care hospital shall develop a protocol for identifying potential organ and tissue donors. The protocol shall require that any deceased individual's next of kin or other individual, as set forth in Section 7151.5, at or near the time of notification of death be asked whether the deceased was an organ donor or if the family is a donor family. If not, the family shall be informed of the option to donate organs and tissues pursuant to Chapter 3.5 (commencing with Section 7150) of Part 1 of Division 7. With the approval of the designated next of kin or other individual, as set forth in Section 7151.5, the hospital shall then notify an organ and tissue procurement organization and cooperate in the procurement of the anatomical gift or gifts. The protocol shall encourage reasonable discretion and sensitivity to the family circumstances in all discussions regarding donations of tissue or organs. The protocol may take into account the deceased individual's religious beliefs or obvious nonsuitability for organ and tissue donation. In the event an organ and tissue procurement organization does not exist in a region, the hospital shall contact an organ or a tissue procurement organization, as appropriate. Laws pertaining to notification of the coroner shall be complied with in all cases of reportable deaths.

(b) A general acute care hospital shall comply with subdivision (a) as a condition of participation in the Medi-Cal program contained in Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.

CHAPTER 216

An act to amend Sections 503, 651, 651.5, and 668 of the Harbors and Navigation Code, and to amend Section 193.5 of the Penal Code, relating to boating and waterways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988]

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

SECTION 1. Section 503 of the Harbors and Navigation Code is amended to read:

503. (a) A lienholder shall apply to the department for the issuance of an authorization to conduct a lien sale pursuant to the provisions of this section for any vessel with a value determined to be over one thousand five hundred dollars ($1,500). A fee shall be charged by the department and may be recovered by the lienholder if a lien sale is conducted or if the vessel is redeemed. The application shall be executed under penalty of perjury and shall include all of the following information:

(1) A description of the vessel, including make, hull identification number, and state of registration, to the extent available.

(2) The names and addresses of the registered and legal owners of the vessel, if ascertainable from the registration certificate within the vessel, and the name and address of any person whom the lienholder knows or reasonably should know claims a proprietary interest in the vessel.

(3) A statement of the amount of the lien and the facts which give rise to the lien. The statement shall include, as a separate item, an estimate of any additional storage costs accruing pending the lien sale.

(b) Upon receipt of an application made pursuant to subdivision (a), the department shall within 15 days thereafter do the following:

(1) Notify the vessel registry agency of a foreign state of the pending lien sale, if the vessel bears indicia of registration in that state.

(2) By mail, send a notice, a copy of the application, and a return envelope preaddressed to the department to the registered and legal owners at their addresses of record with the department, and to any other person whose name and address is listed in the application.

(3) A vessel registration stop order or title transfer stop order shall be applied by the department at the time the lien claimant requests authorization to conduct the sale.

(c) The notice required pursuant to subdivision (b) shall include all of the following statements:

(1) An application has been made with the department for authorization to conduct a lien sale and the department has placed

a vessel registration stop order or title transfer stop order on the vessel.

(2) Each person to whom notice is sent pursuant to subdivision (b) is entitled to a hearing in court if that person so desires.

(3) If a hearing in court is desired, a declaration of opposition, signed under penalty of perjury, is required to be signed and returned to the department within 15 days of the date that the notice required pursuant to subdivision (b) was mailed.

(4) If the declaration of opposition is signed and returned to the department, the lienholder will be allowed to sell the vessel only if he or she obtains a court judgment or a subsequent release from the declarant.

(5) If a court action is filed, the declarant will be served by mail with legal process in the court proceedings at the address shown on the declaration of opposition and may appear to contest the claim.

(6) The person may be liable for court costs if a judgment is entered in favor of the lienholder.

(d) If the department receives the declaration of opposition in the time provided, the department shall notify the lienholder within 16 days of the receipt of the declaration of opposition that a lien sale shall not be conducted unless the lienholder files an action in court within 60 days of the notice. A lien sale of the vessel shall not be conducted unless judgment is subsequently entered in favor of the lienholder or the declarant subsequently releases his or her interest in the vessel.

(e) Service of legal process on the declarant, with return receipt requested signed by the declarant or an authorized agent of the declarant at the address shown on the declaration of opposition, shall be effective. Return of a declaration of opposition shall constitute consent by the declarant to service of legal process for the desired court hearing upon him or her in the foregoing manner. Notwithstanding subdivision (d) of Section 415.3 of the Code of Civil Procedure, if the lienholder has attempted service upon declarant by that method at the address shown on the declaration of opposition and the mail has been returned unclaimed, the department shall promptly authorize the sale.

(f) Upon receipt of authorization to conduct the lien sale, the lienholder shall do all of the following:

(1) At least 10 days, but not more than 30 days, prior to the lien sale, not counting the day of the sale, give notice of the sale by advertising once in a newspaper of general circulation published in the county in which the vessel is located. If there is no newspaper published in the county, notice shall be given by posting a notice of sale form in three of the most public places in the area in which the vessel is located and at the place where the vessel is to be sold for 10 consecutive days prior to and including the day of the sale.

(2) Send a notice of pending lien sale 20 days prior to the sale, but not counting the day of sale, by mail with return receipt requested, to each of the following:

(A) The registered and legal owners of the vessel, if registered in this state.

(B) All persons known to have an interest in the vessel.

(C) The department.

(g) Upon receipt of the notice, the department shall mark its records and thereafter notify any person having a proprietary interest in the vessel that there is a pending lien sale and that title will not be transferred until the lien is satisfied or released.

(h) All notices required by this section, including the notice forms prescribed by the department, shall specify the make, hull identification number, and state of registration, if available, and the specific date, exact time, and place of sale.

SEC. 2. Section 651 of the Harbors and Navigation Code is amended to read:

651. As used in this chapter, unless the context clearly requires a different meaning:

(a) "Department" means the Department of Boating and Waterways.

(b) "Director" means the Director of Boating and Waterways.

(c) "Vessel" includes every description of watercraft used or capable of being used as a means of transportation on water, except the following:

(1) A seaplane on the water.

(2) A watercraft specifically designed to operate on a permanently fixed course, the movement of which is restricted to or guided on such permanently fixed course by means of a mechanical device on a fixed track or arm to which the watercraft is attached or by which the watercraft is controlled, or by means of a mechanical device attached to the watercraft itself.

(d) "Boat" means any vessel which is any of the following:

(1) Manufactured or used primarily for noncommercial use.

(2) Leased, rented, or chartered to another for the latter's noncommercial use.

(3) Engaged in the carrying of six or fewer passengers, including those for-hire vessels carrying more than three passengers while using inland waters of the state that are not declared navigable by the United States Coast Guard.

(4) Commercial vessels required to be numbered pursuant to Section 9850 of the Vehicle Code.

(e) "Motorboat" means any vessel propelled by machinery, whether or not the machinery is the principal source of propulsion, but shall not include a vessel which has a valid marine document issued by the United States Coast Guard or any federal agency successor thereto.

(f) "Owner" is a person having all the incidents of ownership, including the legal title, of a vessel whether or not that person lends, rents, or pledges the vessel; the person entitled to the possession of a vessel as the purchaser under a conditional sale contract; or the mortgagor of a vessel. "Owner" does not include a person holding

legal title to a vessel under a conditional sale contract, the mortgagee of a vessel, or the renter or lessor of a vessel to the state or to any county, city, district, or political subdivision of the state under a lease, lease-sale, or rental-purchase agreement which grants possession of the vessel to the lessee for a period of 30 consecutive days or more.

(g) "Legal owner" is a person holding the legal title to a vessel under a conditional sale contract, the mortgagee of a vessel, or the renter or lessor of a vessel to the state, or to any county, city, district, or political subdivision of the state, under a lease, lease-sale, or rental-purchase agreement which grants possession of the vessel to the lessee for a period of 30 consecutive days or more.

(h) "Registered owner" is the person registered by the Department of Motor Vehicles as the owner of the vessel.

(i) "Waters of this state" means any waters within the territorial limits of this state.

(j) "Person" means an individual, partnership, firm, corporation, association, or other entity, but does not include the United States, the state, or a municipality or subdivision thereof.

(k) "Operator" means the person on board who is steering the vessel while underway.

(*l*) "Undocumented vessel" means any vessel which is not required to have and does not have a valid marine document issued by the United States Coast Guard or any federal agency successor thereto.

(m) "Use" means operate, navigate, or employ.

(n) "State" means a state of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

(o) "State of principal use" means the state on which waters a vessel is used or intended to be used most during a calendar year.

(p) "Passenger" means every person carried on board a vessel other than any of the following:

(1) The owner or his or her representative.

(2) The operator.

(3) Bona fide members of the crew engaged in the business of the vessel who have contributed no consideration for their carriage and who are paid for their services.

(4) Any guest on board a vessel which is being used exclusively for pleasure purposes who has not contributed any consideration, directly or indirectly, for his or her carriage.

(q) "Associated equipment" means any of the following, excluding radio equipment:

(1) Any system, part, or component of a boat as originally manufactured or any similar part or component manufactured or sold for replacement, repair, or improvement of the system, part, or component.

(2) Any accessory or equipment for, or appurtenance to, a boat.

(3) Any marine safety article, accessory, or equipment intended for use by a person on board a boat.

(r) "Manufacturer" means any person engaged in any of the following:

(1) The manufacture, construction, or assembly of boats or associated equipment.

(2) The manufacture or construction of components for boats and associated equipment to be sold for subsequent assembly.

(3) The importation into this state for sale of boats, associated equipment, or components thereof.

(s) "Drug" means any substance or combination of substances other than alcohol which could so affect the nervous system, brain, or muscles of a person as to impair to an appreciable degree his or her ability to operate a vessel in the manner that an ordinarily prudent person, in full possession of his or her faculties, using reasonable care, would operate a similar vessel under like conditions.

(t) "Water skis, an aquaplane, or a similar device" includes all forms of water skiing, barefoot skiing, skiing on skim boards, knee boards, or other contrivances, parasailing, ski kiting, or any activity where a person is towed behind or alongside a boat.

(u) "Special-use area" means all or a portion of a waterway that is set aside for specified uses or activities to the exclusion of other incompatible uses or activities.

SEC. 3. Section 651.5 of the Harbors and Navigation Code is amended to read:

651.5. The Department of Motor Vehicles shall provide every person who originally registers, or who acquires the ownership certificate of, a vessel required to be numbered pursuant to Division 3.5 (commencing with Section 9840) of the Vehicle Code with a copy of guidelines for safe vessel operation prepared by the Department of Boating and Waterways.

SEC. 4. Section 668 of the Harbors and Navigation Code is amended to read:

668. (a) Any person who violates Section 652, 654, 654.05, 654.06, 655.2, 655.3, 659, or 663.6, or any regulations adopted by the department pursuant thereto, is guilty of a misdemeanor and shall be punished by a fine of not to exceed one hundred dollars ($100) or imprisonment in the county jail for not to exceed five days, or both, for each violation.

(b) Any person who violates subdivision (a) or (b) of Section 658 is guilty of a misdemeanor and shall be punished by a fine of not to exceed two hundred dollars ($200) for each violation.

(c) Any person who violates Section 652.5, subdivision (a) of Section 655, Section 656 or 656.1, subdivision (d) or (e) of Section 658, or any rules and regulations adopted by the department pursuant to subdivision (b) or (c) of Section 660, is guilty of a misdemeanor and shall be punished by a fine of not to exceed one thousand dollars ($1,000) or imprisonment in the county jail for not to exceed six months, or both, for each violation.

(d) Any person convicted of a first violation of subdivision (b), (c), or (d) of Section 655, or of a violation of Section 655.4, shall be

punished by a fine of not to exceed one thousand dollars ($1,000) or imprisonment in the county jail for not to exceed six months, or both.

(e) Any person convicted of a second or subsequent violation of subdivision (b), (c), or (d) of Section 655 within seven years of the first conviction, or any person convicted of a violation of subdivision (b), (c), or (d) of Section 655 within seven years of a prior conviction of Section 191.5 or subdivision (c) of Section 192.5 of the Penal Code, when the prior conviction resulted from the operation of a vessel, shall be punished by a fine of not to exceed one thousand dollars ($1,000) or imprisonment in the county jail for not to exceed one year, or both.

(f) Any person convicted of a violation of subdivision (e) of Section 655 shall be punished by imprisonment in the state prison, or in the county jail for not less than 90 days or more than one year, and by a fine of not less than two hundred fifty dollars ($250) or more than five thousand dollars ($5,000).

(g) If any person is convicted of a violation of subdivision (e) of Section 655 within seven years of a prior conviction of a violation of subdivision (b), (c), or (d) of Section 655 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for not less than five days or more than one year and pay a fine of not less than two hundred fifty dollars ($250) or more than five thousand dollars ($5,000). If any person is convicted of a violation of subdivision (e) of Section 655 within seven years of a prior conviction of a violation of subdivision (e) of Section 655 or of Section 191.5 or subdivision (c) of Section 192.5 of the Penal Code, when the prior conviction resulted from the operation of a vessel, and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for not less than 90 days or more than one year, and pay fine of not less than two hundred fifty dollars ($250) or more than five thousand dollars ($5,000).

(h) The court shall not absolve a person who is convicted of a violation of subdivision (e) of Section 655 within seven years of a prior conviction of a violation of subdivision (b), (c), (d), or (e) of Section 655 or of Section 191.5 or subdivision (c) of Section 192.5 of the Penal Code, when the prior conviction resulted from the operation of a vessel, from the minimum time in confinement provided in this section and a fine of at least two hundred fifty dollars ($250), except as provided in subdivision (i).

(i) Except in unusual cases where the interests of justice demand an exception, the court shall not strike a prior conviction of an offense under subdivision (b), (c), (d), or (e) of Section 655 or of Section 191.5 or subdivision (c) of Section 192.5 of the Penal Code, when the prior conviction resulted from the operation of a vessel, for purposes of sentencing in order to avoid imposing, as part of the sentence or as a term of probation, the minimum time in confinement and the minimum fine, as provided in this section. When a prior conviction is stricken by the court for purposes of

sentencing, the court shall specify the reason or reasons for the striking order. On appeal by the people from an order striking a prior conviction, it shall be conclusively presumed that the order was made only for the reasons specified in the order, and the order shall be reversed if there is no substantial basis in the record for any of those reasons.

(j) Any person convicted of a violation of Section 656.2 or 656.3 shall be punished by a fine of not to exceed ten thousand dollars ($10,000) or imprisonment in the state prison or in the county jail for not to exceed one year, or both.

(k) Any person convicted of a violation of Section 658.5 shall be punished by a fine of not to exceed one hundred dollars ($100).

SEC. 5. Section 193.5 of the Penal Code is amended to read:

193.5. Manslaughter committed during the operation of a vessel is punishable as follows:

(a) A violation of subdivision (a) of Section 192.5 is punishable either by imprisonment in the county jail for not more than one year or by imprisonment in the state prison for two, four, or six years.

(b) A violation of subdivision (b) of Section 192.5 is punishable by imprisonment in the county jail for not more than one year.

(c) A violation of subdivision (c) of Section 192.5 is punishable either by imprisonment in the county jail for not more than one year or by imprisonment in the state prison for 16 months or two or four years.

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

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

In order to effect urgently needed changes in the law regarding vessels, and, in particular, to ensure that correct penalties are applied at the earliest possible time in cases of manslaughter committed in the operation of a vessel, it is necessary that this act take effect immediately.

CHAPTER 217

An act to add Section 1797.190 to the Health and Safety Code, relating to emergency medical services.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 1797.190 is added to the Health and Safety Code, to read:

1797.190. The authority may establish minimum standards for the training and use of automatic external defibrillators by individuals not otherwise licensed or certified for the use of the device. These standards shall apply to all individuals given a prescription for the use of such a device on patients not specifically identified at the time the physician prescribed the device. Only those individuals who meet the training and competency standards established by the authority shall be approved for, and issued a prescription authorizing them to use, an automatic external defibrillator on a patient not specifically identified when the prescription is given.

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 218

An act to amend Sections 73107, 73110, 73113, and 73121 of the Government Code, relating to courts.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 73107 of the Government Code is amended to read:

73107. There shall be one clerk of the San Bernardino County Municipal Court District to be known as the municipal court administrator who shall be appointed by, and serve at the pleasure of, a majority of the judges, from among applicants certified to such judges on the basis of a competitive examination pursuant to personnel rules and regulations of the County of San Bernardino. The municipal court administrator shall receive an annual salary of

sixty thousand dollars ($60,000) commencing July 5, 1987, and shall be the appointing authority for those positions listed in Section 73113.

SEC. 2. Section 73110 of the Government Code is amended to read:

73110. There shall be one marshal of the San Bernardino County Municipal Court District who shall be appointed by, and serve at the pleasure of, a majority of the judges and who shall receive an annual salary of fifty-eight thousand three hundred dollars ($58,300) commencing July 5, 1987. The marshal shall be the appointing power for those positions listed in Section 73113 as being appointed by the marshal.

SEC. 3. Section 73113 of the Government Code is amended to read:

73113. The number of positions within each job classification which may be filled by appointment by the municipal court administrator and the marshal and the salary range prescribed in Section 73113.5 which constitutes the compensation for each job classification are as follows:

Appointed by the Municipal Court Administrator

Job classification	Number	Salary Range Effective 1/2/88	12/31/88
Assistant municipal court administrator	1	668	468
Municipal court division manager II	3	659	459
Municipal court division manager I	5	655	455
Data-processing analyst II	1	660	460
Municipal court division supervisor II	3	651	451
Municipal court division supervisor I	4	642	443
Municipal court chief clerk	4	644	444
Courtroom clerk II	33	641	441
Clerk IV	10	634	434
Fiscal clerk II	7	631	431
Fiscal clerk III	2	636	436
Clerk III	77	630	430
Legal procedures clerk I	35	632	432
Legal procedures clerk II	2	638	438
Secretary I	1	635	435
Secretary II	2	638	438
Staff analyst II	1	654	454
Account technician I	1	636	436
Fiscal clerk I	1	624	424

Legal procedures Clerk III	1	644	444

Appointed by Marshal

Job classification	Number	Salary Range 3/29/86	Salary Range 7/5/86	Salary Range 4/11/87
Marshal's captain	3	393		593
Marshal's lieutenant	6	392		592
Marshal's sergeant	7	388		588
Deputy marshal	55	383		583
Administrative clerk II	1		843	
Marshal's clerk II	13		831	
Marshal's clerk I	13		826	
Marshal's technician	18		832	
Marshal's radio dispatch clerk	5		828	
Secretary II	1		838	

The marshal shall also appoint as many deputy marshal keepers as may be required by law. The deputy marshal keepers shall be compensated at the fee allowed by law for keeping property.

In hiring for vacancies in the position of deputy marshal, the marshal may appoint successful candidates as deputy marshal probationary at a flat hourly rate. The flat hourly rate shall be in the sum of eleven dollars and fifty-six cents ($11.56) commencing March 29, 1986, and twelve dollars and twenty-five cents ($12.25) commencing April 11, 1987, and shall be payable until successful completion of a probationary period of one year, except that the marshal may extend the probationary period for not to exceed six months, after which the deputy marshal probationary shall be advanced to the deputy marshal classification at the "A" step of the appropriate salary range.

SEC. 4. Section 73121 of the Government Code is amended to read:

73121. By majority vote, the judges may appoint a court commissioner who shall meet the qualifications and have the powers and duties specified in Sections 72190, 72190.1, and 72190.2 of this code and Section 259 of the Code of Civil Procedure. Any commissioner so appointed shall also have the power and duties of a traffic referee as provided in Article 9 (commencing with Section 72400) of Chapter 8 of Title 8. The salary of the commissioner for all duties performed pursuant to this section shall be equal to 85 percent of the salary of a judge of the municipal court. A commissioner shall be entitled to the same benefits as are or shall be provided to a

commissioner of the superior court in the County of San Bernardino.

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 219

An act to amend Section 73113.5 of the Government Code, relating to courts.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988]

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

SECTION 1. Section 73113.5 of the Government Code is amended to read:

73113.5. Whenever reference is made to a numbered salary range in any section of this chapter, the salary schedule found in the salary ordinance of San Bernardino County in effect on January 2, 1988, shall apply.

Administration of the salary plan provided by this chapter, including the hiring date; increases within range; salary on promotion, transfer, or demotion; salary on position reclassification, obligations and benefits and all other relevant matters, shall be in accordance with the current personnel rules and ordinances of the County of San Bernardino.

Notwithstanding any other provisions of law, the salary and classifications of municipal court employees provided by Sections 73107, 73110, 73113, 73114, 73121, 73122, and this section may be increased or decreased within the range limits of the salary schedule incorporated by reference by this section in order to provide classification and compensation that is comparable to county employees of similar qualifications and experience in the classified service of San Bernardino County as such comparability is determined by the board of supervisors. Any salary increases granted or reclassifications made pursuant to this paragraph shall be effective only until January 1, 1990.

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 220

An act to amend Section 8604 of the Fish and Game Code, relating to fishing.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 8604 of the Fish and Game Code is amended to read:

8604. It is unlawful willfully to disturb or injure any net, trap, or other apparatus to take fish which is being legally used in the waters of this state.

This section does not apply to employees of the department while they are engaged in the performance of their official duties.

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 221

An act to amend Section 5075.7 of the Public Resources Code, relating to recreational trails.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 5075.7 of the Public Resources Code is amended to read:

5075.7. Each study of potential trail routes for inclusion in the system shall include an evaluation of the impact of the proposed trail route on adjacent landowners. In conducting studies of potential trail routes for inclusion in the system, the director shall give priority to the following:

(a) A trail route linking state parks, federal recreation areas, and other areas of statewide or national significance located in coastal areas.

(b) A trail route through the Sacramento-San Joaquin Delta linking scenic and recreation areas of the San Francisco Bay area with state and federal recreation areas in the Lake Tahoe Basin.

(c) East-west trail routes for nonmotorized use linking the state

coastal trail route with the existing Pacific Crest Trail.

(d) Trail routes designed principally for boaters along the following waterways:

(1) Eel River in Humboldt, Mendocino, and Trinity Counties.

(2) Smith River in Del Norte County.

(3) Russian River in Sonoma and Mendocino Counties.

(4) Big River in Mendocino County.

(5) Albion River in Mendocino County.

(6) Navarro River in Mendocino County.

(7) Feather River from Thermalito Afterbay to mouth.

(8) Sacramento River from Keswick Dam to mouth.

(9) American River from Folsom Dam to mouth.

(10) South Fork of American River from Coloma to Folsom Lake.

(11) Tuolumne River from O'Shaughnessy Dam to New Don Pedro Reservoir.

(12) Stanislaus River from the Stanislaus Power House to Melones Reservoir.

(13) Colorado River from Needles to the international boundary.

(e) A hiking, bicycling, and horseback riding trail route along the San Joaquin River from Friant Dam to State Highway Route 99.

CHAPTER 222

An act to amend Section 5309 of the Labor Code, relating to workers' compensation.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 5309 of the Labor Code is amended to read:

5309. The appeals board may, in accordance with rules of practice and procedure which it shall adopt and upon the agreement of the parties, on the application of either, or of its own motion, and with or without notice, direct and order a workers' compensation judge:

(a) To try the issues in any proceeding before it, whether of fact or of law, and make and file a finding, order, decision, or award based thereon.

(b) To hold hearings and ascertain facts necessary to enable the appeals board to determine any proceeding or to make any order, decision, or award that the appeals board is authorized to make under Divisions 4 or 5, or necessary for the information of the appeals board.

(c) To issue writs or summons, warrants of attachment, warrants of commitment, and all necessary process in proceedings for direct and hybrid contempt in a like manner and to the same extent as

courts of record. For the purposes of this section, "hybrid contempt" means a charge of contempt which arises from events occurring in the immediate presence of the workers' compensation judge for reasons which occur outside the presence of the workers' compensation judge.

CHAPTER 223

An act to add Section 23144 to the Vehicle Code, relating to driving offenses.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 23144 is added to the Vehicle Code, to read:

23144. (a) The court may order the department to suspend, revoke, or delay issuance of, and the department, when so ordered, shall suspend, revoke, or delay issuance of the driving privileges of any person convicted of a violation of Section 23140 under both of the following circumstances:

(1) The court has required the person to participate in an alcohol education program or a community service program pursuant to Section 23141, except those persons excluded from participation in a program for reasons specified in Section 23141.

(2) The person fails to show proof of completion of the program as required by the court.

(b) The suspension, revocation, or delay in issuance shall remain in effect until the earlier of either of the following:

(1) The person shows proof of completion of the program satisfactory to the court, and the court orders the department to terminate the suspension, revocation, or delay in issuance of driving privileges.

(2) The date the person reaches the age of 21 years.

CHAPTER 224

An act to amend Section 6004 of the Water Code, relating to water.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 6004 of the Water Code is amended to read:

6004. No obstruction in a canal used to raise or lower water therein or divert water therefrom, no levee, including but not limited to a levee on the bed of a natural lake the primary purpose of which levee is to control floodwaters, no railroad fill or structure, and no road or highway fill or structure, no circular tank constructed of steel or concrete or of a combination thereof, no tank elevated above the ground, and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use or use as a sewage sludge drying facility shall be considered a dam. In addition, no obstruction in the channel of a stream or watercourse which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the obstruction for percolation underground shall be considered a dam. In addition, the levee of an island adjacent to tidal waters in the Sacramento-San Joaquin Delta, as defined in Section 12220, even when used to impound water, shall not be considered a dam and the impoundment shall not be considered a reservoir if the maximum possible water storage elevation of the impounded water does not exceed four feet above mean sea level, as established by U.S.G.S. 1929 datum.

CHAPTER 225

An act to amend Section 384.5 of the Penal Code, and to add Section 4714.5 to the Public Resources Code, relating to forest products.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 384.5 of the Penal Code is amended to read:

384.5. (a) (1) Any person who removes any minor forest products from the property where the products were cut and transports the products upon any public road or highway shall have in the person's possession a valid bill of sale for the products or a

written permit issued by the owner of the property from which the products were removed authorizing the removal and transport.

(2) Any such permit or bill of sale shall include, but is not limited to, all of the following:

(A) The name, address, and signature of the landowner, and phone number, if available.

(B) The name, address, and signature of the permittee or purchaser.

(C) The amount, species, and type of minor forest products to be removed and transported.

(D) A description sufficient to identify the property from which the minor forest products are to be removed.

(E) The date of issuance of the permit or bill of sale and the duration of the period of time within which the minor forest products may be removed.

(F) Any conditions or additional information which the landowner may impose or include.

(3) Any permit for the removal of minor forest products from public lands that is issued by the United States Forest Service or the Bureau of Land Management is sufficient for the purposes of this subdivision, regardless of whether the permit conforms to the specific requirements as to content set forth in paragraph (2).

(4) For the purposes of this subdivision, "minor forest products" means firewood, posts, shakeboards, shake and shingle bolts, or split products, in quantities exceeding 20 cubic feet in volume, and burlwood or stumps, in quantities of two or more.

(b) This section shall not apply to the transport of any minor forest products carried in a passenger vehicle, as defined in Section 465 of the Vehicle Code.

(c) Violation of subdivision (a) is a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment in a county jail for not more than six months or by both that fine and imprisonment.

SEC. 2. Section 4714.5 is added to the Public Resources Code, to read:

4714.5. The movement of eucalyptus wood containing live Eucalyptus Longhorn Borers or their larvae in trucks or trailers is prohibited. A violation of this section is a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000), or by imprisonment in a county jail for not more than six months, or by both that fine and imprisonment.

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 226

An act to add Section 27602.5 to the Health and Safety Code, relating to food.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. The Legislature finds and declares that the use of legally obtained donated fish and game by nonprofit organizations authorized to serve meals to indigent persons should be encouraged, so long as the game is used in a safe manner and consumers are informed that game is being served.

SEC. 2. Section 27602.5 is added to the Health and Safety Code, to read:

27602.5. The local enforcement agency may approve the use of legally obtained donated fish and game by nonprofit organizations authorized to serve meals to indigent persons.

"Fish," as used in this section, shall be defined as that term is used in Section 45 of the Fish and Game Code.

"Game," as used in this section, means any game bird, as defined in Section 3500 of the Fish and Game Code, or game mammal, as defined in Section 3950 of the Fish and Game Code.

CHAPTER 227

An act to amend Section 89504 of the Education Code, relating to higher education employer-employee relations.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 89504 of the Education Code is amended to read:

89504. (a) Upon separation from service without fault on his or her part, an employee is entitled to a lump-sum payment as of the time of separation for any unused or accumulated vacation or for any time off to which the employee is entitled by reason of previous overtime work where compensating time off for overtime work is provided for by the trustees. This sum shall be computed by projecting the accumulated time on a calendar basis so that the lump sum will equal the amount which the employee would have been paid had the employee taken the time off but not separated from the service.

(b) Employees separated from service through fault of their own are entitled to a lump-sum payment for compensating time off for overtime work, and in addition, the portion, if any, of unused vacation as the trustees may determine. The computation of this sum shall be based on actual accumulated time without projection as provided in subdivision (a).

(c) Lump-sum payment for vacation shall not be made to a person who separates from a position for the purpose of accepting another position in the state service, except either of the following:

(1) Upon movement to a position in which vacation credits are neither accrued nor used.

(2) Upon reassignment of an employee, subsequent to January 1, 1965, from a position other than an academic year position, to an academic year position.

However, a lump-sum payment shall not be made to a person who returns to a position in the same class within 15 working days of the date of the person's resignation.

(d) Except for payment authorized or excluded under subdivision (c), an employee who returns to state service during the period through which his or her lump-sum payment was computed may refund the amount of lump-sum payment which exceeds his or her break in service and have the balance of credits restored as though he or she had remained in state service and taken the time off.

(e) If subdivisions (a) to (d), inclusive, are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(f) Notwithstanding other provisions of this section, the trustees may provide for lump-sum payment for vacation for nonrepresented employees of the California State University.

CHAPTER 228

An act to amend Sections 4201, 4208, and 4210 of, to add Section 4216 to, and to repeal Sections 4211 and 4215 of, the Civil Code, and to add Section 10351 to the Health and Safety Code, relating to marriage.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 4201 of the Civil Code is amended to read:

4201. (a) All persons about to be joined in marriage or about to declare a marriage pursuant to Section 4210 shall first obtain a license therefor, from a county clerk, which license shall show all of the following:

(1) The identity of the parties.

(2) The parties' real and full names, and places of residence.

(3) The parties' ages.

(b) No license shall be granted when either of the parties, applicants therefor, is an imbecile, is insane, or is, at the time of making the application for the license, under the influence of any intoxicating liquor, or narcotic drug. If the person is under the age of 18 years, no license may be issued by the county clerk unless both parties are capable of consenting to and consummating marriage as provided for in Section 4101 and the consent or consents or court orders, provided for in Section 4102, shall be filed by the clerk. Each applicant may be required to present authentic identification as to name. For the purpose of ascertaining all the facts mentioned or required in this section, the clerk, at the time the license is applied for may, if he or she deems it necessary in order to satisfy himself or herself as to matters enumerated in this section, examine the applicants for a license on oath, which examination shall be reduced to writing by the clerk, and subscribed by them; or, if necessary, the clerk may request additional documentary proof as to the accuracy of the facts stated. Applicants for a license pursuant to this section shall not be required to state, for any purpose, their race or color.

(c) The forms for the application for license to marry and the marriage license shall be prescribed by the State Department of Health Services, and shall be adapted to set forth the facts required in this section.

(d) The application for license to marry form shall include an affidavit on the back which the bride and groom shall sign, affirming that they have received the brochure provided for in Section 4201.5. The affidavit required by this section shall state:

AFFIDAVIT

I acknowledge that I have received the brochure titled _____

_____ _____

Signature of Bride Date

_____ _____

Signature of Groom Date

SEC. 2. Section 4208 of the Civil Code is amended to read:

4208. (a) The person solemnizing a marriage must make, sign and endorse upon or attach to the license a statement, in the form prescribed by the State Department of Health Services showing all of the following:

(1) The fact, time and place of solemnization.

(2) The names and places of residence of one or more witnesses to the ceremony.

(3) A statement of the official position of the person solemnizing the marriage, or of the denomination of which that person is a priest, minister or member of the clergy thereof. The person solemnizing the marriage shall also type or print his or her name and address.

(b) The marriage license, endorsed as required in subdivision (a), shall be returned to the local registrar of marriages of the county in which the license was issued within four days after the ceremony.

SEC. 3. Section 4210 of the Civil Code is amended to read:

4210. If no record of the solemnization of a marriage heretofore contracted, be known to exist, the parties may purchase a License and Certificate of Declaration of Marriage from the county clerk in the parties' county of residence. The license and certificate shall be filed in the manner specified in subdivision (b) of Section 4216.

SEC. 4. Section 4211 of the Civil Code is repealed.

SEC. 5. Section 4215 of the Civil Code is repealed.

SEC. 6. Section 4216 is added to the Civil Code, to read:

4216. This article, so far as it relates to the solemnizing of marriages, is not applicable to members of any particular religious society or denomination not having clergy for the purpose of solemnizing marriage, or entering the marriage relation, if all of the following requirements are met:

(a) The parties entering the marriage make, sign, and endorse upon, or attach to, the license a statement, in the form prescribed by the State Department of Health Services, showing all of the following:

(1) The fact, time, and place of entering into the marriage.

(2) The signature and place of residence of two witnesses to the ceremony.

(3) The religious society or denomination of the parties married, and that the marriage was entered into in accordance with the rules and customs of that religious society or denomination. The statement of the parties entering the marriage that the marriage was entered into in accordance with the rules and customs of the religious society or denomination is conclusively presumed to be true.

(b) The License and Certificate of Declaration of Marriage, endorsed pursuant to subdivision (a), is filed with the local registrar of marriages of the county in which the license was issued within four days after the ceremony.

SEC. 7. Section 10351 is added to the Health and Safety Code, to read:

10351. (a) Sections 10325 and 10350 do not apply to marriages entered into pursuant to Section 4216 of the Civil Code. Subdivisions

(b) and (c) govern the registration and the content of the License and Certificate of Declaration of Marriage of those marriages.

(b) Each marriage entered into pursuant to Section 4216 of the Civil Code shall be registered by the parties entering into the marriage or by a witness who signed under paragraph (2) of subdivision (a) of Section 4216 within four days after the ceremony with the local registrar of marriages for the county in which the License and Certificate of Declaration of Marriage was issued.

(c) The License and Certificate of Declaration of Marriage entered into pursuant to Section 4216 of the Civil Code shall contain as nearly as can be ascertained the following:

(1) The personal data of parties married, including the date of birth, full name, birthplace, residence, names and birth places of their parents, maiden name of their mothers, the number of previous marriages, marital status, and the maiden name of the female, if previously married and if her name has been changed.

(2) The license to marry.

(3) The county and date of issuance of the license.

(4) The marriage license number.

(5) The certification of the parties entering into the marriage, which shall show the following:

(A) The fact, time, and place of entering into the marriage.

(B) The signature and address of two witnesses to the marriage ceremony.

(C) The religious society or denomination of the parties married, and that the marriage was entered into in accordance with the rules and customs of that religious society or denomination.

(6) The signatures of the parties married.

(7) Any other items that the State Registrar shall designate.

The License and Certificate of Declaration of Marriage shall not contain any reference to the race or color of parties married or to a person performing or solemnizing the marriage.

CHAPTER 229

An act to add Section 34507.5 to the Vehicle Code, relating to vehicles.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 34507.5 is added to the Vehicle Code, to read:

34507.5. (a) Every motor carrier shall obtain a carrier identification number from the department. Application for a carrier identification number shall be on forms furnished by the

department.

(b) (1) The carrier identification number shall be displayed on both sides of each vehicle set forth in Section 34500, or on both sides of at least one of the vehicles in each combination of vehicles.

(2) The display of the carrier identification number shall be in sharp contrast to the background, and shall be of such size, shape, and color as to be readily legible during daylight hours from a distance of 50 feet.

(3) The carrier identification number shall be removed before sale, transfer, or other disposal of the vehicle.

(c) This section does not apply to the following:

(1) Vehicles which are regulated by, and which display an operating authority number assigned by, the Interstate Commerce Commission or the Public Utilities Commission.

(2) Any vehicle which has a manufacturer's gross vehicle weight rating of less than 10,000 pounds.

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 230

An act to amend Sections 9975 and 9976 of the Public Resources Code, relating to resource conservation districts.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. It is the intent of the Legislature, in enacting this act, to change the terms of members of the Board of Directors of the Ventura County Resource Conservation District so that each division will not lose all representation at a single election.

SEC. 2. Section 9975 of the Public Resources Code is amended to read:

9975. (a) Notwithstanding subdivision (b) of Section 9183 or Sections 9241 and 9242, the board of directors of the district shall be composed of nine persons initially appointed by the Board of Supervisors of the County of Ventura, with three directors appointed to represent each division.

(b) A director shall be an owner of land, or a designated agent of an owner of land, within the territory included in the division of the district he or she will represent. An agent of a landowner shall reside within the territory included in the division of the district he

or she will represent.

(c) Notwithstanding any other law, at the first regular meeting of the board of directors of the district after January 1, 1989, the directors shall classify themselves into two classes. One class shall have four members and the other class shall have five members. The term of office of those in the class having four members shall expire at noon on the last Friday in November 1990. The term of office of those in the class having five members shall expire at noon on the last Friday in November 1992. The board of directors shall arrange the classification so that not more than two directors from any division are in one class.

SEC. 3. Section 9976 of the Public Resources Code is amended to read:

9976. Upon the expiration of the terms of office of directors pursuant to Section 9975, their successors shall be elected in the manner provided in Article 8 (commencing with Section 9351) of Chapter 3. Directors shall be nominated by divisions and elected at large. After the expiration of a term of office, a director shall continue to hold office and serve until his or her successor has qualified.

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 231

An act to add and repeal Section 4701.2 of the Civil Code, and to amend Section 1153 of, and to add and repeal Section 1151.5 of, the Government Code, relating to state employees.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 4701.2 is added to the Civil Code, to read:

4701.2. (a) When a court orders a person to make payment for child support or family support, the court may order that individual to make that payment as provided for in Section 1151.5 of the Government Code.

(b) This section shall become operative on July 1, 1989, and shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1994, deletes or extends that date.

SEC. 2. Section 1151.5 is added to the Government Code, to read:

1151.5. (a) In addition to deductions authorized pursuant to Section 1151, a state employee may authorize deductions to be made

from salaries or wages for payment for the support, maintenance, or care of the employee's child, children, or family for whom the employee has a duty of support. A service charge shall be assessed for this deduction.

(b) This section shall become operative on July 1, 1989, and shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute which is enacted before January 1, 1994, deletes or extends that date.

SEC. 3. Section 1153 of the Government Code is amended to read:

1153. The Controller shall provide for the administration of payroll deductions as set forth in Sections 1151, 1151.5, and 1152, and may establish, by rule or regulation, procedures for that purpose.

In administering payroll deductions the Controller shall:

(a) Make, cancel, or change a deduction at the request of the person or organization authorized to have the deduction. All requests shall be made on forms approved by the Controller.

(b) Obtain a certification from any state agency, employee organization, or business entity requesting a deduction that they have and will maintain an authorization to make the deduction, signed by the individual from whose salary or wages the deduction is to be made.

(c) Provide for an agreement from individuals, organizations, and business entities receiving deductions or other deduction services to relieve the state, its officers and employees, of any liability that may result from making, canceling, or changing requested deductions. However, no financial institution receiving a payroll deduction pursuant to this section shall be required to reimburse the state for any error in the payroll deduction received by that financial institution after 90 days from the month in which the payroll deduction was deducted from an individual's paycheck.

(d) Determine the cost of performing the requested deduction service and collect that cost from the organization, entity, or individual requesting or authorizing the deduction. Services requested which are incidental, but not necessary, to making the deduction may be performed at the Controller's discretion with any additional cost to be paid by the requester.

(e) Prior to making a deduction for an employee organization or a bona fide association, determine that the organization or association has been recognized, certified, or registered by the appropriate authority.

(f) Decline to make deductions for any individual, organization, or entity if the Controller determines that it is not administratively feasible or practical to make the deduction, or if the Controller determines that the individual, organization, or entity requesting or receiving the deduction has failed to comply with any statute, rule, regulation, or procedure for the administration of deductions.

(g) Make, cancel, or change a deduction not later than the month subsequent to the month in which the request is received. Except as

provided in subdivision (c), all deductions, cancellations, or changes shall be effective when made by the Controller.

(h) At the request of a state agency, transfer employee deduction authorization for a state-sponsored benefit program from one provider to another if the benefit and the employee contribution remain substantially the same. Notice of the transfer shall be given by the Controller to all affected employees.

CHAPTER 232

An act to amend Section 19849.9 of the Government Code, relating to state employees.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 19849.9 of the Government Code is amended to read:

19849.9. Any appointing power may present to an employee who has completed 25 or more years of state service a certificate, plaque, or other suitable memento and the cost of the same shall be a proper charge against the support appropriation of the department or office in which the employee serves. The cost of any such certificate, plaque, or memento shall not exceed the sum of seventy-five dollars ($75). A presentation may likewise be made to a retired employee who on the date of his or her retirement had completed 25 or more years of state service.

CHAPTER 233

An act to amend Section 22754 of the Government Code, relating to public employees.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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.

(5) Any person who was a state member for 30 years or more and who, at the time of retirement, was a local member employed by a contracting agency.

(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.

CHAPTER 234

An act to amend Section 9726 of the Welfare and Institutions Code, relating to aging, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 9726 of the Welfare and Institutions Code is amended to read:

9726. (a) The Office of the State Long-Term Care Ombudsman in the Department of Aging shall establish a toll-free telephone hotline, in Sacramento, to receive telephone calls concerning any crises discovered by any person in a community care facility, including family day care homes for children licensed under Chapter 3.6 (commencing with Section 1597.50) of Division 2 of the Health and Safety Code, or in a long-term health care facility.

The telephone hotline established under this section shall be operated to include at least all of the following:

(1) The telephone hotline shall be available 24 hours a day, seven days a week.

(2) The operator shall respond to a crisis call by contacting the appropriate office, agency, or individual in the local community in which the crisis occurred.

(3) The toll-free hotline telephone number shall be posted conspicuously in either the facility foyer, lobby, residents' activity room, or other conspicuous location easily accessible to residents in each licensed facility by the licensee. The Office of the State Long-Term Care Ombudsman shall issue, in conjunction with the State Department of Social Services and the State Department of Health Services, guidelines concerning the posting of the toll-free number. The posting shall, at a minimum, include the purpose of the hotline number.

(b) The Office of the State Long-Term Care Ombudsman shall respond to hotline telephone calls involving adult residents of community care facilities and residents of long-term health care facilities in a manner consistent with the federal Older Americans Act and the provisions of this chapter. As a response to hotline telephone calls concerning community care facilities for children, including family day care homes for children, the office shall refer the matter or the caller, or both, to the appropriate county child protective services agency or local law enforcement agency or to the State Department of Social Services. Neither the State Department of Aging nor the Office of the State Long-Term Care Ombudsman may respond beyond providing information and referrals to hotline callers concerning community care facilities for children.

(c) The toll-free telephone shall be staffed in a manner consistent with available resources in the department. The department may contract for the services of individuals to staff the telephone hotline. The department shall seek to provide opportunities for older persons to be employed to staff the hotline. The State Department of Health Services and the State Department of Social Services, and other appropriate departments, shall make available to the department and the Office of the State Long-Term Care Ombudsman training and technical assistance as needed.

(d) The State Long-Term Care Ombudsman shall submit a report to the Legislature by July 1, 1987, including all of the following:

(1) An assessment of the effectiveness of the hotline.

(2) A summary of the significant problems, if any, encountered in establishment and operation of the hotline, and their resolution.

(3) Recommendations for the continuation of the hotline.

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 adequately provide senior citizens with a mechanism to report instances of elder and dependent adult abuse, and to provide skilled, sensitive services, knowledge and information 24 hours a day to senior citizens in long-term care facilities, to assist them when crises occur, as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 235

An act to amend Section 1037 of the Penal Code, and to add Section 1801.6 to the Welfare and Institutions Code, relating to court costs.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 1037 of the Penal Code is amended to read:

1037. (a) When a court orders a change of venue to another county all costs incurred by that county, which are not payable pursuant to Section 4750, for the transfer, preparation and trial of the action, the guarding, keeping and transportation of the prisoner, any appeal or other proceeding relating to the action and execution of the sentence shall be a charge against the county in which the action originated.

(b) Claim for the costs described in subdivision (a) shall be forwarded to the treasurer and auditor of the county in which the action originated and the treasurer shall pay the amount of such costs out of the general funds of the county.

(c) The term "all costs" means all reasonable and necessary costs incurred by the county as a result of the change of venue which would not have been incurred but for the change, and does not include normal salaries, overhead, and other expenses which would have been incurred by the county in any event.

(d) The trial court may, in its sound discretion, approve any cost as reasonable and necessary under this section. Prior to the trial court's issuing any order approving such a cost, the clerk shall give 10 days' written notice of the court's intention to issue an order to the auditor of the county in which the action originated. The auditor may appear for the limited purpose of opposing the issuance of the order. If he or she fails to appear, the county of origin may not in any other proceeding contest the imposition of these costs.

SEC. 2. Section 1801.6 is added to the Welfare and Institutions Code, to read:

1801.6. When the venue of a proceeding under this chapter is changed, costs of the proceeding are chargeable as provided in Section 1037 of the Penal Code.

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 236

An act to amend Sections 9396, 9397, and 9398 of the Welfare and Institutions Code, relating to respite services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988]

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

SECTION 1. Section 9396 of the Welfare and Institutions Code is amended to read:

9396. (a) There is hereby established the Community Care Facility Demonstration Project for the Elderly in accordance with the provisions of this section. The Multipurpose Senior Services Program shall administer the Community Care Facilities Demonstration Project for the Elderly. The Multipurpose Senior Services Program may contract with the State Department of Health Services for the utilization of funds from the Health Care Deposit Fund upon determination that the demonstration project qualifies for federal financial participation as stipulated in subdivision (e).

(b) The Multipurpose Senior Services Program shall contract with two local Multipurpose Senior Services Program sites to serve as demonstration sites. One site shall be in the northern and one in the southern part of the state. The sites shall be selected through a request for proposal process.

(c) The project shall serve a selected number of frail elderly persons, whose current medical assessment does not indicate the need for long-term intermediate or skilled nursing care. "Frail elderly persons," for purposes of this chapter, means those persons as defined in Section 9111 who meet current Medi-Cal criteria for being "certified" or "certifiable" for admission into intermediate or skilled nursing care facilities, and whom a physician has determined may remain in a community care facility with services as provided for by this section. Participating facilities shall be limited to those licensed community care facilities serving adults, as defined in Section 80001 of Title 22 of the California Administrative Code. During the demonstration project a total of 120 persons at any one time shall be served in the two local Multipurpose Senior Services Program sites selected for participation under this chapter. Personal care services shall be purchased through the use of funds appropriated for purposes of Chapter 7 (commencing with Section 14000) of Part 3 of Division 9. Participation by a person or a community care facility shall be voluntary. Personal care provided pursuant to this chapter shall supplement, and not replace, personal care provided by community care facilities pursuant to statutory and regulatory requirements which are required to be met in order to obtain and maintain a community care facility license. This supplemental care shall be provided only when the level of care needed by a person participating under this chapter exceeds that which can be provided by the community care facility pursuant to existing statutory and regulatory requirements which are required to be met in order to obtain and maintain a community care facility license. Determination as to the necessary level of care shall be based on an assessment of need performed initially, and at six-month intervals thereafter by the case manager.

(d) The pilot project shall be operated for a period of three years. The Multipurpose Senior Services Program shall submit an evaluation of this project to the Legislature not later than July 1, 1988. The evaluation shall do all of the following:

(1) Describe the service providers and the services they provide and compare them to services provided to persons within skilled nursing, intermediate care, and nonmedical community care facilities and persons receiving home health services while residing in their own homes.

(2) Describe the program participants and compare them to those residing in skilled nursing, intermediate care, and nonmedical community care facilities and persons receiving home health services while in their own homes.

(3) Contain a description of the criteria used to select participants

and compare them to criteria used to determine who would be more suitably cared for in skilled nursing or intermediate care facilities.

(4) Compare the total governmental costs incurred for persons participating in this project with the costs of care provided by skilled nursing facilities.

(5) Assess the extent to which the demonstration project, in fact, did delay or prevent care in an intermediate or skilled nursing facility and the cost effectiveness of the project.

(e) Implementation of the demonstration project is dependent upon the availability of federal financial participation for the services to be provided.

Implementation of the project shall be subject to receipt of required waivers or waiver amendments. Use of existing federal waivers and existing program authority shall be the first priority for implementation of this chapter. The Multipurpose Senior Services Program shall seek new waivers from the federal government if implementation cannot be carried out through existing waivers or existing categorical programs. The Secretary of the Health and Welfare Agency shall have the authority to waive existing state statutes or regulations at the request of the Multipurpose Senior Services Program that would prohibit or restrict the ability of the Multipurpose Senior Services Program to provide for the services authorized by this section.

(f) This section shall remain in effect only until January 1, 1989, and as of that date is repealed, unless a later enacted statute enacted prior to January 1, 1989, extends or deletes that date. This demonstration project shall not be extended or expanded unless conclusive evidence has been presented to the Legislature showing that it has been cost effective and can be replicated.

SEC. 2. Section 9397 of the Welfare and Institutions Code is amended to read:

9397. (a) The department shall establish a respite care registry program for frail elderly persons and functionally impaired adults, selecting up to five program sites. In selecting program sites, preference shall be given to linkages programs, independent living centers, and area agencies on aging demonstrating the capability of coordinating services for frail elderly persons and functionally impaired adults. Preference shall also be given to geographical locations in which respite care projects are established pursuant to Chapter 446 of the Statutes of 1986. At least one program site selected shall be in northern California, at least one program site selected shall be in southern California, and at least one program site selected shall be in a rural or underserved area. The department shall assure that the contractors have adequate liability insurance.

(b) Participating program sites shall do all of the following:

(1) Establish or utilize existing respite care registries. Respite care registries shall consist of the names, addresses, and telephone numbers of providers, including, but not limited to, individual caregivers, volunteers, adult day health care, social day care, and

licensed residential care facilities for the elderly.

(2) Act as a respite care information and referral agency for prospective respite care recipients, as well as arrange directly for respite services for respite care recipients upon request.

(3) Submit respite care registry plans to the department. These plans shall be subject to approval by the department based on their consistency with criteria for respite care registries developed by the department.

The criteria shall include, but not be limited to, all of the following:

(A) Assessment of community resources and community respite care needs.

(B) Methodology for surveying client and family needs.

(C) Outreach program to inform clients about the program and to recruit providers for the registry.

(D) Evaluation tools for client families and providers.

(E) Recordkeeping system for family and care provider utilization.

(F) Monitoring of program effectiveness.

(G) Plan for screening providers and matching providers and clients, including an assessment of the provider's ability or training in caring for individuals with special needs, including, but not limited to, persons with Alzheimer's disease or related disorders.

(c) This chapter shall remain in effect only until January 1, 1990, and as of that date is repealed unless a later enacted statute, which becomes effective on or before January 1, 1990, deletes or extends that date.

SEC. 3. Section 9398 of the Welfare and Institutions Code is amended to read:

9398. Distribution of appropriated funds shall be subject to the discretion of the department, but in no case shall any program site receive more than ten thousand dollars ($10,000). The funds may be utilized for costs incurred in establishing and maintaining the respite care registry created pursuant to Section 9397. The costs shall include, but not be limited to, recruitment and screening of respite providers and matching of respite providers to clients. The department may develop or purchase, on a request for proposal basis, provider training materials and distribute those materials to respite care registry program sites.

This section shall be repealed pursuant to subdivision (c) of Section 9397.

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 adequately evaluate the need for respite care and assist senior citizens and their families as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 237

An act to amend Sections 19352, 19352.5, 19352.8, 19353.5, 19354.1, 19354.8, and 19356 of, and to repeal and add Section 19356.5 of, the Welfare and Institutions Code, relating to developmental disabilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 19352 of the Welfare and Institutions Code is amended to read:

19352. As used in this chapter:

(a) "Habilitation services" means those community-based services purchased or provided for adults with developmental disabilities including supported employment or competitive employment, to prepare and maintain them at their highest level of vocational functioning, or to prepare them for referral to vocational rehabilitation services.

(b) "Individual program plan" means the overall plan developed by a regional center pursuant to Section 4646.

(c) "Habilitation component" means the plan developed for each eligible person for whom services are purchased under this chapter.

(d) "Department" means the Department of Rehabilitation.

(e) "Work-activity program" includes, but is not limited to, sheltered workshops, or workshops or work-activity centers accredited under departmental regulations.

(f) "Habilitation team" means a group, which shall be established for each work-activity program client, composed of the following members:

(1) The regional center case manager.

(2) The work-activity program case-responsible person.

(3) A habilitation specialist designated by the department.

(4) The work-activity program client, and where appropriate, his or her parent, legal guardian, or conservator.

SEC. 2. Section 19352.5 of the Welfare and Institutions Code is amended to read:

19352.5. (a) The habilitation team shall have the following responsibilities:

(1) Determining initial eligibility.

(2) Developing an individual habilitation component.

(3) Reviewing continued eligibility.

In the event that the habilitation specialist disagrees with the team, the specialist shall make the final decision subject to appeal to the department by the individual or his or her designated representative.

(b) The habilitation specialist shall substantiate the decision by

doing all of the following:

(1) Stating in writing the reasons for disagreement and the decision.

(2) Stating the connection between these reasons and specific eligibility criteria.

(3) Stating that the decision is not made for fiscal reasons.

SEC. 3. Section 19352.8 of the Welfare and Institutions Code is amended to read:

19352.8. Only decisions made by the habilitation team or habilitation specialist with respect to eligibility for services or development of the individual habilitation component are subject to appeal. If a work-activity program client appeals a decision made pursuant to Section 19353.5 to the department, the individual shall, pending the outcome of the appeal, continue to receive the same level of services provided prior to appeal if the client entered the work-activity program from a day program paid for by a regional center or provided by a state hospital and is unable to return to the program.

If a work-activity program client appeals a decision made pursuant to Section 19354.1 to the department, the client shall, pending the outcome of the appeal, continue to receive the same level of service provided prior to appeal.

SEC. 4. Section 19353.5 of the Welfare and Institutions Code is amended to read:

19353.5. When the department has made its determination of eligibility pursuant to subdivision (e) of Section 19353, the individual shall be placed in a work-activity program, and shall be deemed presumptively eligible for the period not to exceed 90 days. During this 90-day period, the work-activity program in which the person is placed shall evaluate the performance of the individual in all of the following areas:

(a) Appropriate behavior to safely conduct himself or herself in a work setting.

(b) Adequate attention span to reach a productivity level in paid work.

(c) Ability to understand simple instructions within a reasonable length of time.

(d) Ability to communicate basic needs and understand basic receptive language.

(e) Attendance level.

During this 90-day period, the habilitation team shall, utilizing the findings of the work-activity program made pursuant to this section, determine the initial eligibility of the individual.

SEC. 5. Section 19354.1 of the Welfare and Institutions Code is amended to read:

19354.1. In developing the habilitation component, the habilitation team shall develop specific and measurable objectives in order to determine whether the individual demonstrates ability to reach or maintain individual habilitation component goals in at least

all of the following areas:

(a) Participation in paid work for a specified period of time.

(b) Obtaining or sustaining a productivity rate.

(c) Obtaining or sustaining a specified attendance level.

(d) Demonstration of appropriate behavior for a work setting.

SEC. 6. Section 19354.8 of the Welfare and Institutions Code is amended to read:

19354.8. Each work-activity program facility shall annually review the top 3 percent of its clients, based upon productivity ratings, in order to determine whether these individuals meet all of the following criteria:

(a) Potential stamina to handle a workday.

(b) Ability to travel to and from the workplace independently.

(c) Ability to handle his or her own paycheck.

(d) Appropriate productivity rating.

(e) Marketable work skills.

(f) Appropriate attendance history.

(g) Ability to accommodate to change.

Any individual who meets all of the criteria set forth above shall be referred to the individual's habilitation team. The team shall determine whether to recommend to the department that the individual be considered for vocational rehabilitation services.

SEC. 7. Section 19356 of the Welfare and Institutions Code is amended to read:

19356. (a) The department shall promulgate regulations to establish rates subject to the approval of the Department of Finance. The regulations shall provide for an equitable ratesetting procedure in which each specific allowable service, activity, and provider administrative cost comprising an overall habilitation service, as determined by the department, reflects the reasonable cost of service. Reasonable costs shall be determined annually by the department, subject to audit at the discretion of the department.

(b) Notwithstanding subdivision (a), commencing July 1, 1988, the department shall set rates for work-activity program facilities based on the following premises and methodology:

(1) Work-activity program facilities shall be grouped into four categories, as follows:

(A) Three categories shall be determined by the size of client attendance:

(i) Category A, including client attendance of not more than 30:

(ii) Category B, including client attendance of more than 30 but not more than 100.

(iii) Category C, including client attendance of more than 100.

Client attendance for categories "A," "B," and "C" shall be determined by dividing the number of habilitation days billed in the previous historical year, as specified in regulations adopted pursuant to subdivision (a), by the number of billable days in that year.

(B) One category shall be determined by the primary purpose of the work-activity program:

(i) Category D, consisting of all facilities, without regard to client attendance, which the department approves to provide services to clients with special needs.

(2) Notwithstanding other provisions of this subdivision, the department shall redetermine the size of each facility in categories A, B, and C annually, using the methodology specified in paragraph (1). If a facility's client attendance size changes, resulting in changing that facility to a new category, the department shall adjust its rate, using the methodology prescribed in paragraph (3), the existing cost statement, and the gross weighted average of the category of the facility's new category.

(3) The department shall compute the gross weighted average of each category of work-activity program, based on cost statements submitted biennially in the form specified in regulations adopted pursuant to subdivision (a). The rate for the two payment years following that computation, except as provided in paragraphs (2) and (5), and except for any annual cost of living adjustments contained in the annual Budget Act, for each individual facility shall be set at the highest of the following three options:

(A) (i) Option A: the net to gross of each facility, which shall be the ratio of the daily net cost, or the cost excluding recoveries, as specified in regulations adopted pursuant to subdivision (a), to the daily gross cost, or the cost including recoveries. The net to gross ratio multiplied by the gross weighted average of the respective category multiplied by 95 percent shall be the Option A rate for each facility in all categories.

(ii) Beginning July 1, 1990, Option A shall be the net to gross multiplied by the gross weighted average of the respective category for each facility in all categories.

(B) (i) Option B for all facilities other than category D facilities: the individual new cost statement rate multiplied by 95 percent.

(ii) Option B for category D facilities: the individual new cost statement rate.

(C) Option C:

(i) For facilities in categories A, B, and C when the net to gross of the new cost statement is lower than the net to gross of the previous cost statement: the individual rate paid in the 1987–88 fiscal year, less the product of the individual rate paid in the 1987–88 fiscal year multiplied by the difference of the net to gross ratios between the previous cost statement and the new cost statement, multiplied by 90 percent.

(ii) For facilities in categories A, B, and C when the net to gross of the new cost statement is equal to, or higher than, the net to gross of the previous cost statement: the product of the individual rate paid in the 1987–88 fiscal year multiplied by 90 percent.

(iii) For facilities in category D: the same methodology specified in subparagraphs (i) and (ii), except the percentage factor shall be 100 percent.

(iv) Option C shall be operative only until July 1, 1990.

(4) The gross weighted average specified in paragraph (3) shall be determined by using the cost statements submitted by facilities in the 1987–88 fiscal year pursuant to regulations adopted pursuant to subdivision (a), to determine the daily gross rate for each facility for each category. The daily gross rate of each facility in the same category shall be multiplied by the number of client attendance days to determine the program cost of that facility. The gross weighted average of each category shall be the quotient of the sum of the total program costs and the total days attended, of all facilities in the same category. The department shall biennially reset the gross weighted average and the rate options specified in paragraph (3), using new cost statements.

(5) (A) The department shall make no rate adjustments other than those specified in paragraph (2), those rate adjustments based on the loss of subsidized staff, and cost-of-living adjustments contained in the Budget Act.

(B) The department shall reset the rate due to the loss of subsidized staff only for the individual facility which incurs the loss, and only in the following circumstances:

(i) The facility is receiving a rate which is less than the gross weighted average of its category.

(ii) The facility has hired or retained staff to maintain the staffing level specified in regulations adopted pursuant to subdivision (a).

(iii) The adjusted rate due to loss of subsidized staff shall not exceed the gross weighted average of its category, and shall become effective on the following July 1.

(6) The department may adopt regulations in addition to those adopted pursuant to subdivision (a), after consultation with the California Association of Rehabilitational Facilities and the Association for Retarded Citizens-California, or any advisory groups which are successors to those groups that represent work-activity programs, which set forth further policies and procedures and staffing and performance standards for work-activity programs. The department shall meet at least semiannually with those provider advisory groups to review and make recommendations regarding implementation of this subdivision.

(7) This subdivision shall become inoperative July 1, 1993.

SEC. 8. Section 19356.5 of the Welfare and Institutions Code is repealed.

SEC. 9. Section 19356.5 is added to the Welfare and Institutions Code, to read:

19356.5. (a) The department may approve new work-activity programs, after confirming the need for a new work-activity program, determining the capacity of a new work-activity program to deliver effective services, and assessing the ability of the program to comply with accreditation and certification requirements of the Habilitation Services Program, when applicable.

(b) Work-activity programs or program components that receive the department's approval to provide supported employment

services shall receive rates in accordance with Section 19356.6.

(c) (1) Any other new program or program component, including that which has as its primary purpose the provision of specialized services to meet the needs of particular groups, shall receive 95 percent of the gross weighted average of its respective category if it is approved prior to July 1, 1990. If it is approved on or after July 1, 1990, the new program or program component shall receive the gross weighted average of its respective category.

(2) As soon as the new work-activity facility has a historical period of not less than three months that is representative of the cost per client, as determined by the department, the department shall set the rate in accordance with subparagraphs (A), (B), and (C) of paragraph (3) of subdivision (b) of Section 19356, using the gross weighted average for the appropriate category.

(3) This subdivision shall remain operative only until July 1, 1993.

(d) Notwithstanding Section 19355, the department may purchase services from new work-activity programs or program components, even though the program or program component is not yet accredited, if the department can certify all of the following:

(1) The program or program component can deliver the services effectively.

(2) The program or program component can ensure the health and safety of the persons served.

(3) The program or program component can acquire accreditation within four years of the purchase of the services.

SEC. 10. This act shall become operative July 1, 1988.

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

In order to continue the provision of needed rehabilitation services extended pursuant to existing statutes and to alleviate fiscal problems resulting from funding limitations incurred in prior fiscal years, it is necessary that this act take effect immediately.

CHAPTER 238

An act to amend Sections 14360, 14381, 14382, 14532, 14551, 14611, 14615, 14991, 14996, 15011, 15071, 15075, and 15077 of, to add Sections 14595, 14620, 15042, 15056, and 15081 to, and to repeal and add Section 14565 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor June 29, 1988 Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 14360 of the Food and Agricultural Code is amended to read:

14360. It is unlawful for any livestock owner or his or her agent to sell or dispose of treated livestock or livestock products within the specified withdrawal period without first notifying the buyer that the livestock or products have been treated. The notification shall be in a form prescribed by the director.

SEC. 2. Section 14381 of the Food and Agricultural Code is amended to read:

14381. A violation of this chapter or of any regulation which is adopted by the director pursuant to this chapter is an infraction punishable by a fine of not more than five hundred dollars ($500) for the first violation. A second or subsequent violation of this chapter is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000).

SEC. 3. Section 14382 of the Food and Agricultural Code is amended to read:

14382. (a) The director may, after a hearing, refuse to issue or renew, or may suspend or revoke a livestock drug registration or restricted drug license for any violation of this chapter or any regulation which is adopted pursuant thereto.

(b) Upon calling a hearing, the director shall serve notice personally or by mail to the licensee or registrant specifying the time and place of the hearing at least 10 days prior to the hearing. At the hearing, the director may do all of the following:

(1) Administer oaths and hear testimony.

(2) Issue subpoenas requiring the attendance of the licensee, registrant, or witnesses, together with books, records, memoranda, papers, and all other documents that may be pertinent to the case.

(3) Compel the disclosure of the licensee or registrant and any witness of all the facts known to him or her regarding the case. In no instance shall any employee of the Feed, Fertilizer, and Livestock Drugs Branch serve as the hearing officer in any case under this section.

(c) Any person deprived of a license or registration has the right to appeal this action to the director.

SEC. 4. Section 14532 of the Food and Agricultural Code is amended to read:

14532. "Specialty fertilizer" is a commercial fertilizer labeled for home gardens, lawns, shrubbery, flowers, and other similar noncommercial uses.

SEC. 4.5. Section 14551 of the Food and Agricultural Code is amended to read:

14551. (a) Every person who manufactures or distributes commercial fertilizer, agricultural minerals, packaged soil amendments, or auxiliary soil and plant substances shall, before he or she engages in the activity, obtain a license from the director for

each plant or business location from which he or she operates. However, a person who only distributes or who makes only retail sales of packaged commercial fertilizer, agricultural minerals, soil amendments, or auxiliary soil and plant substances which bear the registered label of a currently licensed person is not required to obtain the license.

(b) A person is not entitled to a license unless he or she has a permanent place of business.

(c) A violation of this section is an infraction punishable by a fine of not more than five hundred dollars ($500). A second or subsequent violation of this section is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000).

SEC. 5. Section 14565 of the Food and Agricultural Code is repealed.

SEC. 6. Section 14565 is added to the Food and Agricultural Code, to read:

14565. A violation of this article is punishable as an infraction with a fine of not more than five hundred dollars ($500). A second or subsequent violation of this article is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000).

SEC. 7. Section 14595 is added to the Food and Agricultural Code, to read:

14595. The sale or distribution of any lot, parcel, or package of commercial fertilizer, agricultural mineral, or auxiliary soil and plant substance without a label specified in Section 14591, 14592, 14593, or 14594 is an infraction punishable by a fine of not more than two hundred fifty dollars ($250) if at least one notice of warning has been issued by the director for a prior violation within the preceding 12-month period. A second or subsequent violation of this section within a 12-month period is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000).

SEC. 8. Section 14611 of the Food and Agricultural Code is amended to read:

14611. (a) Unless otherwise specified, any violation of this chapter, or the regulations adopted pursuant to it, is a misdemeanor which is punishable by a fine of not more than five hundred dollars ($500) for the first violation and not less than five hundred dollars ($500) for each subsequent violation.

(b) The director may, after hearing, refuse to issue or renew, or may suspend or revoke a license or registration for any violation of this chapter or any regulation which is adopted pursuant thereto.

(c) Upon calling a hearing, the director shall serve notice personally or by mail to the licensee or registrant specifying the time and place of the hearing at least 10 days prior to the hearing. At the hearing, the director may do all of the following:

(1) Administer oaths and hear testimony.

(2) Issue subpoenas requiring the attendance of the licensee, registrant, or witnesses, together with books, records, memoranda, papers, and all other documents that may be pertinent to the case.

(3) Compel the disclosure of the licensee or registrant and any witness of all facts known to him or her regarding the case. In no instance shall any employee of the Feed, Fertilizer, and Livestock Drugs Branch serve as the hearing officer in any case under this section.

(d) After the loss of a license or registration, the person so deprived has a right of appeal to the director.

SEC. 9. Section 14615 of the Food and Agricultural Code is amended to read:

14615. (a) Any lot of commercial fertilizer, agricultural mineral, soil amendment, or auxiliary soil and plant substance for which a hold order or notice is issued shall be held by the person having control of the material and shall not be distributed or moved except under the specific directions of the director, pending final disposition pursuant to this chapter. This does not prevent the person having control of the material from inspecting any material so seized, nor from taking therefrom, in the presence of a person designated by the director, a reasonable sample for evidence.

(b) The movement, distribution, or sale of all or part of any product that has been quarantined by the director, unless the movement has the prior approval of the director, is a misdemeanor punishable by a fine of not more than five hundred dollars ($500). A second or subsequent violation of this subdivision is a misdemeanor punishable by a fine of not less than one thousand dollars ($1,000).

SEC. 10. Section 14620 is added to the Food and Agricultural Code, to read:

14620. The authority for the issuance of citations is limited to violations of Section 14551, 14565, 14595, 14611, or 14615. The procedures for the issuance of citations and penalties shall be prescribed in a citations policy adopted by the director, notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, upon the recommendation of the Fertilizer Inspection Advisory Board.

SEC. 11. Section 14991 of the Food and Agricultural Code is amended to read:

14991. (a) Except as otherwise provided in this chapter or by regulations of the director which declare that the statement required pursuant to this article is not applicable to certain products to carry out this chapter, every lot, parcel, or package of commercial feed distributed within this state shall have affixed to it, or be accompanied by, a label.

(b) The sale or distribution of any lot, parcel, or package of commercial feed without a label, as specified in this chapter, is an infraction punishable by a fine of not more than two hundred fifty dollars ($250) if at least one notice of warning has been issued by the director for a prior violation within the preceding 12-month period.

A second or subsequent violation of this subdivision within a 12-month period is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000).

SEC. 12. Section 14996 of the Food and Agricultural Code is amended to read:

14996. Commercial feed manufactured or distributed for feeding to animals on a contract or partnership basis is exempt from the labeling provisions of this chapter if the feeding location is of the same ownership as the feed manufacturing facility. The label information shall be provided by the manufacturer if the information is requested by a party to the contract or partnership or if the commercial feed contains a drug.

SEC. 13. Section 15011 of the Food and Agricultural Code is amended to read:

15011. The director shall fix the standards for commercial feed ingredients, including drugs, tolerances for agricultural chemicals, and any additives used in the manufacture of the feed, so as to insure the safety of animals and the products of animals which are used for human consumption. The director shall enforce all medicated feed withdrawal periods as set by regulation.

SEC. 14. Section 15042 is added to the Food and Agricultural Code, to read:

15042. The sale or distribution of any lot, parcel, or package of commercial feed deemed by the director to bear or contain a poisonous, deleterious, or nonnutritive substance in amounts which are specified as being unsafe by the director by regulation is an infraction punishable by a fine of not more than five hundred dollars ($500). A second or subsequent violation of this section is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000).

SEC. 15. Section 15056 is added to the Food and Agricultural Code, to read:

15056. The penalty for the manufacture or distribution of a commercial feed without a valid license as specified in Section 15051 is an infraction punishable by a fine of not more than five hundred dollars ($500). A second or subsequent violation of this section is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000).

SEC. 16. Section 15071 of the Food and Agricultural Code is amended to read:

15071. (a) Unless otherwise specified, any violation of this chapter or the regulations adopted pursuant to it is a misdemeanor which is punishable by a fine of not more than five hundred dollars ($500) for the first violation and not less than one thousand dollars ($1,000) for each subsequent violation.

(b) The director may, after a hearing, refuse to issue or renew, or may suspend or revoke a license for any violation of this chapter or any regulation which is adopted pursuant thereto.

(c) Upon calling a hearing, the director shall serve notice personally or by mail to the licensee specifying the time and place at least 10 days prior to the hearing. At the hearing, the director may do all of the following:

(1) Administer oaths and hear testimony.

(2) Issue subpoenas requiring the attendance of the licensee and witnesses.

(3) Compel the disclosure of the licensee and any witness of all the facts known to him or her regarding the case. In no instance shall any employee of the Feed, Fertilizer, and Livestock Drugs Branch serve as the hearing officer in any case under this section.

(d) After the loss of a license, the person so deprived has the right to appeal this action to the director.

SEC. 17. Section 15075 of the Food and Agricultural Code is amended to read:

15075. (a) Any lot of commercial feed for which a hold order or notice is issued shall be held by the person having control of the feed and shall not be disturbed or moved except under the specific directions of the director pending final disposition pursuant to this chapter. This restriction does not prevent the person having control of the feed from inspecting any feed so seized, nor from taking therefrom, in the presence of a person designated by the director, a reasonable sample for evidence.

(b) The movement, distribution, or sale of all or part of any lot, parcel, or package of commercial feed that has been quarantined by the director, unless the movement has the prior approval of the director, is a misdemeanor punishable by a fine of not more than five hundred dollars ($500). A second or subsequent violation of this subdivision is a misdemeanor punishable by a fine of not less than one thousand dollars ($1,000).

SEC. 18. Section 15077 of the Food and Agricultural Code is amended to read:

15077. Upon demand of the person having control of the seized feed and within 10 days of sampling by the director, a subsample shall be returned from the state laboratory to the person in control of the feed.

SEC. 19. Section 15081 is added to the Food and Agricultural Code, to read:

15081. The authority for the issuance of citations under this chapter is limited to violations of Section 14991, 15011, 15042, 15056, or 15075. The procedures for the issuance of citations and penalties shall be prescribed in a citations policy adopted by the director, notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, upon the recommendation of the Feed Inspection Advisory Board.

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.

CHAPTER 239

An act to amend Section 22017 of the Public Contract Code, relating to public contracts.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 22017 of the Public Contract Code is amended to read:

22017. The commission shall do all of the following:

(a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies which elect to utilize the uniform procedures. As part of its deliberations and review, the commission shall take into consideration relevant provisions of Office of Management and Budget Circular A-76.

(b) After due deliberation and study, recommend for adoption by the Controller cost accounting procedures designed especially for implementation by California cities with a population of less than 10,000. The procedures shall incorporate cost accounting and reporting requirements deemed practicable and applicable to all cities under 10,000 population which elect to utilize the uniform procedures.

(c) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 22032.

(d) The commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations as it deems necessary.

CHAPTER 240

An act to amend Section 5306 of, and to add Section 5310 to, the Food and Agricultural Code, relating to agricultural quarantines.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Section 5306 of the Food and Agricultural Code is amended to read:

5306. (a) It is unlawful for any person to refuse to comply with any quarantine regulation which is established by the director pursuant to this division.

(b) It is unlawful for any person to possess, propagate, plant, process, sell, or take any other action with regard to a plant or thing subject to a quarantine which has been imported or moved in violation of the quarantine.

SEC. 2. Section 5310 is added to the Food and Agricultural Code, to read:

5310. (a) In addition to any other penalties prescribed in this division, any person who violates this division or any regulation adopted pursuant to this division is liable civilly in an amount not exceeding ten thousand dollars ($10,000) for each violation.

(b) Upon a complaint by the director, the Attorney General may bring an action for civil penalties in any court of competent jurisdiction in this state against any person violating this division or any regulation adopted pursuant to this division.

(c) Upon the failure of any person to comply with this division, the Attorney General, upon request of the director, or the county counsel upon request of the commissioner, as the case may be, shall petition the superior court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining the person from continuing any activities in violation of this division. The court shall issue an order directing the person to appear before the court at a time and place certain and show cause why the injunction should not be issued. The court may grant the prohibitory or mandatory relief that may be warranted. The court may also issue the temporary relief that may be necessary to preserve the status of the parties until a hearing can be held.

(d) Any funds recovered by the department pursuant to this section shall be deposited in the Department of Food and Agriculture Fund to cover costs related to the enforcement of this division when appropriated by the Legislature therefor.

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 241

An act to add Chapter 21.4 (commencing with Section 7515) to Division 7 of Title 1 of the Government Code, relating to public retirement systems.

[Approved by Governor June 29, 1988. Filed with Secretary of State June 29, 1988.]

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

SECTION 1. Chapter 21.4 (commencing with Section 7515) is added to Division 7 of Title 1 of the Government Code, to read:

CHAPTER 21.4. FIDUCIARY RESPONSIBILITIES AND LIABILITIES OF PUBLIC RETIREMENT SYSTEMS

7515. The Teacher's Retirement Board and the Board of Administration of the Public Employees' Retirement System each are subject to fiduciary duties under Section 17 of Article XVI of the California Constitution and certain statutes.

In order to ensure that those boards are properly performing their respective fiduciary duties in accordance with the applicable standards, those boards shall, respectively, review their controlling statutes and report to the Legislature on or before March 1, 1989, all recommended changes in and additions to those statutes.

CHAPTER 242

An act to amend Section 2881 of the Public Utilities Code, relating to telephones, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1988. Filed with Secretary of State June 30, 1988.]

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

SECTION 1. Section 2881 of the Public Utilities Code, is amended to read:

2881. (a) 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 who is certified as deaf or severely hearing impaired by a licensed physician, audiologist, or a qualified state agency and to any subscriber which is an organization representing the deaf or severely hearing impaired, as determined and specified by the commission pursuant to subdivision (d).

(b) The commission shall also design and implement a program whereby each telephone corporation shall provide a dual party relay system, using third party intervention to connect deaf or severely hearing-impaired persons and offices of organizations representing the deaf or severely hearing impaired, as determined and specified by the commission pursuant to subdivision (d), with persons of normal hearing by way of intercommunications devices for the deaf or severely hearing impaired and the telephone system, making available reasonable access of all phases of public telephone service to deaf or severely hearing impaired telephone subscribers. In order to make a dual party relay system which will meet the requirements of deaf and severely hearing-impaired persons available at a reasonable cost, the commission shall initiate an investigation, conduct public hearings to determine the most cost-effective method of providing dual party relay service to the deaf or severely hearing impaired when using a telecommunications device, and solicit the advice, counsel, and physical assistance of statewide nonprofit consumer organizations of the deaf, during the development and implementation of the system. The commission shall phase in this program, on a geographical basis, over a three-year period ending on January 1, 1987.

(c) The commission shall also design and implement a program whereby specialized or supplemental telephone communications equipment may be provided to subscribers who are certified to be disabled at no charge additional to the basic exchange rate. The certification, including a statement of medical need for specialized telephone communications equipment, shall be provided by a licensed physician and surgeon acting within the scope of his or her license or by a qualified state agency, as determined by the commission. The commission shall, in this connection, study the feasibility of, and implement if determined to be feasible, personal income criteria, in addition to the medical certification of disability, for determining a subscriber's eligibility under this subdivision.

(d) The commission shall establish a rate recovery mechanism through a surcharge not to exceed one-half of 1 percent uniformly applied to a subscriber's intrastate telephone service, other than one-way radio paging service and universal telephone service, both within a service area and between service areas, to allow telephone corporations to recover costs as they are incurred under this section. The surcharge for 1988 shall be established at a level to produce revenues of not more than thirty-two million dollars ($32,000,000). On and after July 1, 1990, the commission shall establish the rate recovery mechanism as a surcharge not to exceed ten cents ($0.10)

per month for each line of a subscriber. The commission shall require that the programs implemented under this section be identified on subscribers' bills as "communication devices funds for deaf and disabled" and shall establish a fund and require separate accounting for each of the programs implemented under this section.

(e) The commission shall determine and specify those statewide organizations representing the deaf or severely hearing impaired which shall receive a telecommunications device pursuant to subdivision (a) or a dual party relay system pursuant to subdivision (b), or both, and in which offices the equipment shall be installed in the case of an organization having more than one office. The commission shall direct the telephone corporations subject to its jurisdiction to comply with its determinations and specifications in this regard.

(f) The commission shall prepare and submit to the Legislature, on or before December 31, 1988, and annually thereafter, a report on the fiscal status of the programs established and funded pursuant to this section and Section 2881.1. The report shall include a statement of the surcharge level established pursuant to subdivision (d) and revenues produced by the surcharge, an accounting of program expenses, and an evaluation of options for controlling those expenses and increasing program efficiency, including, but not limited to, the following proposals:

(1) The establishment of a means test for persons to qualify for program equipment or free or reduced charges for the use of telecommunication services.

(2) The imposition of limits or other restrictions on maximum usage levels for the relay service, which shall include the development of a program to provide basic communications requirements to relay users at discounted rates and, for usage in excess of those basic requirements, at rates which recover the full costs of service.

(3) More efficient means for obtaining and distributing equipment to qualified subscribers.

(4) The establishment of quality standards for increasing the efficiency of the relay system.

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:

An impending and substantial deficit will soon occur in the funding needed to support the telecommunications access programs required under Section 2881 of the Public Utilities Code due to the limitations imposed on the surcharge which supports these programs. In order to make available adequate revenues to support these programs as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 243

An act to amend Section 38926 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor June 30, 1988. Filed with Secretary of State June 30, 1988.]

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

SECTION 1. Section 38926 of the Food and Agricultural Code is amended to read:

38926. Nondairy frozen dessert shall comply with the following standards:

(a) The product shall contain not less than one-half of 1 percent of edible oil or fat other than milk fat.

(b) The product shall contain 1.3 pounds of food solids per gallon at the time of sale to the consumer.

(c) The product may contain harmless edible stabilizers and emulsifiers, not to exceed six-tenths of 1 percent by weight of the finished product.

(d) The product may contain nutritive carbohydrate sweeteners.

(e) The product may contain fruit or fruit juices, nut meats, harmless flavoring, and harmless coloring.

(f) The product shall not contain more than 75,000 bacteria or 10 coliform bacteria per gram.

CHAPTER 244

An act to amend Section 1170.95 of the Penal Code, relating to crimes.

[Approved by Governor June 30, 1988. Filed with Secretary of State June 30, 1988.]

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) 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 arsons may exceed five years but shall not exceed 10 years.

(f) 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 arsons.

(g) 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.

(h) 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.

(i) As used in this section, "residential arson" means arson committed in violation of subdivision (b) of Section 451 where it is charged and proved that the defendant intentionally set fire to or burned or caused the burning of a distinct inhabited structure or a distinct inhabited property in the commission of that offense.

SEC. 2. 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) 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 arsons may exceed five years but shall not exceed 10 years.

(f) 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 arsons.

(g) When a consecutive term of imprisonment is imposed pursuant to Sections 669 and 1170 which involves two or more convictions for robbery where it is charged and found that in each of those robberies that the defendant personally used a deadly or dangerous weapon in the commission of that robbery, as provided in subdivision (b) of Section 12022, and each of those robberies is not a violent felony, as defined in subdivision (c) of Section 667.5, the aggregate term shall be calculated as provided in subdivision (a) of Section 1170.1, except that the subordinate term for each subsequent robbery conviction shall consist of one-third of the middle term of imprisonment and one-third of the enhancement provided in subdivision (b) of Section 12022. Notwithstanding Section 1170.1, the total number of subordinate terms imposed under this subdivision may exceed five years but shall not exceed 10 years.

(h) 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.

(i) 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.

(j) As used in this section, "residential arson" means arson committed in violation of subdivision (b) of Section 451 where it is charged and proved that the defendant intentionally set fire to or burned or caused the burning of a distinct inhabited structure or a distinct inhabited property in the commission of that offense.

SEC. 3. Section 2 of this bill incorporates amendments to Section 1170.95 of the Penal Code proposed by both this bill and AB 2825. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1989, (2) each bill amends Section 1170.95 of the Penal Code, and (3) this bill is enacted after AB 2825, in which case Section 1 of this bill shall not become operative.

CHAPTER 245

An act to amend Section 11590 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor June 30, 1988. Filed with Secretary of State June 30, 1988.]

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

SECTION 1. Section 11590 of the Health and Safety Code is amended to read:

11590. (a) Any person who, on or after the effective date of this section, is convicted in the State of California of any offense defined in Section 11350, 11351, 11351.5, 11352, 11353, 11353.5, 11354, 11355, 11357, 11358, 11359, 11360, 11361, 11363, 11366, 11368, or 11550, or any person who is, on or after that date, discharged or paroled from a penal institution where he or she was confined because of the commission of any such offense, or any person who is, on or after that date, convicted in any other state of any offense which, if committed or attempted in this state, would have been punishable as one or more of the above-mentioned offenses, shall within 30 days after the effective date of this section or within 30 days of his or her coming into any county or city, or city and county in which he or she resides or is temporarily domiciled for that length of time, register with the chief of police of the city in which he or she resides or the sheriff of the county if he or she resides in an unincorporated area.

(b) Any person who, on or after the effective date of this section is convicted in any federal court of any offense which, if committed or attempted in this state would have been punishable as one or more of the offenses enumerated in subdivision (a) shall within 30 days after the effective date of this section or within 30 days of his or her coming into any county or city, or city and county in which he or she resides or is temporarily domiciled for that length of time, register with the chief of police of the city in which he or she resides or the sheriff of the county if he or she resides in an unincorporated area.

(c) This section does not apply to a conviction of a misdemeanor under Section 11357 or 11360.

SEC. 2. 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.

CHAPTER 246

An act to amend Sections 7702.1, 8016, 8038, 8051, 8301, 8306.2, 8580, 8581, 12002.9, and 12004 of the Fish and Game Code, relating to fish and game.

[Approved by Governor June 30, 1988 Filed with Secretary of State June 30, 1988]

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

SECTION 1. Section 7702.1 of the Fish and Game Code is amended to read:

7702.1. No sardines, anchovies, mackerel, or squid intended for or used in any cannery shall be unloaded from any vessel except at a weighing or measuring device approved by the Bureau of Weights and Measures. Such products shall be weighed by a public weighmaster licensed as an individual under the laws of this state and a receipt as to such weight shall be immediately issued by the weighmaster to the fisherman at the time of receipt of such products. Copies of such receipt shall be handled in the manner provided in Sections 8043 to 8047, inclusive.

SEC. 2. Section 8016 of the Fish and Game Code is amended to read:

8016. The master of any vessel operating any trawlnet in the public waters under the jurisdiction of this state, or taking fish by such net outside the state and bringing them into the state, shall keep an accurate record of the master's fishing operations in duplicate in a trawler logbook furnished by the department. All requested information shall be recorded completely and accurately.

On or before the 10th day of each month, the duplicate logs for the preceding month shall be transmitted to the department.

SEC. 3. Section 8038 of the Fish and Game Code is amended to read:

8038. (a) A license issued under this article is valid from July 1 to June 30 of the year following, or if issued after the beginning of that term, for the remainder thereof.

(b) Application for a license for the next, subsequent year may be accepted from an existing licensee by the department on or after April 30 of the license year preceding the license year for which the application is made.

SEC. 4. Section 8051 of the Fish and Game Code is amended to read:

8051. The landing tax imposed pursuant to Section 8041 shall be

determined pursuant to Section 8042 by using the tax rates in the following schedule:

	Rate per pound
(a) All fish, except as otherwise specified in this section	$0.0013
(b) Mollusks and crustaceans excluding squid and crab	0.0125
(c) Crab and squid	0.0019
(d) Salmon based only on the weight in the round	0.0500
(e) Sardines	0.0063
(f) The following fish	0.0125
(1) Barracuda	
(2) Bluefin	
(3) Flying fish	
(4) Frogs	
(5) Giant sea bass	
(6) Halibut	
(7) Saltwater worms	
(8) White sea bass	
(9) Yellowtail	
(g) Anchovy	0.0006
Provided, however, that when the price paid as stated on the fish receipt required in accordance with Section 8043 is in excess of fifty dollars ($50) per ton, the tax on anchovy shall be $0.0013 per pound.	
(h) Herring	0.0100
(i) Thresher shark, bonito (mako) shark, or angel shark, based only on the weight in the round	0.0113
(j) Swordfish, based only on the weight in the round	0.0125

SEC. 5. Section 8301 of the Fish and Game Code is amended to read:

8301. Abalones shall be brought ashore above high-water mark attached to the shell and alive. Except as otherwise provided, abalones not in the shell may not be transported nor possessed, except when being prepared for immediate consumption, or which have been processed under a license issued pursuant to Section 8034 or 8037.

SEC. 6. Section 8306.2 of the Fish and Game Code is amended to read:

8306.2. Abalone diving permits shall be issued in two categories, as follows:

(a) The category of prior permittees shall consist of abalone diving permittees who during the preceding season landed at least 6,000 pounds of abalone or who made 20 landings for each of which a receipt was received as provided in Section 8043. The person affected by this section may appeal to the commission, submitting circumstances surrounding nonuse of a permit, and request classification as a prior permittee. The commission may so classify the

appellant if it finds the nonuse of the permit was for reasons beyond the control of the applicant under the circumstances.

(b) There shall be a category of new entrants. An applicant shall be eligible for this category if he does not qualify as a prior permittee and meets either of the following conditions:

(1) At least three years experience as an abalone diver or crewmember.

(2) Successful completion of a proficiency test administered by the department, under such regulations as the commission shall prescribe.

SEC. 7. Section 8580 of the Fish and Game Code is amended to read:

8580. It is unlawful for any permittee to sell swordfish taken by him or her to other than the persons described in Section 8032 or 8033.

SEC. 8. Section 8581 of the Fish and Game Code is amended to read:

8581. Any license issued pursuant to Sections 8032 to 8036, inclusive, may be revoked or suspended by the commission, when requested by the department, upon a conviction for a violation of Section 8043 for failure to report, or for inaccurately reporting, shark or swordfish landings by fishermen operating under permits issued pursuant to Section 8394 or 8561.

SEC. 9. Section 12002.9 of the Fish and Game Code is amended to read:

12002.9. In addition to any other penalty prescribed in this code, the license issued pursuant to Sections 8032 to 8036, inclusive, to any person who is convicted of a violation of Section 7121, 7364, 7370, 8372, or 8373 shall be suspended for not less than seven days nor more than 30 days. Each day any fish of the species designated in any of those sections, or any part thereof, is unlawfully possessed and each unlawful transaction involving the purchase or sale of any fish of those species, or any part thereof, by a wholesale fish dealer is a separate violation.

SEC. 10. Section 12004 of the Fish and Game Code is amended to read:

12004. (a) The punishment for a first conviction of a violation of Section 8685.5, 8685.6, 8685.7, or 8688 is a fine of not more than five thousand dollars ($5,000), or imprisonment in the county jail for a period not to exceed six months, or the revocation of any license issued pursuant to Sections 8032 to 8036, inclusive, or any combination of these penalties.

(b) The punishment for a second or subsequent conviction of a violation of Section 8685.5, 8685.6, 8685.7, or 8688, which offense occurred within five years of another offense which resulted in a conviction of Section 8685.5, 8685.6, 8685.7, or 8688 is a fine of not more than ten thousand dollars ($10,000), or imprisonment in the state prison, or imprisonment in the county jail for a period not to exceed one year, or the revocation of any license issued pursuant to

Sections 8032 to 8036, inclusive, or any combination of these penalties.

CHAPTER 247

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

[Approved by Governor June 30, 1988. Filed with Secretary of State June 30, 1988.]

I am reducing the appropriation contained in Section 1 of Assembly Bill No. 2721 from $2,272,000 to $1,429,000, for a reduction of $843,000.

I have been informed by the Department of Forestry and Fire Protection that the appropriation in this bill can be reduced by $843,000 as a result of one-time savings achieved by the Department.

The reduced appropriation will provide the Department with adequate funds to institute the early activation of the State's firefighting resources The Department is able to redirect one-time funding of $843,000 towards the early activation of fire season without adversely affecting overall fire suppression activities.

With this reduction, I approve Assembly Bill No. 2721.

GEORGE DEUKMEJIAN, Governor

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

SECTION 1. The sum of two million two hundred seventy-two thousand dollars ($2,272,000) is hereby appropriated from the Special Fund for Economic Uncertainties to the Department of Forestry and Fire Protection for encumbrance as a severe fire hazard augmentation for early activation of seasonal fire crews, stations, lookouts, and air attack operations, and to support related contract services required to enhance the department's capacity for detecting wildland fires and responding on an initial attack basis during the 1988 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:

Due to prolonged drought conditions, California currently faces the potential for an earlier and unusually severe fire season, with the likelihood of extensive and disastrous wildland fires. In order to activate state firefighting resources earlier, facilitate the shortest possible response times for essential wildland fire suppression operations throughout California, and minimize the threat to lives and property, it is necessary that this act take effect immediately.

CHAPTER 248

An act to amend Section 19585 of the Government Code, relating to state civil service.

[Approved by Governor June 30, 1988. Filed with Secretary of State June 30, 1988.]

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

SECTION 1. Section 19585 of the Government Code is amended to read:

19585. (a) This section shall apply to permanent and probationary employees and may be used in lieu of adverse action and rejection during probation when the only cause for action against an employee is his or her failure to meet a requirement for continuing employment, as provided in this section. This section shall not apply to cases subject to the provisions of termination or demotion for medical reasons or retirement for disability.

(b) An appointing power may terminate, demote, or transfer an employee who fails to meet the requirement for continuing employment that is prescribed by the board on or after January 1, 1986, in the specification for the classification to which the employee is appointed. Notwithstanding the foregoing, as prescribed by Article 11 (commencing with Section 19991) of Chapter 1 of Part 2.6, the appointing power may grant the employee a leave of absence in lieu of one of the actions specified above. In prescribing requirements for continuing employment, the board may specify standards to ensure that the requirements are consistently applied. The board may also specify when separation from a position for failure to meet requirements for continuing employment also constitutes separation from former positions that the employee held in other classifications that have the same or greater requirements for continuing employment.

(c) The federal Immigration Reform and Control Act of 1986 requires termination of an employee for failure to meet the employment eligibility requirements of that act, and if this is the only cause for action against that employee, the termination shall be carried out pursuant to this section. If a person fails to meet the employment eligibility requirements of the federal Immigration Reform and Control Act of 1986, that information, when used under this section, except for purposes of the appeals process, shall be confidential, as provided in the federal Immigration Reform and Control Act of 1986.

(d) For the purposes of this section, requirements for continuing employment shall be limited to the acquisition or retention of specified licenses, certificates, registrations, or other professional qualifications, education, or eligibility for continuing employment or advancement to the fully qualified level within a particular class

series. The board shall prescribe procedures to ensure that employees affected by the requirements are informed of them. Requirements for continuing employment that are established for the purposes of this section shall not include medical, physical ability, work, or academy performance standards.

(e) For the purposes of this section, an employee who has filed a proper and timely application for renewal of a required license, registration, or certificate shall be considered as having maintained the license, registration, or certificate unless it is subsequently denied, revoked, or suspended.

(f) The employee shall receive at least five days' written notice of termination, demotion, or transfer and shall have the right to appeal the action to the board.

(g) When the requirements for continuing employment have been regained, terminated, demoted, or transferred employees may be reinstated pursuant to Section 19140.

(h) Any action under this section shall be considered nondisciplinary for the purposes of the State Civil Service Act and board rules.

CHAPTER 249

An act to make an appropriation in augmentation of Items 6100-001-001, 6100-161-001, 9840-001-001, and 9840-001-494 of Section 2.00 of the Budget Act of 1987, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 30, 1988 Filed with Secretary of State June 30, 1988.]

I am deleting the following amounts included in the General Fund appropriation contained in Assembly Bill No. 2789:

The proposed desegregation deficiency of $3,653,000 resulted from action taken by the State Controller to pay the San Francisco Unified School District an amount of funds which is in excess of the statutory formula. This matter is currently the subject of an appeal in federal court. If the San Francisco claim had not been paid, the appropriation would have been sufficient to pay all legitimate claims.

The proposed desegregation deficiency of $3,000,000 for Ravenswood is also contrary to state law as the district has not yet incurred costs for which it may be reimbursed. Additionally, I understand this matter is still the subject of litigation. Therefore, it appears prudent to resolve all policy and legal issues prior to payment of funds

The Community Colleges apportionments deficiency of $8.2 million because funding shortfalls are addressed in the current apportionment formula. In addition, to the extent that actual 1987–88 property taxes are higher than the amount estimated by the county auditors, those funds will be available to meet this need.

With these deletions, I approve Assembly Bill No. 2789.

GEORGE DEUKMEJIAN, Governor

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

SECTION 1. (a) The sum of fifteen million eight thousand dollars ($15,008,000) is hereby reappropriated in augmentation of,

and for the purposes of, Item 6100-161-001 of the Budget Act of 1987. This sum is reappropriated from the unexpended balances of the appropriations contained in the statutes listed in the following schedule:

(1) Forty-four thousand dollars ($44,000) from Chapter 418 of the Statutes of 1984.

(2) One million eight hundred twenty-seven thousand dollars ($1,827,000) from Chapter 180 of the Statutes of 1985.

(3) One million seven hundred eighty-nine thousand dollars ($1,789,000) from Item 6100-114-001 of the Budget Act of 1986.

(4) Eight million one hundred ten thousand dollars ($8,110,000) from Item 6100-115-001 of the Budget Act of 1986.

(5) Three million ninety-seven thousand dollars ($3,097,000) from Item 6100-115-001 of the Budget Act of 1987.

(6) One hundred forty-one thousand dollars ($141,000) from Chapter 259 of the Statutes of 1987.

(b) The sum of forty-one million eight hundred forty-eight thousand dollars ($41,848,000) is hereby appropriated for expenditure in the 1987–88 fiscal year in augmentation of, and for the purposes of, contingencies or emergencies as provided in Items 9840-001-001 and 9840-001-494 of Section 2.00 of the Budget Act of 1987, in accordance with the following schedule:

(1) Thirty million four hundred fifty-nine thousand dollars ($30,459,000) from the General Fund to the Reserve for Contingencies or Emergencies in Item 9840-001-001.

(2) Fourteen million three hundred eighty-nine thousand dollars ($14,389,000) from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(3) The Director of Finance may withhold authorization for expenditure of funds provided in this subdivision until such time as, and to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 2. (a) On or before December 15, 1988, the Superintendent of Public Instruction shall report to the Director of Finance the actual annual local revenues and the actual annual Public Employee Retirement System employee contributions received by the county offices of education and school districts for the county office of education, K-12 district revenue limit, and special education apportionments for the 1987–88 fiscal year.

(b) (1) At the first principal apportionment of the 1988–89 fiscal year, the Superintendent of Public Instruction shall report to the Director of Finance and the State Controller the amounts by which the actual 1987–88 local revenues received by the 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, as reported at the 1987–88 annual apportionment, exceed the amount of local revenues received by county offices of education and school districts, as reported at the 1987–88 second principal apportionment.

(2) The Superintendent of Public Instruction shall report to the Director of Finance and the State Controller the amounts by which the actual reductions in the Public Employees Retirement System employee contributions, required by provisions 6.3, 6.5, and 6.7 of Item 6100-101-001 of the Budget Act of 1987, exceed the amount of the reductions in the Public Employees Retirement System employee contributions as reported at the 1987–88 second principal apportionment.

(3) The State Controller shall transfer the amounts calculated pursuant to paragraphs (1) and (2), as adjusted pursuant to subdivision (c), from the funds appropriated in Items 6110-101-001, 6110-106-001, and 6110-161-001 of the Budget Act of 1988 to the unappropriated balance of the General Fund.

(c) The local revenue increases and reductions to the Public Employee Retirement System employee contributions specified in subdivision (b) may be adjusted by the net amounts of any adjustment 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 1987–88 second principal apportionment and the 1987–88 annual apportionment.

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 250

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

[Approved by Governor June 30, 1988. Filed with Secretary of State June 30, 1988.]

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

SECTION 1. On the effective date of this act, from the unencumbered balance of Item 0250-490-036(1) of the Budget Act of 1987, the sum of two hundred fifteen thousand dollars ($215,000) shall revert to the Special Account for Capital Outlay as unencumbered surplus.

SEC. 2. On the effective date of this act, from the unencumbered balance of Item 0250-490-036(2) of the Budget Act of 1987, the sum of one million five hundred two thousand dollars ($1,502,000) shall revert to the Special Account for Capital Outlay as unencumbered surplus.

SEC. 3. The sum of one million seven hundred seventeen thousand dollars ($1,717,000) is appropriated from the Special Account for Capital Outlay to the Judicial Council for the purpose of relocation of the Supreme Court, Court of Appeal, and the

Administrative Office of the Courts to new facilities in San Francisco.

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:

Existing court facilities in San Francisco present a substantial earthquake hazard that must be promptly addressed.

CHAPTER 251

An act to amend Section 19630 of the Government Code, relating to public employees.

[Approved by Governor July 1, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 19630 of the Government Code is amended to read:

19630. No action or proceeding shall be brought by any person having or claiming to have a cause of action or complaint or ground for issuance of any complaint or legal remedy for wrongs or grievances based on or related to any civil service law in this state, or the administration thereof, unless that action or proceeding is commenced and served within one year after the cause of action or complaint or ground for issuance of any writ or legal remedy first arose. The person shall not be compensated for the time subsequent to the date when the cause or ground arose unless that action or proceeding is filed and served within 90 days after the cause or ground arose. Where an appeal is taken from a decision of the board, the cause of action does not arise until the final decision of the board.

This section shall not be applicable to any action or proceeding for the collection of salary or wage, the amount of which is not disputed by the state agency owing that salary or wage.

CHAPTER 252

An act to amend Sections 2812 and 2815 of, and to add and repeal Section 2815.1 of, the Business and Professions Code, and to amend Section 429.993 of, and to add and repeal Article 4 (commencing with Section 447.40) of Part 1.95 of Division 1 of, the Health and Safety Code, relating to nurses, and making an appropriation therefor.

[Approved by Governor July 1, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 2812 of the Business and Professions Code is amended to read:

2812. Within 10 days after the beginning of each month, the board shall report to the State Controller the amount and source of all collections made under the provisions of this chapter. At the same time, all such amounts shall be paid into the State Treasury, where they shall be placed to the credit of the Board of Registered Nursing Fund and to the Registered Nurse Education Fund, as specified in Section 447.45 of the Health and Safety Code.

SEC. 2. Section 2815 of the Business and Professions Code is amended to read:

2815. Subject to the provisions of Section 128.5, the amount of the fees prescribed by this chapter in connection with the issuance of licenses for registered nurses under its provisions is that fixed by the following schedule:

(a) The fee to be paid upon the filing of an application for a license shall be fixed by the board at not more than fifty dollars ($50).

(b) The fee to be paid for taking each examination shall be fixed by the board at not more than sixty-five dollars ($65).

(c) The biennial fee to be paid upon the filing of an application for renewal of the license shall be not more than fifty dollars ($50). Not less than five dollars ($5) of this fee shall be credited to the Registered Nurse Education Fund until Section 2815.1 is repealed.

(d) The penalty fee for failure to renew a license within the prescribed time shall be fixed by the board at not more than 50 percent of the regular renewal fee, but not more than twenty-five dollars ($25).

(e) The fee to be paid for approval of a continuing education provider shall be fixed by the board at not more than one hundred fifty dollars ($150).

(f) The biennial fee to be paid upon the filing of an application for renewal of provider approval shall be fixed by the board at not more than one hundred fifty dollars ($150).

(g) The fee to be paid upon the filing of an application for the examination taken in lieu of a continuing education program shall be fixed by the board to compensate for the cost of preparation and

administration of the examination, but in no case shall exceed fifty dollars ($50).

(h) The penalty for submitting insufficient funds or fictitious check, draft or order on any bank or depository for payment of any fee to the board shall be ten dollars ($10).

(i) The fee to be paid for an interim permit shall be fixed by the board at not more than twenty dollars ($20).

(j) The fee to be paid for a temporary license shall be fixed by the board at not more than twenty dollars ($20).

(k) The fee to be paid for rescoring each section of an examination shall be fixed by the board at not more than twenty dollars ($20).

(*l*) The fee to be paid for processing endorsement papers to other states shall be fixed by the board at not more than fifty dollars ($50).

(m) The fee to be paid for a certified copy of a school transcript shall be fixed by the board at not more than twenty dollars ($20).

(n) The fee to be paid for a duplicate license shall be fixed by the board at not more than twenty dollars ($20).

(o) The fee to be paid by a registered nurse for an evaluation of his or her qualifications to use the title "nurse practitioner" shall be fixed by the board at an amount necessary to cover the actual cost to the board of the evaluation but in no event at more than one hundred fifty dollars ($150).

No further fee shall be required for a license or a renewal thereof other than as prescribed by this chapter.

SEC. 3. Section 2815.1 is added to the Business and Professions Code, to read:

2815.1. Subject to the limitations contained in subdivision (c) of Section 2815, effective July 1, 1989, the Board of Registered Nursing shall increase the biennial fee paid upon filing of an application for renewal of the license by not less than five dollars ($5). The entire amount of this increase shall be credited to the Registered Nurse Education Fund.

This section shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

SEC. 4. Section 429.993 of the Health and Safety Code is amended to read:

429.993. The respective licensing boards for registered nurses, licensed vocational nurses, pharmacists, optometrists, and dentists may adopt regulations that require licentiates to provide the information included in Section 429.981 as a condition of relicensure. In order to facilitate the collection and analysis of this information, any of these boards may use information from a scientifically selected random sample of the licentiates. These licensing boards may collaborate with the Office of Statewide Health Planning and Development in the collection or analysis of this information.

SEC. 5. Article 4 (commencing with Section 447.40) is added to Part 1.95 of Division 1 of the Health and Safety Code, to read:

Article 4. California Registered Nurse Education Program

447.40. (a) The Legislature hereby finds and declares that an adequate supply of professional nurses is critical to assuring the health and well-being of the citizens of California.

(b) The Legislature further finds that changes in the health care system of this state have increased the need for more highly skilled nurses. These changes include advances in medical technology and pharmacology, which necessitate the use of more highly skilled nurses in acute care facilities. Further, the containment of health care costs has led to increased reliance on home health care and outpatient services and to a higher proportion of more acutely ill patients in acute care facilities. Long-term care facilities also need more highly educated nursing personnel. Both shifts require a larger number of skilled nursing personnel.

(c) The Legislature further finds and declares that in nursing, as in other professions, certain populations are underrepresented. The Legislature also finds and declares that it is especially important that nursing care be provided in a way that is sensitive to the sociocultural variables that affect a person's health. The Legislature recognizes that the financial burden of obtaining a baccalaureate degree is considerable and that persons from families lacking adequate financial resources may need financial assistance to complete a baccalaureate degree.

(d) The Legislature further finds and declares that approximately 20 percent of all Californians live in rural and urban areas that have been designated health manpower shortage areas. The shortage of professional nurses in these areas makes it more difficult for those citizens to obtain health care and more difficult to attract and retain other health care professionals to those areas.

(e) The Legislature further finds and declares that applications for enrollment in programs that grant baccalaureate of science of nursing degrees have declined at the same time that demand for professional nurses has increased.

447.41. It is the intent of the Legislature to accomplish the following:

(a) Assure an adequate supply of appropriately trained professional nurses.

(b) Encourage persons from populations that are currently underrepresented in the nursing profession to enter that profession.

(c) Encourage professional nurses to work in medically underserved areas.

447.42. (a) There is hereby created the Registered Nurse Education Program within the Minority Health Professions Education Foundation. Persons participating in this program shall be either persons from demographically underrepresented groups or persons who agree in writing prior to graduation to serve in a health manpower shortage area, as designated by the director of the Office of Statewide Health Planning and Development. Persons from

demographically underrepresented groups may apply for awards to persons agreeing to serve in health manpower shortage areas. The Registered Nurse Education Program shall be administered in accordance with Article 14 (commencing with Section 69795) of Chapter 2 of Part 42 of the Education Code, except that all funds in the Registered Nurse Education Fund shall be used only for the purpose of promoting the education of registered nurses and related administrative costs, and except that persons who apply for awards that require them to serve in health manpower shortage areas may be, but are not required to be, persons from demographically underrepresented groups or persons from "underrepresented minority groups" as defined in subdivision (g) of Section 69795 of the Education Code. The Minority Health Professions Education Foundation shall make recommendations to the Director of the Office of Statewide Health Planning and Development concerning both the following:

(1) A standard contractual agreement to be signed by the director and any student who has received an award to work in a health manpower shortage area that would require a period of obligated professional service in the areas of California designated by the Health Manpower Policy Commission as deficient in primary care services. The obligated professional service shall be in direct patient care. The agreement shall include a clause entitling the state to recover the funds awarded plus the maximum allowable interest for failure to begin or complete the service obligation.

(2) Maximum allowable amounts for scholarships, educational loans, and loan repayment programs in order to assure the most effective use of these funds.

(b) Applicants may be persons licensed as registered nurses or graduates of associate degree nursing programs prior to entering a program granting a baccalaureate of science of nursing. Priority shall be given to applicants who hold associate degrees in nursing.

(c) Not more than 5 percent of the funds available under the Registered Nurse Education Program shall be available for a pilot project designed to test whether it is possible to encourage articulation from associate degree nursing programs to baccalaureate of science of nursing programs. Persons who otherwise meet the standards of subdivision (a) shall be eligible for educational loans when they are enrolled in associate degree nursing programs. If these persons complete a baccalaureate of science of nursing program in California within five years of obtaining an associate degree in nursing and meet the standards of this article, these loans shall be completely forgiven.

447.43. The funds made available pursuant to this article shall be used as specified in Article 14 (commencing with Section 69795) of Chapter 2 of Part 42 of the Education Code, except that the funds shall be used only for the purpose of assisting students in completing nursing programs meeting the standards specified in subdivision (j) of Section 69799 of the Education Code.

447.44. In developing this program, the Minority Health Professions Education Foundation shall solicit the advice of representatives of the Board of Registered Nurses, the California Nurses Association, the Chancellor of the California Community Colleges, the Chancellor of the California State University, and the California Association of Hospitals and Health Systems.

447.45. There is hereby established in the State Treasury the Registered Nurse Education Fund. All money in the fund shall be used for the purposes specified in the California Registered Nurse Education Program established pursuant to this article. This fund shall receive money collected pursuant to subdivision (c) of Section 2815 of the Business and Professions Code. These funds shall be appropriated annually in the Budget Act.

447.46. This article shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

CHAPTER 253

An act to amend Section 21630 of the Business and Professions Code, and to amend Sections 21201 and 21208 of, and to add Section 21200.9 to, the Financial Code, relating to pawnbrokers and secondhand dealers.

[Approved by Governor July 1, 1988. Filed with Secretary of State July 5, 1988]

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

SECTION 1. Section 21630 of the Business and Professions Code is amended to read:

21630. If the transaction takes place within the territorial limits of an incorporated city, the report shall be submitted to the police chief executive of the city or his or her designee, by mail unless otherwise agreed upon by the pawnbroker and the police chief executive or his or her designee. If the transaction takes place outside the territorial limits of an incorporated city, the report shall be submitted to the sheriff of the county or his or her designee, by mail unless otherwise agreed upon by the pawnbroker and the sheriff or his or her designee.

SEC. 2. Section 21200.9 is added to the Financial Code, to read:

21200.9. No licensed pawnbroker shall promise any seller of tangible personal property that the seller may repurchase property sold to the pawnbroker.

SEC. 3. Section 21201 of the Financial Code is amended to read:

21201. Every loan made by a pawnbroker for which goods are received in pledge as security shall be evidenced by a written contract, a copy of which shall be furnished to the borrower. The loan

contract shall set forth the loan period and the date on which the loan is due and payable, and shall clearly inform the borrower of his or her right to redeem the pledge during the redemption period.

Every pawnbroker shall retain in his or her possession, after the date on which the loan became due and payable, every article pledged to him or her for a period of four months. During such periods the borrower may redeem the articles upon payment of the applicable charges.

If any pledged article is not redeemed during the four-month redemption period as provided herein, and the borrower and pawnbroker do not mutually agree in writing to extend the redemption period, the pawnbroker shall notify the borrower within 30 days after expiration of the redemption period. If the pawnbroker fails to notify the borrower within 30 days after the expiration of the redemption period, the pawnbroker shall not charge interest from the day after the expiration of the 30-day period. The pawnbroker shall notify the borrower either by registered mail, or by certified mail, or by regular mail for which a certificate of mailing is issued by the United States Postal Service addressed to his or her last known address of the termination of the redemption period, and extending the right of redemption for a period of 10 days from date of mailing of such notice.

However, the posted schedule of charges required pursuant to Section 21200.5 shall contain a notice informing the borrower that if he or she desires, the pawnbroker shall send the notice of termination of the redemption period by registered or certified mail with return receipt requested, upon prepayment of the mailing costs. The schedule of charges shall contain the notice no later than January 1, 1986. If any pledged article is not redeemed within the 10-day period, the pawnbroker shall become vested with all right, title, and interest of the pledgor, or his or her assigns, to the pledged article, to hold and dispose of as his or her own property. Any other provision of law relating to the foreclosure and sale of pledges shall not be applicable to any pledge the title to which is transferred in accordance with this section. The pawnbroker shall not sell any article of pledged property until he or she has become vested with the title to that property pursuant to this section. The sale of pledged property is a misdemeanor pursuant to Section 21209.

SEC. 4. Section 21208 of the Financial Code is amended to read:

21208. Every pawnbroker shall report daily or on the first working day after receipt or purchase, all descriptions of all property received in pledge or purchased as tangible personal property, as defined in Section 21627 of the Business and Professions Code, in whatever quantity received, including property purchased as tangible personal property at wholesale, tangible personal property taken in for sale or possessed on consignment for sale, and tangible personal property taken in trade.

If the transaction took place within the territorial limits of an incorporated city, the report shall be submitted to the police chief

executive of the city or his or her designee, by mail unless otherwise agreed upon by the pawnbroker and the police chief executive or his or her designee. If the transaction took place outside the territorial limits of an incorporated city, the report shall be submitted to the sheriff of the county or his or her designee, by mail unless otherwise agreed upon by the pawnbroker and the sheriff or his or her designee.

All reports shall be on forms approved or provided at actual cost by the Department of Justice. The police chief executive or sheriff who receives a report on a form filed pursuant to the provisions of this section shall daily submit a legible copy of the transactions to the Department of Justice.

CHAPTER 254

An act to add Section 13960.2 to the Government Code, relating to victims of crime.

[Approved by Governor July 1, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 13960.2 is added to the Government Code, to read:

13960.2. (a) Notwithstanding Section 13960, for purposes of this article, "victim" does not include any person who is convicted of a felony until that person has been discharged from probation or has been released from a correctional institution and has been discharged from parole, if any. In no case shall assistance be granted to an applicant for assistance pursuant to this article during any period of time the applicant is held in a correctional institution.

(b) A victim who has been convicted of a felony may apply for assistance pursuant to this article at any time, but the award of that assistance shall not be considered until the applicant meets the requirements of subdivision (a).

(c) Assistance may be granted to a victim who is also a felon only after the application of victims who are not felons has been acted upon by the board and all awards granted by the board for assistance to the nonfelon applicants have been made.

CHAPTER 255

An act to amend Section 20013.8 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor July 1, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 20013.8 of the Government Code is amended to read:

20013.8. Members with at least 10 years of service credit who, in the opinion of the board, had permanently separated from state service before having any of the rights provided members specified in Section 20013.7, may make an irrevocable election to be subject to the Second Tier level of benefits provided for in Section 21251.146 for service rendered as a state miscellaneous member and state industrial member.

The board has no duty to locate or notify any permanently separated member or to provide the name or address of any permanently separated member to any person, agency, or entity for the purpose of notifying those members.

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.

CHAPTER 256

An act to add Section 19996.19 to the Government Code, relating to state employees.

[Approved by Governor July 1, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 19996.19 is added to Article 1.6 (commencing with Section 19996.20) of Chapter 7 of Part 2.6 of the Government Code, to read:

19996.19. (a) The Legislature finds and declares all of the following:

(1) Many individuals in our society possess great productive potential which goes unused because they cannot meet the requirements of a standard workweek.

(2) An increasing proportion of workers have family responsibilities which include the care of dependent elders and the rearing of children.

(3) There is a lack of adequate, affordable adult or child care to accommodate the growing need for such services.

(4) The state is benefited by exploring and encouraging cost-saving supplements to latchkey programs, out-of-home child care services, and adult dependent care.

(5) Disabled employees or persons with special health needs may benefit from voluntary reduced worktime.

(6) Voluntary reduced worktime benefits both employers and employees, by increasing flexibility and decreasing absenteeism, offering management more flexibility in meeting work requirements, and filling shortages in various occupations.

(7) Society is benefited by offering a needed alternative for those individuals who require or prefer shorter hours, despite the reduced income, thus increasing jobs available to reduce unemployment while retaining the skills of individuals who have training and experience.

(8) Employment opportunities are maximized by providing for voluntary reduced worktime options to a standard workweek.

(b) It is the intent of the Legislature in adopting this section to pursue all of the following objectives:

(1) To provide for maximum employment opportunities.

(2) To encourage the realization of individual potential.

(3) To increase the numbers and kinds of public and private sector voluntary reduced worktime options.

(4) To support the creation of a healthy balance between work and family needs, including the need for additional income.

(5) To encourage voluntary reduced worktime opportunities within the private as well as public sector.

(6) To develop policies and procedures which support the growth of voluntary reduced worktime positions.

(7) To promote job stability.

(8) To strengthen the family and promote domestic tranquility and to benefit the family and society by promoting a balance between work and home.

(9) To provide for alternative solutions to the growing need for adequate child care, care for dependent adults, and care for the disabled.

(c) Nothing in this section shall be construed as superseding Sections 19996.20 and 19996.21 which provide that the reduced worktime option shall be made available only to the extent feasible and as the department finds consistent with maximum employment opportunity.

CHAPTER 257

An act to amend Sections 660, 664, 730, and 732 of, and to repeal Sections 666 and 734 of, the Public Resources Code, relating to public officers.

[Approved by Governor July 1, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 660 of the Public Resources Code is amended to read:

660. There is in the department a State Mining and Geology Board consisting of nine members appointed by the Governor, subject to confirmation by the Senate.

SEC. 2. Section 664 of the Public Resources Code is amended to read:

664. Each member of the board shall hold office for four years. Vacancies shall be immediately filled by the Governor.

SEC. 3. Section 666 of the Public Resources Code is repealed.

SEC. 4. Section 730 of the Public Resources Code is amended to read:

730. There is in the department a State Board of Forestry consisting of nine members appointed by the Governor, subject to confirmation by the Senate.

SEC. 5. Section 732 of the Public Resources Code is amended to read:

732. Each member of the board shall hold office for four years from the expiration of the term of his or her predecessor. Vacancies shall be immediately filled by the Governor.

SEC. 6. Section 734 of the Public Resources Code is repealed.

CHAPTER 258

An act to amend Sections 17058, 23610.5, and 25106.5 of, to amend and renumber Sections 18513, 18513.1, and 18513.2 of, to repeal the heading of Article 6.7 (commencing with Section 18513) of, and to add a heading to Article 6.7 (commencing with Section 18515) of Chapter 17 of Part 10 of Division 2 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 4, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 17058 of the Revenue and Taxation Code is

amended to read:

17058. (a) There shall be allowed as a credit against the amount of net tax (as defined in Section 17039) a state low-income housing credit in an amount equal to the amount determined in subdivision (c), computed in accordance with the provisions of Section 42 of the Internal Revenue Code, except as otherwise provided in this section.

(b) (1) The amount of the credit allocated to any project shall be authorized by the Mortgage Bond and Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) It shall have been allocated by the Mortgage Bond and Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code.

(ii) It shall qualify for a credit under Section 42(h) (4) (B) of the Internal Revenue Code.

(B) The Mortgage Bond and Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue Code.

(2) (A) The Mortgage Bond and Tax Credit Allocation Committee shall certify to the taxpayer the amount of tax credit under this section to which the taxpayer is entitled for each year in the credit period.

(B) The taxpayer shall attach a copy of the certification to any return upon which a tax credit is claimed under this section.

(C) In the case of a failure to attach a copy of the certification for the year to the return in which a tax credit is claimed under this section, no credit under this section shall be allowed for that year until a copy of that certification is provided.

(c) Section 42(b) of the Internal Revenue Code shall be modified as follows:

(1) In the case of any qualified low-income building placed in service by the taxpayer during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.

(2) In the case of any qualified low-income building placed in service by the taxpayer after 1987 (for new buildings whether or not the building is federally subsidized and for existing buildings), the term "applicable percentage" means either of the following:

(A) For each of the first three years, the highest percentage prescribed under Section 42(b) (2) of the Internal Revenue Code, for the month in which the building is placed in service, in lieu of the percentage prescribed in Section 42(b) (1) (A) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cumulative cash distribution on the taxpayer's cash invested in the qualified low-income housing project in an amount not to exceed 8 percent per annum. For purposes of this paragraph, if the taxpayer is a partnership or an S corporation, the limitation on return shall apply to each of the partners or the shareholders, respectively.

(2) The taxpayer shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code.

(e) The provisions of Section 42(f) of the Internal Revenue Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue Code is modified by substituting "four taxable years" for "10 taxable years."

(2) The special rule for the first taxable year of credit period under Section 42(f)(2) of the Internal Revenue Code shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue Code is modified to read:

If, as of the close of the 1988 or 1989 taxable year, the qualified basis of any building exceeds the qualified basis of that building as approved for the initial allocation of credits pursuant to this section, the taxpayer shall be eligible to apply for an allocation of the credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) above for the four-year period beginning with the later of the taxable year in which the increase in qualified basis occurs or the taxable year in which the credit allocation is received.

(f) The provisions of Section 42(h) of the Internal Revenue Code shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue Code shall not be applicable and instead the following provisions shall be applicable:

The total amount for the four-year period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (6), and (7) of Section 42(h) of the Internal Revenue Code shall not be applicable to this section.

(g) (1) Except as provided in paragraph (2), the aggregate housing credit dollar amount which may be allocated annually by the Mortgage Bond and Tax Credit Allocation Committee for the 1987, 1988, and 1989 calendar years pursuant to this section and Section 23610.5 shall be an amount equal to one dollar and twenty-five cents

($1.25) multiplied by the state population in that year, as established by the Department of Finance.

(2) The portion of the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee which is not allocated for each of the calendar years may be carried over to any subsequent calendar years through 1989. Thereafter, Section 42(n)(2) of the Internal Revenue Code shall apply.

(h) (1) The term "compliance period" as defined in Section 42(i)(1) of the Internal Revenue Code is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto, subject to the limitation in paragraph (2).

(2) If, after the first 15 years of the compliance period, a qualified low-income housing project is not economically feasible, the taxpayer shall be entitled to remove one or more low-income units from the set-aside and rent requirements of Section 42(g) of the Internal Revenue Code as is necessary for the project to become economically feasible, provided that once a project is again economically feasible, the taxpayer designates the next available units as low-income units subject to the set-aside and rent requirements, up to the original number of low-income units, while keeping the project economically feasible.

(3) For purposes of paragraph (2), "economically feasible" means that project revenue equals or exceeds project operating expenses excluding any return on investment.

(4) For purposes of paragraph (3), "operating expenses" means the reasonable expenses necessary to operate and maintain the project in habitable condition, debt service, taxes, and reasonable reserves. For purposes of this paragraph, debt service shall not include that portion of payments of principal and interest attributable to any excess refinanced principal over the outstanding principal of the loan that was refinanced.

(i) Section 42(j) of the Internal Revenue Code shall not be applicable and the following shall be substituted in its place:

(1) The requirements of this section shall be set forth in a regulatory agreement between the Mortgage Bond and Tax Credit Allocation Committee and the taxpayer.

(2) The regulatory agreement shall include, but not be limited to, the following:

(A) A term equal to the compliance period.

(B) A requirement that the agreement be filed in the official records of the county in which the qualified low-income housing project is located.

(C) A provision stating which state and local agencies can enforce the regulatory agreement in the event the taxpayer fails to satisfy any of the requirements of this section.

(D) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto.

(E) A provision incorporating the requirements of Section 42 of the Internal Revenue Code as modified by this section.

(F) A requirement that the taxpayer provide the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement with advance notice if the taxpayer intends to reduce the number of low-income units to make a project economically feasible.

(G) A requirement that the taxpayer notify the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue Code.

(H) A requirement that the taxpayer, as security for the performance of taxpayer's obligations under the regulatory agreement, assign the taxpayer's interest in rents which it receives from the project, provided that until there is a default under the regulatory agreement, the taxpayer is entitled to collect and retain the rents.

(I) The remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period, include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the taxpayer is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance, securing the appointment of a receiver to operate the project, or any other relief as may be appropriate.

(j) In allocating the housing credit, the Mortgage Bond and Tax Credit Allocation Committee shall give priority to qualified low-income housing projects that satisfy the following criteria, which are weighted according to the numerical order of the paragraphs listed below:

(1) Projects that have received government financing or mortgage assistance and are eligible and likely to convert to market-rate rental units.

(2) (A) Projects that commit to providing low-income units for a significantly longer period than the compliance period under this section.

(B) Projects that commit to providing a greater percentage of low-income units than is required under Section 42(g)(1) of the Internal Revenue Code.

(3) Projects that commit to charging rent for low-income units that is less than the rent requirements under Section 42(g)(2) of the Internal Revenue Code.

(4) (A) Projects for which the rate of return on cash investment is less than the rate allowed under this section.

(B) Projects targeted to those groups identified in the California

Statewide Housing Plan as having special needs, including projects that ensure that rural areas receive a proportionate share of the housing credits.

(k) Section 42(*l*) of the Internal Revenue Code shall be modified as follows:

The term "secretary" shall be replaced by the term "Mortgage Bond and Tax Credit Allocation Committee."

(*l*) In the case where the credit allowed under this section exceeds the net tax for the taxable year, that portion of the credit which exceeds the net tax may be carried over to the net tax in succeeding taxable years, with respect to which this section shall remain in effect for purposes of carrying over excess credit, until the credit is used. The credit shall be applied first to the earliest years possible.

(m) The aggregate amount of tax credits granted pursuant to this section and Section 23610.5 shall not exceed thirty-five million dollars ($35,000,000) per year. The Mortgage Bond and Tax Credit Allocation Committee shall not authorize any credit if the total amount of credits authorized in any year under the Personal Income Tax Law and the Bank and Corporation Tax Law exceeds thirty-five million dollars ($35,000,000).

(n) 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 the date. However, any unused credit may be used beyond that date on the same basis and to the same extent as permitted under the law immediately prior to January 1, 1990.

SEC. 2. The heading of Article 6.7 (commencing with Section 18513) of Chapter 17 of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 3. A heading is added to Article 6.7 (commencing with Section 18515) of Chapter 17 of Part 10 of Division 2 of the Revenue and Taxation Code, to read:

Article 6.7. Designation for the Vietnam Veterans Memorial Account

SEC. 3.5. Section 18513 of the Revenue and Taxation Code is amended and renumbered to read:

18515. (a) Any taxpayer may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Vietnam Veterans Memorial Account in the General Fund, as established pursuant to Section 1306 of the Military and Veterans Code.

(b) The contribution shall be in full dollar amounts and may be made individually by each signatory on the joint return.

(c) A designation under subdivision (a) shall be made for any taxable year beginning on or after January 1, 1987, and before January 1, 1991, on the initial return for that taxable year, and once

made shall be irrevocable.

In the event that payments and credits reported on the return, together with any other credits associated with the taxpayer's account do not exceed the tax liability, if any, shown thereupon, the return shall be treated as though no designation had been made.

If the amount designated exceeds the amount actually available for designation, the amount designated shall be adjusted to correspond to the amount actually available for designation.

(d) In the event a taxpayer designates a contribution to more than one account, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the forms of the return to include a space labeled the Vietnam Veterans Memorial Fund to allow for the designation permitted under subdivision (a). The forms shall also include in the instructions the information that the contribution may be in the amount of one dollar ($1) or more and that the contribution shall be used to build a memorial to Vietnam veterans and, if contributions exceed the cost of the Vietnam Memorial, excess contributions shall be used to construct a memorial to veterans generally.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 for any contribution made pursuant to subdivision (a).

SEC. 4. Section 18513.1 of the Revenue and Taxation Code is amended and renumbered to read:

18515.1. The Franchise Tax Board shall determine annually the total amount designated pursuant to this article and shall notify the Controller of that amount.

The Controller shall transfer from the Personal Income Tax Fund to the Vietnam Veterans Memorial Account in the General Fund an amount equal to the total amount designated by individuals pursuant to Section 18515 for payment into that account.

SEC. 5. Section 18513.2 of the Revenue and Taxation Code is amended and renumbered to read:

18515.2. Notwithstanding Section 13340 of the Government Code, all money transferred to the Vietnam Veterans Memorial Account in the General Fund pursuant to Section 18515.1 is hereby continuously appropriated, without regard to fiscal years, for allocation as follows:

(a) To the Franchise Tax Board for reimbursement of all costs incurred by the Franchise Tax Board in connection with its duties under this article.

(b) To the Vietnam Veterans Memorial Commission for use in the construction of a suitable memorial to Vietnam veterans at the State Capitol.

(c) If moneys in the account exceed the amount required to construct a Vietnam Veterans Memorial, the balance to the Veterans Memorial Commission to be used for a veterans' memorial pursuant

to Chapter 5 (commencing with Section 1310) of Division 6 of the Military and Veterans Code.

SEC. 6. Section 23610.5 of the Revenue and Taxation Code is amended to read:

23610.5. (a) There shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax) a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue Code, except as otherwise provided in this section.

(b) (1) The amount of the credit allocated to any project shall be authorized by the Mortgage Bond and Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) It shall have been allocated by the Mortgage Bond and Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code.

(ii) It shall qualify for a credit under Section 42(h) (4) (B) of the Internal Revenue Code.

(B) The Mortgage Bond and Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue Code.

(2) (A) The Mortgage Bond and Tax Credit Allocation Committee shall certify to the taxpayer the amount of tax credit under this section to which the taxpayer is entitled for each year in the credit period.

(B) The taxpayer shall attach a copy of the certification to any return upon which a tax credit is claimed under this section.

(C) In the case of a failure to attach a copy of the certification for the year to the return in which a tax credit is claimed under this section, no credit under this section shall be allowed for that year until a copy of that certification is provided.

(c) Section 42(b) of the Internal Revenue Code shall be modified as follows:

(1) In the case of any qualified low-income building placed in service by the taxpayer during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.

(2) In the case of any qualified low-income building placed in service by the taxpayer after 1987 (for new buildings whether or not the building is federally subsidized and for existing buildings), the term "applicable percentage" means either of the following:

(A) For each of the first three years, the highest percentage prescribed under Section 42(b) (2) of the Internal Revenue Code, for the month in which the building is placed in service, in lieu of the

percentage prescribed in Section 42(b)(1)(A) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cumulative cash distribution on the taxpayer's cash invested in the qualified low-income housing project in an amount not to exceed 8 percent per annum. For purposes of this paragraph, if the taxpayer is a partnership or an S corporation, the limitation on return shall apply to each of the partners or the shareholders, respectively.

(2) The taxpayer shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code.

(e) The provisions of Section 42(f) of the Internal Revenue Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue Code is modified by substituting "four income years" for "10 taxable years."

(2) The special rule for the first taxable year of credit period under Section 42(f)(2) of the Internal Revenue Code shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue Code is modified to read:

If, as of the close of the 1988 or 1989 taxable year, the qualified basis of any building exceeds the qualified basis of such building as approved for the initial allocation of credits pursuant to this section, the taxpayer shall be eligible to apply for an allocation of the credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) above for the four-year period beginning with the later of the taxable year in which the increase in qualified basis occurs or the taxable year in which the credit allocation is received.

(f) The provisions of Section 42(h) of the Internal Revenue Code shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue Code shall not be applicable and instead the following provisions shall be applicable:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (6), and (7) of Section 42(h) of the Internal Revenue Code shall not be applicable.

(g) (1) Except as provided in paragraph (2), the aggregate

housing credit dollar amount which may be allocated annually by the Mortgage Bond and Tax Credit Allocation Committee for the 1987, 1988, and 1989 calendar years pursuant to this section and Section 17058 shall be an amount equal to one dollar and twenty-five cents ($1.25) multiplied by the state population in that year, as established by the Department of Finance.

(2) The portion of the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee which is not allocated for each of the calendar years may be carried over to any subsequent calendar years through 1989. Thereafter, Section 42(n)(2) of the Internal Revenue Code shall apply.

(h) (1) The term "compliance period" as defined in Section 42(i)(1) of the Internal Revenue Code is modified to mean, with respect to any building, the period of 30-consecutive income years beginning with the first income year of the credit period with respect thereto, subject to the limitation in paragraph (2).

(2) If, after the first 15 years of the compliance period, a qualified low-income housing project is not economically feasible, the taxpayer shall be entitled to remove one or more low-income units from the set-aside and rent requirements of Section 42(g) of the Internal Revenue Code as is necessary for the project to become economically feasible, provided that once a project is again economically feasible, the taxpayer designates the next available units as low-income units subject to the set-aside and rent requirements, up to the original number of low-income units, while keeping the project economically feasible.

(3) For purposes of paragraph (2), "economically feasible" means that project revenue equals or exceeds project operating expenses excluding any return on investment.

(4) For purposes of paragraph (3), "operating expenses" means the reasonable expenses necessary to operate and maintain the project in habitable condition, debt service, taxes, and reasonable reserves. For purposes of this paragraph, debt service shall not include that portion of payments of principal and interest attributable to any excess refinanced principal over the outstanding principal of the loan that was refinanced.

(i) Section 42(j) of the Internal Revenue Code shall not be applicable and the following shall be substituted in its place:

(1) The requirements of this section shall be set forth in a regulatory agreement between the Mortgage Bond and Tax Credit Allocation Committee and the taxpayer.

(2) The regulatory agreement shall include, but not be limited to, the following:

(A) A term equal to the compliance period.

(B) A requirement that the agreement be filed in the official records of the county in which the qualified low-income housing project is located.

(C) A provision stating which state and local agencies can enforce the regulatory agreement in the event the taxpayer fails to satisfy any

of the requirements of this section.

(D) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto.

(E) A provision incorporating the requirements of Section 42 of the Internal Revenue Code as modified by this section.

(F) A requirement that the taxpayer provide the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement with advance notice if the taxpayer intends to reduce the number of low-income units to make a project economically feasible.

(G) A requirement that the taxpayer notify the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue Code.

(H) A requirement that the taxpayer, as security for the performance of taxpayer's obligations under the regulatory agreement, assign the taxpayer's interest in rents which it receives from the project, provided that until there is a default under the regulatory agreement, the taxpayer is entitled to collect and retain the rents.

(I) The remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period, include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operate the project in accordance with the regulatory agreement until the enforcer determines the taxpayer is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance, securing the appointment of a receiver to operate the project, or any other relief as may be appropriate.

(j) In allocating the housing credit, the Mortgage Bond and Tax Credit Allocation Committee shall give priority to qualified low-income housing projects that satisfy the following criteria, which are weighted according to the numerical order of the paragraphs listed below:

(1) Projects that have received government financing or mortgage assistance and are eligible and likely to convert to market-rate rental units.

(2) (A) Projects that commit to providing low-income units for a significantly longer period than the compliance period under this section.

(B) Projects that commit to providing a greater percentage of low-income units than is required under Section 42(g)(1) of the Internal Revenue Code.

(3) Projects that commit to charging rent for low-income units that is less than the rent requirements under Section 42(g)(2) of the

Internal Revenue Code.

(4) (A) Projects for which the rate of return on cash investment is less than the rate allowed under this section.

(B) Projects targeted to those groups identified in the California Statewide Housing Plan as having special needs, including projects that ensure that rural areas receive a proportionate share of the housing credits.

(k) Section 42(*l*) of the Internal Revenue Code shall be modified as follows:

The term "secretary" shall be replaced by the term "Mortgage Bond and Tax Credit Allocation Committee."

(*l*) In the case where the state credit allowed under this section exceeds the taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax) for the income year, that portion of the credit which exceeds those taxes may be carried over to the taxes imposed by this part (except the minimum franchise tax and the alternative minimum tax) in succeeding income years, with respect to which this section shall remain in effect for purposes of carrying over excess credit, until the credit is used. The credit shall be applied first to the earliest income years possible.

(m) The aggregate amount of tax credits granted pursuant to this section and Section 17058 shall not exceed thirty-five million dollars ($35,000,000) per year. The Mortgage Bond and Tax Credit Allocation Committee shall not authorize any credit if the total amount of credits authorized in any year under the Personal Income Tax Law and the Bank and Corporation Tax Law exceeds thirty-five million dollars ($35,000,000).

(n) 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 the date. However, any unused credit may be used beyond that date on the same basis and to the same extent as permitted under the law immediately prior to January 1, 1990.

SEC. 7. Section 25106.5 of the Revenue and Taxation Code is amended to read:

25106.5. (a) The Franchise Tax Board may adopt regulations necessary to ensure that the tax liability or net income of any taxpayer whose income derived from or attributable to sources within this state which is required to be determined by a combined report pursuant to Section 25101 or 25110 of this chapter, and of each entity included in the combined report, both during and after the period of inclusion in the combined report is properly reported , determined, computed, assessed, collected, or adjusted.

(b) Notwithstanding subdivision (a), the Franchise Tax Board shall not adopt regulations under the authority of this section which shall in any manner determine, prescribe, or otherwise affect (1) the inclusion or exclusion in the combined report of those entities whose income and apportionment factors are to be taken into account pursuant to Sections 25101 and 25110 of this chapter, or (2) after the

period of inclusion, cause the income or expenses of an entity which is excluded from a combined report pursuant to Sections 25101 and 25110 of this part to be included in a combined report.

CHAPTER 259

An act to amend Sections 607, 610, and 2207 of, to add Section 2009 to, to add Division 3.5 (commencing with Section 3900) to, to repeal and add Section 2201 of, and to repeal Chapter 4 (commencing with Section 2301), Chapter 5 (commencing with Section 2351), Chapter 6.5 (commencing with Section 2551), and Chapter 7 (commencing with Section 2601) of Division 2 of, the Public Resources Code, relating to mining and geology.

[Approved by Governor July 4, 1988. Filed with Secretary of State July 5, 1988]

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

SECTION 1. Section 607 of the Public Resources Code is amended to read:

607. The work of the department shall be divided into at least the following divisions:

(a) Division of Mines and Geology.

(b) Division of Oil and Gas.

(c) Division of Resource Conservation.

(d) Division of Recycling.

SEC. 2. Section 610 of the Public Resources Code is amended to read:

610. For the purpose of disseminating information relating to its activities, powers, duties, or functions, the department may issue publications, construct and maintain exhibits, and perform acts and carry on functions, as in the opinion of the director, will best tend to disseminate the information.

These publications may be distributed free of charge to public libraries and to other state departments and state officers. The department may exchange copies with contemporary publications.

All money received by the department from the sale of publications, exclusive of money received by any separate division of the department from the sale of publications, shall be paid into the State Treasury to the credit of the General Fund.

SEC. 3. Section 2009 is added to the Public Resources Code, to read:

2009. "Geologic hazard" means a geologic condition that is a potential danger to life and property. Geologic hazards include, but are not limited to, earthquake shaking, landslide, erosion, expansive soil, fault displacement, and volcanic eruption.

SEC. 4. Section 2201 of the Public Resources Code is repealed.

SEC. 5. Section 2201 is added to the Public Resources Code, to read:

2201. The division shall carry out programs, in cooperation with federal, state, and local government agencies, that will reduce the loss of life and property by mitigating geologic hazards. Specific activities to be carried out by the division include, but are not limited to, all of the following:

(a) Hazard assessment, including identification and mapping of geologic hazards and estimates of their potential consequences and likelihood of occurrence.

(b) Information and advisory services, including the maintenance of a geologic library, a public education program, maintenance of a geologic data base, review functions, and expert consulting to federal, state, and local government agencies.

(c) Emergency response, including monitoring and assessment of anomalous geologic activity, and operation of a clearinghouse for postevent earth science investigations.

(d) Development and application of mitigation methods, including identifying state research needs, facilitating needed research, and expediting the application of new research results to public policy and all division activities related to geologic hazards.

SEC. 6. Section 2207 of the Public Resources Code is amended to read:

2207. The owner, lessor, lessee, agent, manager, or other person in charge of any mine of whatever kind or character within the state shall forward to the State Geologist, upon his or her request, at his or her office, not later than the 31st day of March in each year, upon forms which will be furnished, a report showing the character of the mine, the method of working the mine and the general condition thereof, and the total mineral production for the preceding calendar year. Any person who fails to comply with this section is guilty of a misdemeanor.

These reports shall be confidential. Other records are public records unless excepted by statute. Statistical bulletins based on these reports and published under Section 2205 shall be compiled to show, for the state as a whole and separately for each county, the total of each mineral produced therein. In order not to disclose the production of any operator, no production figure shall be published which represents the production of less than three operators. When the production figure for any county would conflict with that provision, it may be combined with the production figures for one or more other counties. The bulletin shall be published annually by June 30th or as soon thereafter as practical.

SEC. 7. Chapter 4 (commencing with Section 2301) of Division 2 of the Public Resources Code is repealed.

SEC. 8. Chapter 5 (commencing with Section 2351) of Division 2 of the Public Resources Code is repealed.

SEC. 9. Chapter 6.5 (commencing with Section 2551) of Division 2 of the Public Resources Code is repealed.

SEC. 10. Chapter 7 (commencing with Section 2601) of Division 2 of the Public Resources Code is repealed.

SEC. 11. Division 3.5 (commencing with Section 3900) is added to the Public Resources Code, to read:

DIVISION 3.5. MINES AND MINING

CHAPTER 1. MANNER OF LOCATING MINING CLAIMS, TUNNEL RIGHTS, AND MILLSITES

3900. Any person, who is a citizen of the United States or who has declared his or her intention to become a citizen, and who discovers a vein or lode of quartz, or other rock in place, bearing gold, silver, cinnabar, lead, tin, copper, or any other valuable deposit, may locate a claim upon the vein or lode, by defining the boundaries of the claim, in the manner specified in this chapter, by erecting at the point of discovery a conspicuous and substantial monument, and by posting in or on the monument a notice of the location. The notice shall contain all of the following:

(a) The name of the lode or claim.

(b) The name, current mailing address or current residence address, of the locator.

(c) The number of linear feet claimed in length along the course of the vein, each way from the point of discovery, with the width on each side of the center of the claim, and the general course of the vein or lode, as near as may be.

(d) The date of location, which shall be the date of posting the notice.

(e) A description of the claim by reference to some natural object, or permanent monument, as will identify the claim located.

3901. The locator of any lode mining claim shall define the boundaries of the claim so that they may be readily traced, but in no case shall the claim extend more than 1,500 feet along the course of the vein or lode, or more than 300 feet on either side thereof as measured from the centerline of the vein at the surface. Within 60 days after the date of location of any lode mining claim located, the locator shall erect at each corner of the claim and at the center of each endline, or at the nearest accessible points thereto, a conspicuous and substantial monument. Each corner monument so erected shall bear or contain markings sufficient to appropriately designate the corner of the mining claim to which it pertains and the name of the claim.

3902. The location of a placer claim shall be made in the following manner:

(a) By erecting at the point of discovery thereon a conspicuous and substantial monument, and by posting in or on the monument a notice of location containing all of the following:

(1) The name of the claim.

(2) The name, current mailing address or current residence

address, of the locator.

(3) The date of the location, which shall be the date of posting the notice.

(4) The number of feet or acreage claimed.

(5) A description of the claim by reference to some natural object or permanent monument as will identify the claim located.

(b) By marking the boundaries so that they may be readily traced and by erecting at each corner of the claim, or at the nearest accessible points thereto, a conspicuous and substantial monument. Each corner monument shall bear or contain markings sufficient to appropriately designate the corner of the mining claim to which it pertains and the name of the claim.

Where the United States survey has been extended over the land embraced in the location, the claim may be taken by legal subdivisions and no other reference than those of the survey shall be required, and the boundaries of a claim so located and described need not be staked or monumented. The description by legal subdivisions shall be deemed the equivalent of marking.

3903. The relocation of any lode or placer mining location which is subject to relocation shall be made as an original location is required to be made.

3904. As to any placer mining claim which has been otherwise validly located or relocated since July 20, 1935, and as to which claim the locator or relocator has not performed the work thereon required by former Sections 1426da and 1426dc of the Civil Code for the reason that literal compliance therewith was not feasible, the locator or relocator may perfect his or her claim by excavating an open cut thereon and removing from the cut not less than seven cubic yards of material if the work is completed not later than December 14, 1935.

3905. The failure or neglect of the locator or locators to comply with the requirements of Section 3900, 3901, or 3903 shall render the location null and void, unless the failure or neglect is curable under Section 3908, in which event the location shall be voidable.

3906. The locator of a tunnel right or location shall locate his or her tunnel right or location by erecting at the face or point of commencement of the tunnel a conspicuous and substantial monument in or on which there shall be posted a notice of location, which notice shall contain all of the following:

(a) The name, current mailing address or current residence address, of the locator.

(b) The date of location, which shall be the date of posting the notice.

(c) The proposed course or direction of the tunnel.

(d) A description of the tunnel by reference to some natural object or permanent monument as will identify the claim or tunnel right.

3907. The boundary lines of the tunnel shall be established by conspicuous and substantial monuments placed along the lines on

the surface at an interval of not more than 600 feet from the face or point of commencement of the tunnel to the terminus of 3,000 feet therefrom.

3908. If at any time the locator of any mining claim, or his or her assigns, apprehends that his or her original location notice was defective, erroneous, or that the requirements of the law had not been complied with before filing, or in case the original notice was made prior to April 28, 1939, and he or she is desirous of securing the benefit of this chapter, the locator, or his or her assigns, may file an amended notice, subject to this chapter, if the amended location notice does not interfere with the existing rights of others at the time of posting and filing the amended location notice. No amended location notice or the record thereof precludes the claimant from proving any title as he or she may have held under previous locations.

3909. Where a locator, or his or her assigns, has the boundaries and corners of his or her claim established by a United States deputy mineral surveyor, or a licensed surveyor of this state, and the claim connected with the corner of the public or minor surveys of an established initial point, and incorporates into the record of the claim the field notes of the survey, and attaches to and files with the location notice a certificate of the surveyor setting forth all of the following:

(a) The survey was actually made by him or her, giving the date thereof.

(b) The name of the claim surveyed and the location thereof.

(c) The description incorporated in the declaratory statement is sufficient to identify the claim.

The survey and certificate becomes a part of the record, and the record is prima facie evidence of the facts contained therein.

3910. The proprietor of a vein or lode claim or mine, the proprietor of a placer claim, or the owner of a quartz mill or reduction works, or any person qualified by the laws of the United States may locate not more than five acres of nonmineral land as a millsite.

The location shall be made and the claim boundaries marked in the same manner as required by Section 3902 for locating placer claims, except that the monument in or on which the notice of location is posted may be erected anywhere within the claim, and location work is not required.

3911. Within 90 days after the posting of his or her notice of location upon a lode mining claim, placer claim, tunnel right or location, or millsite claim or location, the locator shall record, in the office of the county recorder of the county in which the claim is situated, a true copy of the notice together with a statement by the locator of the markings of the boundaries as required by this chapter and the character of the markings, which statement also shall include the section or sections, township, range, and meridian of the United States survey within which all, or any part, of the claim is located.

Any person who willfully makes a false statement with respect to

any mining claim on the posted location notice or on the recorded notice, or accompanying statement, is guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than two hundred dollars ($200) or by imprisonment in the county jail for not more than six months, or by both that fine and imprisonment.

3912. The amount of work done or improvements made during each year to hold possession of a mining claim shall be that prescribed by the laws of the United States, which is one hundred dollars ($100) annually.

3913. (a) Whenever labor is performed and improvements are made as required by law upon any mining claim, the person on whose behalf the labor was performed or improvements made, or someone in his or her behalf, shall, within 30 days after the time limited by law for performing the labor or making the improvements, make and have recorded by the county recorder in books kept for that purpose, in the county in which the mining claim is situated, an affidavit setting forth all of the following:

(1) The name of the claim.

(2) A reference by book and page to the public record of the notice of location of the claim and, if amended, of the last recorded amendment thereof.

(3) The section or sections, township, range, and meridian of the United States survey within which all or any part of the claim is located.

(4) A description of the labor and improvements performed or made upon or for the benefit of the claim for which the proof is made, the value of each item, and the dates on which, or the period of time within which, the labor was performed or improvement made.

(5) The name, current mailing address, and current residence address of the person who makes the proof and of the owner of the claim, as known to the affiant.

(6) A statement that the claim is held and claimed by the owner, or the person making the proof if he or she is entitled to possession thereof, for the valuable mineral contained therein.

(7) The name and address of the person who performed or made the work and improvements described in the affidavit, as known to the affiant.

(8) A statement that all monuments required by law to have been erected upon the claim and all notices required by law to have been posted on the claim or copies thereof were in place at a date within the assessment year for which the affidavit is made and a statement of the date.

(9) A statement that, at that date, each corner monument bore or contained a marking sufficient to appropriately designate the corner of the mining claim to which it pertains and the name of the claim.

(b) The affidavit so recorded as required by subdivision (a), or a copy thereof duly certified by the county recorder, shall be prima facie evidence of the performance of the labor and the making of the

improvements as stated in the affidavit.

(c) The neglect or failure of the owner of any mining claim to record, or cause to be recorded, within the time allowed by this section an affidavit containing the statements required by subdivision (a) creates a prima facie presumption of the act and intent of the owner to abandon the claim at the end of the assessment year within which the labor should have been performed or the improvements made under the laws of the United States, and imposes the burden of proof upon the owner of the claim to show that the labor has been performed and that the improvements have been made in any contest, suit, or proceeding touching the title to the claim. However, if the affidavit is executed and recorded by anyone other than an owner within the 30-day period, and the owner apprehends that there are deficiencies in the recorded affidavit, he or she may supplement the recorded affidavit by further affidavit to comply with the section and may record the supplemental affidavit within 30 days following the last day of the 30-day period after the time limited by law for performance of the work or making of improvements, and thereby obtain the prima facie evidence of performance of labor and making of improvements, and avoid the prima facie presumption of abandonment and the burden of proving the performance of labor and making of improvements required by law.

(d) Any person who willfully makes a false statement with respect to any mining claim on the affidavit of labor or improvements required by subdivision (a), or on the supplementary affidavit permitted by subdivision (c), is guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than two hundred dollars ($200) or by imprisonment in the county jail for not more than six months, or by both the fine and imprisonment.

3914. The board of supervisors, may require, by resolution, that any person filing an affidavit pursuant to Section 3913 demonstrate proof of payment of any unsecured tax levied against the mining claim on which the affidavit is filed, prior to the recordation of the affidavit.

If a resolution is adopted by the board of supervisors pursuant to this section, it may include the following provisions, and any other provisions determined by the board as necessary to carry out the intent of this section:

(a) A provision prohibiting the county recorder from accepting the affidavit for recordation without the tax collector's certification that the taxes have been paid.

(b) A provision requiring the following:

(1) That, when taxes are paid, the tax collector issue a receipt or certificate of payment for use in certification of the affidavit.

(2) That the county recorder forward the affidavit to the tax collector if the county recorder receives an affidavit for recording by mail and the affidavit does not contain the tax collector's certification that the taxes have been paid.

(3) That, if applicable, the tax collector then certify that the taxes have been paid on the face of the affidavit and return the document to the county recorder for recording.

(4) That, if the taxes have not been paid, the tax collector return the affidavit unrecorded to the filer.

3915. (a) A wooden post or stone structure not less than 3½ inches in diameter or a metal post not less than two inches in diameter, projecting at least three feet above the ground and set at least one foot in the ground, or a mound of stone at least three feet in height above the ground, is prima facie a conspicuous and substantial monument as referred to in this chapter.

(b) Where, by reason of precipitous ground, it is impractical or dangerous to place a monument in its true position, a witness monument may be erected as near thereto as the nature of the ground will permit and marked so as to identify the true position.

(c) Where, by reason of working the claim, it is impractical or dangerous to maintain a monument in its true position, a witness monument shall be erected as near thereto as the nature of the ground will permit and marked so as to identify the true position.

3916. Any person who takes down, removes, alters, or destroys any stake, post, monument, or notice of location upon any mining claim which is required by law to be upon the mining claim, without the consent of the owner thereof, shall be deemed guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than two hundred dollars ($200) or by imprisonment in the county jail for not more than six months, or by both the fine and imprisonment.

3917. Whenever a coowner or coowners of a mining claim give to a delinquent coowner or coowners the notice in writing or notice by publication provided for in Section 2324 of the Revised Statutes of the United States, an affidavit of the person giving the notice, stating the time, place, manner of service, and by whom and upon whom service was made, shall be attached to a true copy of the notice.

The notice and affidavit shall be recorded in the office of the county recorder, in books kept for that purpose, in the county in which the claim is situated, within 90 days, after the giving of the notice. For recording the notice and affidavit, the recorder shall receive the same fees as are allowed by law for recording deeds.

If the notice is given by publication in a newspaper, there shall be attached to a printed copy of the notice an affidavit of the printer or his or her foreman, or principal clerk of the newspaper, stating the date of the first, last, and each insertion of the notice therein, and where the newspaper was published during that time, and the name of the newspaper. The affidavit and notice shall be recorded within 180 days after the first publication thereof.

3918. The original of the notice and affidavit, or a duly certified copy of the record thereof, shall be prima facie evidence that the delinquent mentioned in Section 2324 of the Revised Statutes of the

United States has failed or refused to contribute his or her proportion of the expenditure required by that section, and of the service of publication of the notice, unless the writing or affidavit specified in Section 3919 is of record.

3919. If the delinquent, within the 90 days required by Section 2324 of the Revised Statutes of the United States, contributes to his or her coowner or coowners his or her proportion of the expenditures and also all costs of service of the notice required by Section 3917, whether incurred for publication charges or otherwise, the coowner or coowners shall sign and deliver to the delinquent or delinquents a writing, stating that the delinquent or delinquents by name has, within the time required by that Section 2324, contributed his or her share for the year _____, upon the _____ mine, and further stating therein the district, county, and state wherein the claim is situated, and the book and page where the location notice is recorded, if the claim was located under this chapter. The writing shall be recorded in the office of the county recorder of the county, for which he or she shall receive the same fees as are allowed by law for recording deeds.

3920. If the coowner fails to sign and deliver the writing to the delinquent within 20 days after the contribution, the coowner so failing is liable to the delinquent for a penalty of one hundred dollars ($100) to be recovered by the delinquent in any court of competent jurisdiction. If the coowner fails to deliver the writing within 20 days after the contribution, the delinquent, with two disinterested persons having personal knowledge of the contribution, may make an affidavit setting forth in what manner, the amount of, to whom, and upon what claim, the contribution was made. The affidavit, or a record thereof in the office of the county recorder of the county in which the claim is situated, is prima facie evidence of the contribution.

3921. The record of any location of a mining claim, millsite, or tunnel right in the office of the county recorder, as provided in this chapter, shall be received in evidence and have the same force and effect in the courts of the state as the original notice.

3922. Copies of the records of all instruments required to be recorded by this chapter, duly certified by the recorder in whose custody the records are, may be read in evidence under the same circumstances and rules as are provided by law for using copies of instruments relating to real estate, duly executed or acknowledged or proved and recorded.

3923. This chapter does not in any manner affect or abolish any mining district or the rules and regulations thereof within the state.

3924. Whenever any mining district in this state, organized or created under the laws of the United States, is dissolved, the officers or custodians of the records of the mining district shall deposit with the county recorder of the county, in which the district is located, all records of location notices or other documents affecting titles to mining claims in the mining district, shown by the records of the

district.

County recorders of the counties shall accept any location notices and other documents affecting title to mining claims of dissolved mining districts. Thereafter all notices and documents shall be open for public inspection.

CHAPTER 2. MINING PARTNERSHIPS

3940. A mining partnership exists when two or more persons who own or acquire a mining claim for the purpose of working it and extracting the mineral therefrom actually engage in working the claim.

3941. An express agreement to become partners or to share the profits and losses of mining is not necessary to the formation or existence of a mining partnership. The relation arises from the ownership of shares or interests in a mine and working it for the purpose of extracting the minerals therefrom.

3942. A member of a mining partnership shares in the profits and losses thereof in the proportion which the interest or share he or she owns in the mine bears to the whole partnership capital or whole number of shares.

3943. Each member of a mining partnership has a lien on the partnership property for the debts due the creditors thereof, and for money advanced by him or her for its use. This lien exists notwithstanding that there is an agreement among the partners that it shall not.

3944. The mining-ground owned and worked by partners in mining, whether purchased with partnership funds or not, is partnership property.

3945. One of the partners in a mining partnership may convey his or her interest in the mine and business without dissolving the partnership. The purchaser, from the date of his or her purchase, becomes a member of the partnership.

3946. A purchaser of an interest in the mining-ground of a mining partnership takes it subject to the liens existing in favor of the partners for debts due all creditors thereof, or advances made for the benefit of the partnership, unless he or she purchased in good faith, for a valuable consideration, without notice of that lien.

3947. A purchaser of the interest of a partner in a mine when the partnership is engaged in working it, takes with notice of all liens resulting from the relation of the partners to each other and to the creditors of the partnership.

3948. No member of a mining partnership or other agent or manager thereof can, by a contract in writing, bind the partnership, except by express authority derived from the members thereof.

3949. The decision of the members owning a majority of the shares or interests in a mining partnership binds it in the conduct of its business.

3950. This chapter does not apply to any operations for the

extraction of oil, gas, and other hydrocarbons.

CHAPTER 3. PLACER MINING WATER POLLUTION

3960. This chapter does not apply to any placer mine operator who holds a permit to operate from the California Debris Commission.

3961. Any person, firm, or corporation who engages in the operation of a placer mine on any stream or on the watershed of any stream tributary directly or indirectly to the Sacramento River or the San Joaquin River shall record a verified statement in the office of the county recorder of the county in which his or her mine is situated, within 30 days after the commencement of operations.

3962. The verified statement shall be verified by the operator or by someone in his or her behalf and shall contain all of the following information:

(a) A description of the ground proposed to be mined by placer mining methods, described by United States government subdivisions if possible.

(b) The names and addresses of the owners of the ground.

(c) The names and addresses of the operators of the mine.

(d) The proposed means or method of placer mining operation.

(e) The means which the operator proposes to use to prevent the pollution of any stream by the effluent from the operations.

3963. Within 10 days after an owner or operator changes his or her address, or transfers the ownership or changes the operator of any mining property, a notice setting forth the names and addresses of the new owners or operators shall be filed in the office of the county recorder.

3964. No placer mining operator shall mine by the placer process on any stream or on the watershed of any stream tributary directly or indirectly to the Sacramento River or the San Joaquin River without taking both of the following precautions to prevent pollution of the stream by the effluent from his or her operations:

(a) Constructing a settling pond or ponds of sufficient size to permit the clarification of water used in the mining processes before the water is discharged into the stream.

(b) Mixing with the effluent from mining operations aluminum sulphate and lime, or an equivalent clarifying substance which will cause the solid material in the effluent to coagulate and thus avoid rendering the water in the stream unfit for domestic water supply purposes.

3965. Notwithstanding subdivision (b) of Section 3964, any placer miner who is operating by dredging process, and who desires to transport his or her dredger across a stream, may conduct the dredger across the stream without constructing a settling pond, if he or she is of the opinion that the expense of constructing settling ponds in the stream would be unduly heavy.

Before transporting the dredger, the operator shall use the

following procedure:

(a) He or she shall give a notice of the intent to cross a stream to the clerk or the secretary of each city or district owning or operating a domestic water supply whose clarity is likely to be affected by the crossing operation.

(b) The notice shall be given at least seven days in advance of the date that he or she expects to cross the stream with the dredger.

(c) Upon the expiration of the notice, the operator may, during the following 48 hours, conduct the dredger across the stream even though some turbidity may be caused by the crossing operation.

(d) After crossing the stream, the operator shall comply with subdivision (b) of Section 3964.

3966. Any person, firm, or corporation who violates this chapter is guilty of a misdemeanor.

3967. The operation of any placer mine on ground not covered by a permit issued to the operator from the California Debris Commission, without compliance with this chapter, is declared to be a public nuisance which may be enjoined upon suit brought by the district attorney of the county in which the operation has been conducted, or by any city or district whose domestic water supply is rendered unfit or dangerous for human consumption by the acts, or failure to act, of the operator.

The superior court of the county in which the operation is conducted has jurisdiction to hear and determine the action and to award relief as may be proper.

3968. Nothing in this chapter deprives the state, any city, county, district, person, firm, or corporation of any right to maintain any action or proceeding, in any jurisdiction, which it was entitled to maintain prior to April 8, 1953, or to receive or obtain in the action any remedy accorded to it under existing law.

CHAPTER 4. MISCELLANEOUS PROVISIONS

3980. Sluice boxes, flumes, hose, pipes, railway tracks, cars, blacksmith shops, mills, and all other machinery or tools used in working or developing a mine, are deemed affixed to the mine.

3981. The business of hydraulic mining may be carried on within the state wherever and whenever it can be carried on without material injury to navigable streams or the lands adjacent thereto.

3982. "Hydraulic mining," as used in Section 3981, is mining by means of the application of water, under pressure, through a nozzle, against a natural bank.

3983. Any corporation organized in this state for the purpose of mining or carrying on mining operations in or outside this state, may establish and maintain agencies in other states, for the transfer and issuing of its shares. A transfer or issue of the shares of the corporation at any of its transfer agencies, in accordance with its bylaws, is valid and binding as fully and effectually for all purposes as if made upon the books of the corporation at its principal office within this state.

The transfer agencies shall be governed by the bylaws and the directors of the corporation.

3984. Any shareholder of a corporation formed under the laws of this state for the purpose of mining, may visit, accompanied by his or her expert, and examine the mines owned by the corporation, and every part thereof, at any time he or she may see fit.

When the shareholder applies to the president of the corporation, the president shall immediately cause the secretary thereof to issue and deliver to the shareholder an order, under the seal of the corporation, directed to the superintendent, commanding him or her to show and exhibit parts of the mines that the shareholder named in the order may desire to visit and examine. The superintendent, on receiving the order, shall furnish the shareholder every facility for making a full and complete inspection of the mines, and of the workings therein, and shall either accompany the shareholder in person or furnish some person familiar with the mines to accompany the shareholder in the visit to and through the mines and every part thereof.

If the superintendent fails to obey the order, the shareholder may recover, in any court of competent jurisdiction, against the corporation, the sum of one thousand dollars ($1,000) and traveling expenses to and from the mine, as liquidated damages, together with costs of suit. In case of a refusal, the directors of the corporation shall immediately remove the officer so refusing, and thereafter he or she shall not be employed directly or indirectly by the corporation and shall not be paid any salary.

3985. All grubstake contracts and prospecting agreements entered into after September 19, 1939, and which may in any way affect the title of mining locations, or other locations under the mining laws of this state, shall be void and of no effect unless the instrument has first been recorded in the office of the county recorder of the county in which the instrument is made. The instrument shall be duly acknowledged before a notary public or other person competent to take acknowledgments. Grubstake contracts and prospecting agreements, duly acknowledged and recorded as provided for in this section, shall be prima facie evidence in all courts in this state in all cases where the title to mining locations and other locations under the mining laws of this state are in dispute.

CHAPTER 260

An act to amend Sections 1797.188, 1797.189, 1797.254, and 1797.276 of, and to add Section 1797.4 to, the Health and Safety Code, relating to emergency medical services.

[Approved by Governor July 4, 1988 Filed with Secretary of State July 5, 1988]

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

SECTION 1. Section 1797.4 is added to the Health and Safety Code, to read:

1797.4. Any reference in any provision of law to mobile intensive care paramedics subject to former Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 shall be deemed to be a reference to persons holding valid certificates under this division as an EMT-I, EMT-II, or EMT-P. Any reference in any provision of law to mobile intensive care nurses subject to former Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 shall be deemed to be a reference to persons holding valid authorization under this division as an MICN.

SEC. 2. Section 1797.188 of the Health and Safety Code is amended to read:

1797.188. (a) As used in this section:

(1) "Prehospital emergency medical care person or personnel" means any of the following: an authorized registered nurse or mobile intensive care nurse, emergency medical technician-I, emergency medical technician-II, emergency medical technician-paramedic, lifeguard, firefighter, or peace officer, as defined or described by Sections 1797.56, 1797.80, 1797.82, 1797.84, 1797.182, and 1797.183, respectively, or a physician and surgeon who provides prehospital emergency medical care or rescue services.

(2) "Reportable disease or condition" or "a disease or condition listed as reportable" means those diseases prescribed by Subchapter 1 (commencing with Section 2500) of Chapter 4 of Title 17 of the California Administrative Code, as may be amended from time to time.

(3) "Exposed" means at risk for contracting the disease, as defined by regulations of the state department.

(4) "Health facility" means a health facility, as defined in Section 1250, including a publicly operated facility.

(b) All prehospital emergency medical care personnel, whether volunteers, partly paid, or fully paid who have provided emergency medical or rescue services and have been exposed to a person afflicted with a disease or condition listed as reportable, which can, as determined by the county health officer, be transmitted through oral contact or secretions of the body, including blood, shall be notified that they have been exposed to the disease and should

contact the county health officer if all the following are satisfied:

(1) The prehospital emergency medical care person, who has rendered emergency medical or rescue services and has been exposed to a person afflicted with a reportable disease or condition, provides the health facility with his or her name and telephone number at the time the patient is transferred from that prehospital emergency medical care person to the admitting health facility; or the party transporting the person afflicted with the reportable disease or condition provides that health facility with the name and telephone number of the prehospital emergency medical care person who provided the emergency medical or rescue services.

(2) The health facility reports the name and telephone number of the prehospital emergency medical care person to the county health officer upon determining that the person to whom the prehospital emergency medical care person provided the emergency medical or rescue services is diagnosed as being afflicted with a reportable disease or condition.

(c) The county health officer shall immediately notify the prehospital emergency medical care person who has provided emergency medical or rescue services and has been exposed to a person afflicted with a disease or condition listed as reportable, which can, as determined by the county health officer, be transmitted through oral contact or secretions of the body, including blood, upon receiving the report from a health facility pursuant to paragraph (1) of subdivision (b). The county health officer shall not disclose the name of the patient or other identifying characteristics to the prehospital emergency medical care person.

Nothing in this section shall be construed to authorize the further disclosure of confidential medical information by the health facility or any prehospital emergency medical care personnel described in this section except as otherwise authorized by law.

In the event of the demise of the person afflicted with the reportable disease or condition, the health facility or county health officer shall notify the funeral director, charged with removing the decedent from the health facility, of the reportable disease prior to the release of the decedent from the health facility to the funeral director.

Notwithstanding Section 1798.206, violation of this section is not a misdemeanor.

SEC. 3. Section 1797.189 of the Health and Safety Code is amended to read:

1797.189. (a) As used in this section:

(1) "Chief medical examiner-coroner" means the chief medical examiner or the coroner as referred to in subdivision (m) of Section 24000, Section 24010, subdivisions (k), (m), and (n) of Section 24300, subdivisions (k), (m), and (n) of Section 24304, and Sections 27460 to 27530, inclusive, of the Government Code, and Section 10250.

(2) "Prehospital emergency medical care person or personnel" means any of the following: authorized registered nurse or mobile

intensive care nurse, emergency medical technician-I, emergency medical technician-II, emergency medical technician-paramedic, lifeguard, firefighter, or peace officer, as defined or described by Sections 1797.56, 1797.80, 1797.82, 1797.84, 1797.182, and 1797.183, respectively, or a physician and surgeon who provides prehospital emergency medical care or rescue services.

(3) "Reportable disease or condition" or "a disease or condition listed as reportable" means those diseases specified in Subchapter 1 (commencing with Section 2500) of Chapter 4 of Title 17 of the California Administrative Code, as may be amended from time to time.

(4) "Exposed" means at risk for contracting a disease, as defined by regulations of the state department.

(5) "Health facility" means a health facility, as defined in Section 1250, including a publicly operated facility.

(b) Any prehospital emergency medical care personnel, whether volunteers, partly paid, or fully paid who have provided emergency medical or rescue services and have been exposed to a person afflicted with a disease or condition listed as reportable, which can, as determined by the county health officer, be transmitted through oral contact or secretions of the body, including blood, shall be notified that they have been exposed to the disease and should contact the county health officer if all of the following conditions are met:

(1) The prehospital emergency medical care person, who has rendered emergency medical or rescue services and has been exposed to a person afflicted with a reportable disease or condition, provides the chief medical examiner-coroner with his or her name and telephone number at the time the patient is transferred from that prehospital medical care person to the chief medical examiner-coroner; or the party transporting the person afflicted with the reportable disease or condition provides that chief medical examiner-coroner with the name and telephone number of the prehospital emergency medical care person who provided the emergency medical or rescue services.

(2) The chief medical examiner-coroner reports the name and telephone number of the prehospital emergency medical care person to the county health officer upon determining that the person to whom the prehospital emergency medical care person provided the emergency medical or rescue services is diagnosed as being afflicted with a reportable disease or condition.

(c) The county health officer shall immediately notify the prehospital emergency medical care person who has provided emergency medical or rescue services and has been exposed to a person afflicted with a disease or condition listed as reportable, which can, as determined by the county health officer, be transmitted through oral contact or secretions of the body, including blood, upon receiving the report from a health facility pursuant to paragraph (1) of subdivision (b). The county health officer shall not

disclose the name of the patient or other identifying characteristics to the prehospital emergency medical care person.

Nothing in this section shall be construed to authorize the further disclosure of confidential medical information by the chief medical examiner-coroner or any of the prehospital emergency medical care personnel described in this section except as otherwise authorized by law.

The chief medical examiner-coroner, or the county health officer shall notify the funeral director, charged with removing or receiving the decedent afflicted with a reportable disease or condition from the chief medical examiner-coroner, of the reportable disease prior to the release of the decedent from the chief medical examiner-coroner to the funeral director.

Notwithstanding Section 1798.206, violation of this section is not a misdemeanor.

SEC. 4. Section 1797.254 of the Health and Safety Code is amended to read:

1797.254. Local EMS agencies shall annually submit an emergency medical services plan for the EMS area to the authority.

SEC. 5. Section 1797.276 of the Health and Safety Code is amended to read:

1797.276. Every emergency medical care committee shall, at least annually, report to the authority, and the local EMS agency its observations and recommendations relative to its review of the ambulance services, emergency medical care, and first aid practices, and programs for training people in cardiopulmonary resuscitation and lifesaving first aid techniques, and public participation in such programs in that county. The emergency medical care committee shall submit its observations and recommendations to the county board or boards of supervisors which it serves and shall act in an advisory capacity to the county board or boards of supervisors which it serves, and to the local EMS agency, on all matters relating to emergency medical services as directed by the board or boards of supervisors.

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.

CHAPTER 261

An act to amend Section 704.120 of the Code of Civil Procedure, to amend Sections 1255.7 and 1342 of, and to add Section 2630 to, the Unemployment Insurance Code, and to amend Section 11350.5 of the Welfare and Institutions Code, relating to unemployment insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 4, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 704.120 of the Code of Civil Procedure is amended to read:

704.120. (a) Contributions by workers payable to the Unemployment Compensation Disability Fund and by employers payable to the Unemployment Fund are exempt without making a claim.

(b) Before payment, amounts held for payment of the following benefits are exempt without making a claim:

(1) Benefits payable under Division 1 (commencing with Section 100) of the Unemployment Insurance Code.

(2) Incentives payable under Division 2 (commencing with Section 5000) of the Unemployment Insurance Code.

(3) Benefits payable under an employer's plan or system to supplement unemployment compensation benefits of the employees generally or for a class or group of employees.

(4) Unemployment benefits payable by a fraternal organization to its bona fide members.

(5) Benefits payable by a union due to a labor dispute.

(c) After payment, the benefits described in subdivision (b) are exempt.

(d) During the payment of benefits described in paragraph (1) of subdivision (b) to a judgment debtor under a support judgment, the judgment creditor may, through the appropriate district attorney, seek to apply the benefit payment to satisfy the judgment as provided by Section 11350.5 of the Welfare and Institutions Code.

(e) During the payment of benefits described in paragraphs (2) to (5), inclusive, of subdivision (b) to a judgment debtor under a support judgment, the judgment creditor may, directly or through the appropriate district attorney, seek to apply the benefit payments to satisfy the judgment by a wage assignment for support as defined in Section 706.011 or any other applicable enforcement procedure. If the benefit is payable periodically, the amount to be withheld pursuant to the wage assignment or other procedure shall be 25 percent of the amount of each periodic payment or any lower amount specified in writing by the judgment creditor or court order, rounded down to the nearest whole dollar. Otherwise the amount to

be withheld shall be the amount the court determines under subdivision (c) of Section 703.070. The paying entity may deduct from each payment made pursuant to a wage assignment under this subdivision an amount reflecting the actual cost of administration caused by the wage assignment up to two dollars ($2) for each payment.

SEC. 2. Section 1255.7 of the Unemployment Insurance Code is amended to read:

1255.7. (a) The State Department of Social Services shall notify the director whether an individual filing a claim for unemployment compensation after October 1, 1982, owes support obligations as defined under subdivision (h), and notify the department of any changes in the status of these individuals to ensure that the department has a current record.

(b) The department shall maintain and keep current a record of individuals who owe support obligations and who may have claims for unemployment compensation benefits.

(c) The department shall deduct and withhold support obligations as defined under subdivision (h) from any unemployment compensation payable to an individual who owes these obligations.

(d) Any amount deducted and withheld under subdivision (c) shall be paid by the department to the appropriate county through the State Department of Social Services.

(e) Any amount deducted and withheld under subdivision (c) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by the individual to the State Department of Social Services.

(f) For purposes of subdivisions (a) to (e), inclusive, "unemployment compensation" means any compensation payable under this division, except Part 2 (commencing with Section 2601), but including amounts payable by the department pursuant to an agreement under any federal unemployment compensation law.

(g) This section applies only if appropriate arrangements have been made for reimbursement by the State Department of Social Services for the administrative costs incurred by the Employment Development Department.

(h) For purposes of this section, "support obligations" means the child and related spousal support obligations which are being enforced pursuant to a plan described in Section 454 of the Social Security Act.

SEC. 3. Section 1342 of the Unemployment Insurance Code is amended to read:

1342. Any waiver by any person of any benefit or right under this code is invalid, except as provided by Sections 1255.7 and 2630. Benefits under this code, incentive payments provided by Division 2 (commencing with Section 5000), and payments to an individual under a plan or system established by an employer which makes provisions for his or her employees generally, or for a class or group

of his or her employees, for the purpose of supplementing unemployment compensation benefits, are not subject to assignment, release, or commutation, except as provided by Sections 1255.7 and 2630. Any agreement by any individual in the employ of any person or concern to pay all or any portion of the contributions required of his or her employer under this division is void.

SEC. 4. Section 2630 is added to the Unemployment Insurance Code, to read:

2630. (a) The State Department of Social Services shall periodically notify the department of individuals who are certified, as provided in Section 11350.5 of the Welfare and Institutions Code, as having support obligations, as defined by subdivision (g) and notify the department of any changes in the status of these individuals to ensure that the department has a current record.

(b) Upon receipt of the notifications referred to in subdivision (a), the department shall determine whether the individuals have claims for unemployment compensation disability benefits, either with the department or under an approved voluntary plan.

(c) If the department determines that an individual referred to in subdivision (a) has a claim for unemployment compensation disability benefits with an approved voluntary plan, it shall notify the voluntary plan payer. When the State Department of Social Services notifies the department of any changes in the individual's status as to his or her support obligations, the department shall in turn notify the voluntary plan payer. Upon notification from the department, the voluntary plan payer shall deduct and withhold the amounts specified in Section 11350.5 of the Welfare and Institutions Code from the unemployment compensation disability benefits that would otherwise be payable to the individual. For each withholding, the voluntary plan payor shall deduct an amount which represents the amount withheld for support obligations and may also deduct an administrative fee representing actual costs, not to exceed two dollars ($2). In no event shall the withholding and the administrative fee exceed 25 percent or a lesser amount as specified in subdivision (e) of Section 11350.5 of the Welfare and Institutions Code. The voluntary plan payor shall pay the amounts for support deducted and withheld pursuant to this section to the appropriate certifying county.

(d) The department shall maintain a current record of individuals certified as owing support obligations. If the department determines that the individual has a claim for unemployment compensation disability benefits with the department, it shall deduct and withhold the amounts specified in Section 11350.5 of the Welfare and Institutions Code from the unemployment compensation disability benefits that would otherwise be payable to the individual. The department shall periodically pay the amounts deducted and withheld to the appropriate county through the State Department of Social Services.

(e) Amounts deducted and withheld from an individual's

unemployment compensation disability benefits in accordance with subdivision (c) or (d) shall for all purposes be treated as if it were paid to the individual and then paid by the individual to the State Department of Social Services or the appropriate certifying county.

(f) This section shall apply only if appropriate arrangements are made for the State Department of Social Services to reimburse the department for its administrative costs for performing the functions required of it by this section.

(g) For purposes of this section, "support obligations" means the child and related spousal support obligations described in the state plan approved pursuant to Section 454 of the Social Security Act.

SEC. 5. Section 11350.5 of the Welfare and Institutions Code is amended to read:

11350.5. (a) As authorized by subdivision (d) of Section 704.120 of the Code of Civil Procedure, the following actions shall be taken in order to enforce support obligations which are not being met. Whenever a support judgment or order has been rendered by a court of this state against an individual who is entitled to any unemployment compensation benefits or unemployment compensation disability benefits, the district attorney may file a certification of support judgment or support order with the State Department of Social Services, verifying under penalty of perjury that there is or has been a judgment or an order for support with sums overdue thereunder. The department shall periodically present and keep current, by deletions and additions, a list of the certified support judgments and orders and shall periodically notify the Employment Development Department of individuals certified as owing support obligations.

(b) If the Employment Development Department determines that an individual who owes support may have a claim for unemployment compensation disability insurance benefits under a voluntary plan approved by the Employment Development Department in accordance with Chapter 6 (commencing with Section 3251) of Part 2 of Division 1 of the Unemployment Insurance Code, the Employment Development Department shall immediately notify the voluntary plan payer. When the department notifies the Employment Development Department of changes in an individual's support obligations, the Employment Development Department shall promptly notify the voluntary plan payer of these changes. The Employment Development Department shall maintain and keep current a record of individuals who owe support obligations who may have claims for unemployment compensation or unemployment compensation disability benefits.

(c) Notwithstanding any other provision of law, the Employment Development Department shall withhold the amounts specified below from the unemployment compensation benefits or unemployment compensation disability benefits of individuals with unmet support obligations. The Employment Development Department shall periodically forward them to the State

Department of Social Services for distribution to the appropriate certifying county.

(d) Notwithstanding any other provision of law, during the payment of unemployment compensation disability benefits to an individual, with respect to whom the Employment Development Department has notified a voluntary plan payer that the individual has a support obligation, the voluntary plan payer shall withhold the amounts specified below from the individual's unemployment compensation disability benefits and shall periodically forward them to the appropriate certifying county.

(e) The amounts withheld in subdivisions (c) and (d) shall be equal to 25 percent of each weekly unemployment compensation benefit payment or periodic unemployment compensation disability benefit payment, rounded down to the nearest whole dollar, which is due the individual identified on the certified list. However, the amount withheld may be reduced to a lower whole dollar amount through a written agreement between the individual and district attorney's office or through an order of the court.

(f) The State Department of Social Services shall ensure that the appropriate certifying county shall resolve any claims for refunds in the amounts overwithheld by the Employment Development Department or voluntary plan payer.

(g) No later than the time of the first withholding, the individuals who are subject to the withholding shall be notified by the payer of benefits of all of the following:

(1) That his or her unemployment compensation benefits or unemployment compensation disability benefits have been reduced by a court-ordered support judgment or order pursuant to this section.

(2) The address and phone number of the district attorney's office which submitted the certificate of support judgment or order.

(h) The individual may ask the appropriate court for an equitable division of the individual's unemployment compensation or unemployment compensation disability amounts withheld to take into account the needs of all the persons the individual is required to support.

(i) The State Department of Social Services and the Employment Development Department shall enter into any agreements necessary to carry out this section.

(j) For purposes of this section, "support obligations" means the child and related spousal support obligations which are being enforced pursuant to a plan described in Section 454 of the Social Security Act.

SEC. 6. This act shall have no force and effect until the Director of Employment Development determines that the Employment Development Department has acquired the technical capability to comply with its provisions. Until that time, unemployment compensation disability benefits may be applied to the satisfaction of a support judgment creditor as was provided for prior to the

enactment of this act, including a wage assignment in accordance with Section 704.120 of the Code of Civil Procedure.

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 facilitate at the earliest possible time the collection of certain court-ordered but unpaid child and related spousal support through a new program for intercepting unemployment compensation disability benefit payments made to individuals with unmet support obligations, which is in the interest of the health and safety of the affected children and the custodial parents, it is necessary that this act take effect immediately.

CHAPTER 262

An act to amend Section 21209 of the Vehicle Code, relating to bicycle lanes.

[Approved by Governor July 4, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 21209 of the Vehicle Code is amended to read:

21209. (a) No person shall drive a motor vehicle in a bicycle lane established on a roadway pursuant to Section 21207 except as follows:

(1) To park where parking is permitted.

(2) To enter or leave the roadway.

(3) To prepare for a turn within a distance of 200 feet from the intersection.

(b) This section does not prohibit the use of a motorized bicycle in a bicycle lane, pursuant to Section 21207.5, at a speed no greater than is reasonable or prudent, having due regard for visibility, traffic conditions, and the condition of the roadway surface of the bicycle lane, and in a manner which does not endanger the safety of bicyclists.

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 263

An act to amend Sections 66796.22, 66796.30, 66796.52, 66796.67, 66799.3, 66799.22, 66799.30, 66799.31, 66799.37, 66799.40, 66799.45, 66799.46, 66799.52, and 66799.55 of, and to add Sections 66711.5, 66711.6, 66711.7, and 66711.8 to, the Government Code, relating to solid waste.

[Approved by Governor July 4, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 66711.5 is added to the Government Code, to read:

66711.5. "Closure plan" means a plan prepared by the owner or operator of a solid waste landfill in accordance with any permit conditions and standards which may be required by an enforcement agency, a regional water board, the state water board, or the board.

SEC. 2. Section 66711.6 is added to the Government Code, to read:

66711.6. "Postclosure maintenance plan" means a plan prepared by the owner or operator of a solid waste landfill to maintain the landfill for at least 30 years after closure in accordance with any permit conditions and standards which may be required by an enforcement agency, a regional water board, the state water board, or the board.

SEC. 3. Section 66711.7 is added to the Government Code, to read:

66711.7. "Regional water board" means a California regional water quality control board for a region, as specified in Section 13200 of the Water Code.

SEC. 4. Section 66711.8 is added to the Government Code, to read:

66711.8. "State water board" means the State Water Resources Control Board, created pursuant to Section 13100 of the Water Code.

SEC. 5. Section 66796.22 of the Government Code is amended to read:

66796.22. (a) The Legislature hereby finds and declares that the long-term protection of air, water, and land from pollution due to the disposal of solid waste is best achieved by requiring financial assurances of the closure and postclosure maintenance of solid waste landfills.

(b) Any person operating a solid waste landfill, as defined in subdivision (e) of Section 66799.3, on or after January 1, 1988, shall do both of the following:

(1) On or before January 1, 1989, or upon application to become an operator of a solid waste facility pursuant to subdivision (b) of Section 66796.30, certify to the board and the enforcement agency

that all of the following have been accomplished:

(A) The operator has prepared an initial estimate of closure and postclosure maintenance costs.

(B) The operator has established a trust fund or equivalent financial arrangement acceptable to the board, as specified in subdivision (f).

(C) The amounts that the operator will deposit annually in the trust fund or equivalent financial arrangement acceptable to the board will ensure adequate resources for closure and postclosure maintenance.

All documentation relating to the preparation of the closure and postclosure maintenance costs shall be retained by the operator and shall be available for inspection by the board or the enforcement agency at reasonable times.

(2) (A) (i) Submit to the enforcement agency, the regional water board, and the board a plan for the closure of the landfill and a plan for the postclosure maintenance of the landfill.

(ii) The closure plan and the postclosure maintenance plan shall be submitted not later than the first date after July 1, 1990, that the solid waste facilities permit is required to be reviewed, pursuant to subdivision (d) of Section 66796.33, and shall be included in that review. If the operator intends to close the solid waste landfill within five years of the effective date of this section, or if the solid waste landfill does not have sufficient permitted capacity to operate for at least five years beyond the effective date of this section, the operator shall submit the plans on or before July 1, 1990, or upon application to become an operator of a solid waste facility pursuant to subdivision (b) of Section 66796.30. No person shall operate a solid waste landfill more than one year after submitting to the enforcement agency, the regional water board, and the board a plan for the closure of the landfill and a plan for the postclosure maintenance of the landfill unless both plans have been approved, or modified and approved, by the enforcement agency, the board, and the regional board pursuant to their authority under the Water Code.

(iii) The closure plan and the postclosure maintenance plan may be modified or revised only upon the filing of a written application therefor by the operator, and the approval, or modification and approval, by the board and the enforcement agency.

(B) After receiving a complete closure plan and postclosure maintenance plan, the regional water board shall approve or disapprove the plans pursuant to the authority and time schedules specified in Division 7 (commencing with Section 13000) of the Water Code. The action by the regional water board shall include a review and approval of the estimates of the funds necessary to implement those portions of the plans approved by the regional water board. The board shall incorporate the action of the regional water board and shall only approve plans that include an acceptable mechanism for providing the necessary funds to implement the plans.

(C) The owner and operator shall, regardless of any changes occurring during the continued operation of the landfill, close and maintain the landfill during postclosure in accordance with the most recent closure plan and the most recent postclosure maintenance plan approved by the enforcement agency and the board pursuant to this section.

(c) The enforcement agency may recover any costs incurred in meeting the requirements of this section by charging a fee as authorized by Section 66796.30.

(d) The board shall adopt emergency regulations on or before July 1, 1989, specifying closure plan and postclosure maintenance plan adoption procedures and uniform closure and postclosure standards. The regulations shall also require solid waste landfill operators to calculate, and periodically revise, cost estimates for closure and postclosure maintenance for a period of not less than 30 years after closure. The board may adopt regulations that distinguish between preliminary and final closure and postclosure maintenance plans. Regulations for preliminary plans may require less specificity and engineering detail than final plans and shall apply only in those cases in which there is reasonable certainty that the solid waste landfill will not close for at least one year following approval of the plans. Preliminary plans shall provide sufficient detail to enable the operator and the board to accurately estimate the costs for closure and postclosure maintenance.

(e) The regulations adopted by the board pursuant to subdivision (d) shall not duplicate or conflict with the regulations imposing the closure and postclosure maintenance requirements adopted by the state water board which are found in Subchapter 15 (commencing with Section 2510) of Chapter 3 of Title 23 of the California Code of Regulations.

(f) Any person operating a solid waste landfill on or after January 1, 1988, shall, with the closure plan and postclosure maintenance plan required to be submitted pursuant to subdivision (b), submit to the board evidence of financial ability to provide for the cost of closure and postclosure maintenance, in an amount equal to the estimated cost of closure and 15 years of postclosure maintenance, contained in the closure plan and the postclosure maintenance plan submitted pursuant to subdivision (b). The evidence of financial ability shall be in the form of a trust fund into which funds shall be deposited on an annual basis in amounts sufficient to meet closure and postclosure costs when needed, or an equivalent financial arrangement acceptable to the board, and shall be reviewed and approved by the enforcement agency and the board in conjunction with the required plans. The evidence of financial ability required of an operator shall be adjusted to equal the estimated costs of closure, and 15 years of postclosure maintenance, in the approved plans. Revisions in the plans prior to closure shall be accompanied by corresponding revisions in cost estimates and financial assurances.

(g) The board shall not require an operator of a solid waste landfill

to revise or amend a closure plan submitted pursuant to this section after closure of the landfill in order to reflect subsequent changes in any standards and regulations adopted by the board.

(h) After closure, and during the postclosure maintenance period, a solid waste landfill operator shall maintain evidence of financial ability for postclosure maintenance at all times equal to the estimated cost of 15 years of postclosure maintenance, except that 15 years before the end of the postclosure maintenance period specified in a postclosure maintenance plan approved by the board and the enforcement agency, an operator may request approval of the board to provide evidence of financial ability in a lesser amount.

(i) Nothing in this title affects the authority of the state water board to impose closure and postclosure maintenance requirements on solid waste landfills.

SEC. 6. Section 66796.30 of the Government Code is amended to read:

66796.30. (a) Any person operating a solid waste facility under an approved land use permit or under other equivalent local approval dated prior to August 15, 1977, shall file a notice of operation with the appropriate enforcement agency by August 15, 1977. If the operator was operating the facility prior to August 15, 1977, and is in compliance with the state minimum standards for solid waste handling and disposal and any applicable local ordinances and regulations, a solid waste facilities permit shall be granted.

(b) Any person who proposes to become an operator of a solid waste facility after August 15, 1977, shall file with the enforcement agency having jurisdiction over such facility an application for a solid waste facilities permit at least 120 days in advance of the date on which it is desired to commence operation.

(c) The operation of a solid waste facility by any person except as authorized pursuant to a solid waste facilities permit is prohibited.

(d) When the operator of the disposal site is not the disposal site owner, the disposal site operator's application for a solid waste facilities permit shall contain any information that the board may require regarding the disposal site owner's interest in the real property utilized as the disposal site.

(e) After August 15, 1977, no operator of a solid waste facility shall make a significant change in the design or operation of any such facility except in conformance with the terms and conditions in a solid waste facilities permit or revised permit issued to such operator. If the operator wishes to modify the operation of a solid waste facility, the operator shall file an application for revision of the existing solid waste facilities permit. The application shall be filed at least 120 days in advance of the date when the proposed modification is to take place. Under circumstances which present an immediate danger to public health, as determined by the governing board of the enforcement agency, the 120-day filing period may be waived by the governing board.

(f) Any person who is the owner of a disposal site which is in

operation after August 15, 1977, shall file with the enforcement agency having jurisdiction over the disposal site a report specifying the date when he encumbered, sold, transferred, or conveyed, or permitted to be encumbered, sold, transferred or conveyed, by agreement for sale, or in any other manner, his interest or any portion thereof in the real property utilized as the disposal site. Such report shall be filed within 30 days after any such sale, transfer or conveyance.

(g) Each report and application filed under this section shall be submitted under oath or under penalty of perjury.

(h) Each report, notice, and application filed under this section shall be submitted on a form approved by the board.

(i) Each application required to be filed under this section shall be accompanied by a filing fee according to a fee schedule established by the enforcement agency to reflect the cost of processing such applications. Any filing fee established by the enforcement agency shall be subject to approval by a majority vote of its local governing body and may not exceed an amount of five hundred dollars ($500), except as necessary to recover costs incurred in meeting the requirements of Section 66796.22. This fee is in addition to the fee authorized by Section 66796.20.

SEC. 7. Section 66796.52 of the Government Code is amended to read:

66796.52. (a) Whenever an enforcement agency finds that any person is operating a solid waste facility or proposes to operate such a facility which causes or threatens to cause a condition of hazard, pollution, or nuisance constituting an emergency requiring immediate action to protect the public health, welfare, or safety, the enforcement agency may issue a cease and desist or cleanup order under this section. If the enforcement agency fails to issue the order, the board may, after notification of the enforcement agency, do so.

(b) An enforcement agency may, whenever it determines that the operation of a solid waste landfill, as defined in subdivision (h) of Section 66799.3, is causing or threatening to cause a condition of hazard, pollution, or nuisance due to the migration of methane gas or any solid waste, require the owner or operator of the facility to take corrective action as necessary to abate a nuisance or protect human health and the environment.

SEC. 8. Section 66796.67 of the Government Code is amended to read:

66796.67. (a) Upon the request of the enforcement agency, or upon its own initiative, the board may, after notification of the enforcement agency, enforce this title. In taking any action, the board is vested, in addition to its other powers, with all the powers of the enforcement agency under this title.

(b) (1) Upon the request of the enforcement agency, or upon its own initiative, the board may, after notification of the enforcement agency require the owner or operator of a solid waste landfill, as defined in subdivision (e) of Section 66799.3, to do either or both of

the following:

(A) Take corrective action as necessary to abate a nuisance or protect human health and the environment.

(B) Prepare and implement a closure plan and postclosure maintenance plan.

(2) The board may expend funds available to it from the Solid Waste Disposal Site Cleanup and Maintenance Account in the General Fund in preparing and issuing an order under this subdivision.

(c) Upon the request of the enforcement agency or a regional water board, or upon its own initiative, the board may, after notification of the enforcement agency, contract for the preparation and, if necessary, the implementation of any closure plan or postclosure maintenance plan required by Section 66796.22 after issuance of an order pursuant to subdivison (b) and the failure of the owner or operator to comply on or before the date specified in the order. The board may expend funds allocated from the Solid Waste Disposal Site Cleanup and Maintenance Account in the General Fund to carry out this subdivision.

(d) Upon the request of the enforcement agency, or upon its own initiative, the board may, after notification of the enforcement agency, contract for corrective action after the issuance of an order pursuant to subdivision (b) and failure of the owner and operator to comply on or before the date specified in the order. The board may expend funds allocated from the Solid Waste Disposal Site Cleanup and Maintenance Account in the General Fund to carry out this subdivision.

(e) If the board expends any funds pursuant to subdivision (c) or (d), the owner and the operator of the solid waste landfill shall pay the board an amount equal to the funds which are expended plus a reasonable amount for the board's cost of contract administration together with an amount equal to the interest that would have been earned on the expended funds. The amount of any cost incurred by the board pursuant to this section shall be recoverable in a civil action by the board, or upon request of the board pursuant to Section 66748, by the Attorney General. Any amounts recovered, except amounts payable to the board for contract administration, shall be deposited in the Solid Waste Disposal Site Cleanup and Maintenance Account in the General Fund.

(f) Any contract entered into by the board, pursuant to subdivision (b), (c), or (d), is exempt from approval by the Department of General Services pursuant to Section 14780.

(g) Nothing in this title affects the authority of the state water board or a regional water board to issue enforcement orders or take corrective actions on solid waste facilities.

(h) Any corrective action taken under this title shall incorporate, as a condition of the action, any applicable waste discharge requirements issued by the state water board or a regional water board, and shall be consistent with all applicable water quality

control plans adopted pursuant to Section 13170 of the Water Code and Article 3 (commencing with Section 13240) of Chapter 4 of Division 7 of the Water Code, and state policies for water quality control adopted pursuant to Article 3 (commencing with Section 13140) of Chapter 3 of Division 7 of the Water Code existing at the time of the action or proposed action.

SEC. 9. Section 66799.3 of the Government Code is amended to read:

66799.3. As used in this chapter, the following definitions apply:

(a) "Account" means the Solid Waste Disposal Site Cleanup and Maintenance Account in the General Fund.

(b) "Committee" means the Solid Waste Cleanup and Advisory Committee.

(c) "Corrective action" means any action, required or approved by an enforcement agency, or the board pursuant to Chapter 3 (commencing with Section 66795), the state water board, a regional water board, or an air quality management district or air pollution control district, to abate a nuisance or prevent the migration of methane gas or contaminated ground or surface water as necessary to protect human health and the environment.

(d) "Inert waste" means a nonliquid waste including, but not limited to, soil and concrete, that does not contain hazardous waste or soluble pollutants at concentrations in excess of water quality objectives established by a regional board pursuant to Division 7 (commencing with Section 13000) of the Water Code and does not contain significant quantities of decomposable waste.

(e) "Solid waste landfill" means a solid waste disposal facility which meets the requirements of a class III landfill pursuant to Section 2533 of Title 23 of the California Code of Regulations. "Solid waste landfill" does not include a facility which receives only wastes generated by the landfill owner or operator in the extraction, beneficiation, or processing of ores and minerals.

(f) "State board" means the State Board of Equalization.

SEC. 10. Section 66799.22 of the Government Code is amended to read:

66799.22. The board may do all of the following:

(a) Enter into loan guarantee agreements with owners or operators of solid waste landfills operating solid waste disposal facilities on or after January 1, 1988, pursuant to a solid waste facilities permit issued pursuant to Article 2 (commencing with Section 66796.30) of Chapter 3.

(b) Enter into contracts which the board deems necessary to carry out its powers and duties pursuant to this chapter.

(c) Provide grants, pursuant to Section 66799.40, to cities or counties for local programs to help prevent the disposal of hazardous wastes at solid waste disposal sites, including, but not limited to, programs to manage household hazardous waste. These grants shall not exceed, in any one fiscal year, more than 20 percent of the total revenues deposited, or anticipated to be deposited, in the account

during the same fiscal year.

(d) Fix reasonable fees and charges for loan guarantees and revise, from time-to-time, these fees and charges.

SEC. 11. Section 66799.30 of the Government Code is amended to read:

66799.30. The board may make loan guarantees to the owner or operator of a solid waste landfill to implement a corrective action. Loan guarantees approved by the board may apply to loans made by banks, savings and loan institutions, or state or federal agencies authorized to make loans or provide other forms of financial assistance for these purposes, including, but not limited to, the California Pollution Control Financing Authority.

SEC. 12. Section 66799.31 of the Government Code is amended to read:

66799.31. The board shall not make a loan guarantee pursuant to this chapter unless the board finds both of the following:

(a) That the owner or the operator of a solid waste landfill requires financial assistance to complete a corrective action.

(b) That loan guarantee funds will not be used to fund routine closure and postclosure maintenance activities that could be paid or financed out of trust funds or equivalent arrangements established pursuant to subdivision (e) of Section 66796.22.

SEC. 13. Section 66799.37 of the Government Code is amended to read:

66799.37. The board shall not, on or after January 1, 1988, guarantee a loan to a person who is not the owner or operator of a solid waste disposal facility operating pursuant to a solid waste facilities permit issued pursuant to Article 2 (commencing with Section 66796.30) of Chapter 3 and accepting solid wastes.

SEC. 14. Section 66799.40 of the Government Code is amended to read:

66799.40. The board may make grants of funds in the account to a city or county for any of the following purposes related to the safe operation, closure, and maintenance of solid waste landfills operating on or after January 1, 1988:

(a) Support for establishing collection systems to ensure that hazardous waste, including, but not limited to, household hazardous waste, is not improperly disposed of in a solid waste landfill.

(b) Payment of the local costs of waste control and enforcement programs that help prevent the disposal of hazardous wastes in solid waste landfills.

(c) If a city or county has already funded the type of program described in subdivision (a) or (b) locally, the board shall award a minimum grant of funds from the account to reimburse that city or county for the actual cost of the local program in that fiscal year or 20 percent of the fees generated or anticipated to be generated in the city or county into the account during the same fiscal year, whichever is less. This subdivision does not limit the authority of the board to award grants of funds from the account in excess of, or in

addition to, the minimum grant amounts set forth in this subdivision, in accordance with the grant criteria established pursuant to Section 66799.23.

SEC. 15. Section 66799.45 of the Government Code is amended to read:

66799.45. (a) The board shall annually grant or allocate funds from the account to enforcement agencies and the state water board, as determined necessary by the board and consistent with legislative direction, to assist in the support of solid waste landfill permit inspection and enforcement programs carried out by regional boards pursuant to Division 7 (commencing with Section 13000) of the Water Code and by enforcement agencies pursuant to Chapter 3 (commencing with Section 66795).

(b) The board shall apportion the funds generally to reflect population, number of solid waste landfills, the scope of local enforcement responsibilities, and the weight or volume of solid waste disposed of within an enforcement agency or regional water board's jurisdiction. The state water board and each enforcement agency shall expend its annual apportionment made pursuant to this section by the board exclusively for the inspection of solid waste landfills, enforcement of the solid waste landfill's solid waste facilities permits, and enforcement of waste discharge requirements by the regional water quality control boards. These funds are in addition to any other funds available for these purposes. The board shall grant or allocate funds pursuant to this section in an amount which equals, in any one fiscal year, 10 percent of the total revenues deposited, or anticipated to be deposited, in the account during the same fiscal year. The board shall distribute not less than 75 percent of the funds granted or allocated pursuant to this section to local enforcement agencies.

SEC. 16. Section 66799.46 of the Government Code is amended to read:

66799.46. (a) Upon application by the state water board or at the discretion of the board, the board may allocate funds from the account to the state water board to prepare or implement a closure plan or a postclosure maintenance plan for a solid waste landfill if the owner and the operator have failed to comply with an order issued by a regional board requiring the preparation or implementation of a closure plan or postclosure maintenance plan.

(b) Upon application by the state water board or at the discretion of the board, the board may allocate funds from the account to the state water board to take emergency corrective action if the solid waste landfill owner and operator have failed to comply with a corrective action order issued by a regional board.

(c) If the board expends any funds pursuant to subdivision (a) or (b), the owner and operator of the solid waste landfill shall pay the board an amount equal to the funds expended plus a reasonable amount for interest and the costs of contract administration.

(d) Costs incurred by the state water board pursuant to this section shall be recoverable in a civil action by the board or, upon

the request of the board pursuant to Section 66748, by the Attorney General. Any amounts recovered shall be deposited in the account.

SEC. 17. Section 66799.52 of the Government Code is amended to read:

66799.52. All money in the account is available to the board, upon appropriation by the Legislature, only for purposes of this chapter and for the purposes of Section 66796.67.

SEC. 18. Section 66799.55 of the Government Code is amended to read:

66799.55. (a) Any operator of a solid waste landfill that pays a fee pursuant to this article, may impose, as necessary, on its users an administrative fee of not more than 5 percent of the fees collected by the state board in the previous year.

(b) Administrative fees imposed pursuant to subdivision (a) shall reflect the actual costs of collecting and accounting for fees paid to the state board.

(c) This section shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1994, deletes or extends that date.

SEC. 19. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency and school district has the authority to levy service charges, fees, or assessments sufficient to pay for the programs or level of service mandated by this act.

CHAPTER 264

An act to add Title 4.8 (commencing with Section 4496) to Part 3 of the Penal Code, relating to the financing of a county correctional facility and youth facility 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, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 4, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Title 4.8 (commencing with Section 4496) is added to Part 3 of the Penal Code, to read:

TITLE 4.8. COUNTY CORRECTIONAL FACILITY CAPITAL EXPENDITURE AND YOUTH FACILITY BOND ACT OF 1988

CHAPTER 1. GENERAL PROVISIONS

4496. This title shall be known and may be cited as the County

Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988.

4496.02. The Legislature finds and declares all of the following:

(a) While the County Jail Capital Expenditure Bond Act of 1981, the County Jail Capital Expenditure Bond Act of 1984, and the County Correctional Facility Capital Expenditure Bond Act of 1986 have helped eliminate many of the critically overcrowded conditions found in county correctional facilities in the state, many problems remain.

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

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

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

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

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

4496.04. As used in this title, the following terms have the following meanings:

(a) "Committee" means the 1988 County Correctional Facility Capital Expenditure and Youth Facility Finance Committee created pursuant to Section 4496.34.

(b) "Fund" means the 1988 County Correctional Facility Capital Expenditure and Youth Facility Bond Fund created pursuant to Section 4496.10.

(c) "County correctional facilities" means county jail facilities, including separate facilities for the care of mentally ill inmates and persons arrested because of intoxication, but does not include county juvenile facilities.

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

(e) "Youth center" means a facility where children, ages 6 to 17, inclusive, come together for programs and activities, including, but not limited to, recreation, health and fitness, delinquency prevention such as antigang programs and programs fostering resistance to peer group pressures, counseling for problems such as drug and alcohol abuse and suicide, citizenship and leadership development, and youth employment.

(f) "Youth shelter" means a facility that provides a variety of services to homeless minors living on the street or abused and

neglected children to assist them with their immediate survival needs and to help reunite them with their parents or, as a last alternative, to find a suitable home.

CHAPTER 2. PROGRAM

4496.10. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 1988 County Correctional Facility Capital Expenditure and Youth Facility Bond Fund, which is hereby created.

4496.12. (a) (1) Moneys in the fund, up to a limit of four hundred ten million dollars ($410,000,000), may be available for the construction, reconstruction, remodeling, and replacement of county correctional facilities, and the performance of deferred maintenance on county correctional facilities. However, deferred maintenance for facilities shall only include items with a useful life of at least 10 years.

(2) Moneys in the fund, up to a limit of sixty-five million dollars ($65,000,000), may be available for the construction, reconstruction, remodeling, and replacement of county juvenile facilities, and the performance of deferred maintenance on county juvenile facilities, but may only be used for the purpose of reducing overcrowding and eliminating health, fire, and life safety hazards.

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

(b) Moneys in the fund, up to a limit of twenty-five million dollars ($25,000,000), may be available for the purpose of making awards to public or private nonprofit agencies or joint ventures, or a combination of those entities, for purpose of purchasing equipment and for acquiring, renovating, or constructing youth centers or youth shelters, as may be provided by statute. Fifteen million dollars ($15,000,000) shall be available for youth centers and ten million dollars ($10,000,000) shall be available for youth shelters and shall be distributed by the Department of the Youth Authority. However, any remaining money that has not been awarded under this subdivision within two years of the effective date of this title shall be available for both youth centers and youth shelters.

4496.16. In order to be eligible to receive funds for the purposes specified in subdivision (a) of Section 4496.12 derived from the issuance of bonds under this title, a county shall do all of the following:

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

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

services to these persons.

(c) Demonstrate that it has utilized, to the greatest practicable extent, alternatives to jail incarceration.

4496.19. Money in the fund may only be expended for projects specified in this chapter as allocated in appropriations made by the Legislature.

CHAPTER 3. FISCAL PROVISIONS

4496.30. Bonds in the total amount of five hundred million dollars ($500,000,000), exclusive of refunding bonds, 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 title and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

4496.32. The bonds authorized by this title shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this title.

4496.34. (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 title, the 1988 County Correctional Facility Capital Expenditure and Youth Facility Finance Committee is hereby created. For purposes of this title, the finance committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Governor, the Controller, the Treasurer, the Director of Finance, or their designated representatives. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Board of Corrections is designated the "board."

4496.36. 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 4496.12 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.

4496.38. 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.

4496.40. 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 4496.42, appropriated without regard to fiscal years.

4496.42. For the purposes of carrying out this title, 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 by the committee 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, plus any interest that the amounts would have earned in the Pooled Money Investment Account, shall be returned to the General Fund from money received from the sale of bonds for the purpose of carrying out this title.

4496.44. 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.

4496.46. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code.

4496.47. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out the provisions of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

4496.48. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this title 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.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the next statewide election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of five hundred million dollars ($500,000,000) to provide funds for the construction, reconstruction, remodeling, replacement, and deferred maintenance of county correctional facilities and county juvenile facilities and to provide funds to youth centers and youth shelters." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

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

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

In order that conditions threatening life and safety shall be alleviated at the earliest possible date, it is necessary that this act take effect immediately.

CHAPTER 265

An act to repeal and add Section 1203 of the Corporations Code, relating to corporations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 4, 1988. Filed with Secretary of State July 5, 1988.]

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

SECTION 1. Section 1203 of the Corporations Code is repealed.

SEC. 2. Section 1203 is added to the Corporations Code, to read:

1203. (a) If a tender offer or a written proposal for approval of a reorganization subject to Section 1200 or for a sale of assets subject to subdivision (a) of Section 1001 is made to some or all of a corporation's shareholders by an interested party (herein referred to as an "Interested Party Proposal"), an affirmative opinion in writing as to the fairness of the consideration to the shareholders of that

corporation shall be delivered as follows:

(1) If no shareholder approval or acceptance is required for the consummation of the transaction, the opinion shall be delivered to the corporation's board of directors not later than the time that consummation of the transaction is authorized and approved by the board of directors.

(2) If a tender offer is made to the corporation's shareholders, the opinion shall be delivered to the shareholders at the time that the tender offer is first made in writing to the shareholders.

(3) If a shareholders' meeting is to be held to vote on approval of the transaction, the opinion shall be delivered to the shareholders with the notice of the meeting (Section 601).

(4) If consents of all shareholders entitled to vote are solicited in writing (Section 603), the opinion shall be delivered at the same time as that solicitation.

(5) If the consents of all shareholders are not solicited in writing, the opinion shall be delivered to each shareholder whose consent is solicited prior to that shareholder's consent being given, and to all other shareholders at the time they are given the notice required by subdivision (b) of Section 603.

For purposes of this section, the term "interested party" means a person who is a party to the transaction and (A) directly or indirectly controls the corporation that is the subject of the tender offer or proposal, (B) is, or is directly or indirectly controlled by, an officer or director of the subject corporation, or (C) is an entity in which a material financial interest (subdivision (a) of Section 310) is held by any director or executive officer of the subject corporation. For purposes of the clause (C), "any executive officer" means the president, any vice president in charge of a principal business unit, division, or function such as sales, administration, research or development, or finance, and any other officer or other person who performs a policymaking function or has the same duties as those of a president or vice president. The opinion required by this subdivision shall be provided by a person who is not affiliated with the offeror and who, for compensation, engages in the business of advising others as to the value of properties, businesses, or securities. The fact that the opining person previously has provided services to the offeror or a related entity or is simultaneously engaged in providing advice or assistance with respect to the proposed transaction in a manner which makes its compensation contingent on the success of the proposed transaction shall not, for those reasons, be deemed to affiliate the opining person with the offeror. Nothing in this subdivision shall limit the applicability of the standards of review of the transaction in the event of a challenge thereto under Section 310 or subdivision (c) of Section 1312.

This subdivision shall not apply to an Interested Party Proposal if the corporation that is the subject thereof does not have shares held or record by 100 or more persons (determined as provided in Section 605), or if the transaction has been qualified under Section 25113 or

25120 and no order under Section 25140 or subdivision (a) of Section 25143 is in effect with respect to that qualification.

(b) If a tender of shares or a vote or written consent is being sought pursuant to an Interested Party Proposal and a later tender offer or written proposal for a reorganization subject to Section 1200 or sale of assets subject to subdivision (a) of Section 1001 that would require a vote or written consent of shareholders is made to the corporation or its shareholders (herein referred to as a "Later Proposal") by any other person at least 10 days prior to the date for acceptance of the tendered shares or the vote or notice of shareholder approval on the Interested Party Proposal, then each of the following shall apply:

(1) The shareholders shall be informed of the Later Proposal and any written material provided for this purpose by the later offeror shall be forwarded to the shareholders at that offeror's expense.

(2) The shareholders shall be afforded a reasonable opportunity to withdraw any vote, consent, or proxy previously given before the vote or written consent on the Interested Party Proposal becomes effective, or a reasonable time to withdraw any tendered shares before the purchase of the shares pursuant to the Interested Party Proposal. For purposes of this subdivision, a delay of 10 days from the notice or publication of the Later Proposal shall be deemed to provide a reasonable opportunity or time to effect that withdrawal.

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 reconcile existing law with well established procedures in the financial community and to facilitate the implementation of regulations governing corporate reorganizations, sales of assets, and tender offers, it is necessary that this act become effective immediately.

CHAPTER 266

An act to add Article 7 (commencing with Section 10301) to Chapter 1 of Division 5 of the Public Utilities Code, relating to public utilities.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988]

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

SECTION 1. Article 7 (commencing with Section 10301) is added to Chapter 1 of Division 5 of the Public Utilities Code, to read:

Article 7. Financing Provisions

10301. The Legislature finds and declares that financing the acquisition of privately owned facilities of an electrical or gas corporation by a municipal corporation not previously engaged in furnishing electricity or gas to customers on a regular and ongoing basis or by a redevelopment agency should be subject to the investigation and safeguards provided by this article in the public interest. The Legislature further finds and declares that the purpose of this article is to ensure that the power to acquire and operate these facilities is exercised in the wisest manner consistent with its grant and in the public interest.

10302. As used in this article:

(a) "Electrical corporation" means an electrical corporation as defined in Section 218.

(b) "Gas corporation" means a gas corporation as defined in Section 222.

(c) "Redevelopment agency" means a redevelopment agency as defined in Section 34102 of the Health and Safety Code.

10303. The use of certificates of participation by a municipal corporation not previously engaged in furnishing electricity or gas to customers on a regular and ongoing basis, or the use of any evidence of indebtedness, including, but not limited to, certificates of participation, by a redevelopment agency, for the acquisition of all, or any portion, of the facilities of an electrical or gas corporation for the purpose of furnishing electricity or gas to customers is subject to an election held pursuant to Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code, except that, in the case of any acquisition by a redevelopment agency, the term "qualified voters," as used in Section 54380 of the Government Code, means those persons who would be served by the facilities proposed to be acquired.

CHAPTER 267

An act to add Section 11370.6 to the Health and Safety Code, relating to controlled substances.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988]

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

SECTION 1. Section 11370.6 is added to the Health and Safety Code, to read:

11370.6. (a) Every person who possesses any moneys or negotiable instruments in excess of one hundred thousand dollars ($100,000) which have been obtained as the result of the unlawful

sale, possession for sale, transportation, manufacture, offer for sale, or offer to manufacture any controlled substance listed in Section 11054, 11055, 11056, 11057, or 11058, with knowledge that the moneys or negotiable instruments have been so obtained, and any person who possesses any moneys or negotiable instruments in excess of one hundred thousand dollars ($100,000) which are intended by that person for the unlawful purchase of any controlled substance listed in Section 11054, 11055, 11056, 11057, or 11058 and who commits an act in substantial furtherance of the unlawful purchase, shall be punished by imprisonment in the county jail for a term not to exceed one year, or by imprisonment in the state prison for two, three, or four years.

(b) In consideration of the constitutional right to counsel afforded by the Sixth Amendment to the United States Constitution and Section 15 of Article 1 of the California Constitution, when a case charged under subdivision (a) involves an attorney who accepts a fee for representing a client in a criminal investigation or proceeding, the prosecution shall additionally be required to prove that the moneys or negotiable instruments were accepted by the attorney with the intent to participate in the unlawful conduct described in subdivision (a) or to disguise or aid in disguising the source of the funds or the nature of the criminal activity.

(c) In determining the guilt or innocence of a person charged under subdivision (a), the trier of fact may consider the following in addition to any other relevant evidence:

(1) The lack of gainful employment by the person charged.

(2) The expert opinion of a qualified controlled substances expert as to the source of the assets.

(3) The existence of documents or ledgers that indicate sales of controlled 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 268

An act to amend Section 19879 of the Government Code, relating to state employees.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 19879 of the Government Code is amended to read:

19879. (a) When an employee is disabled, whether temporarily or permanently, the employee shall become entitled, subject to the provisions of this article, to receive nonindustrial disability benefits in an amount equal to one-half full pay, but not to exceed one hundred twenty-five dollars ($125) per week, payable monthly for a period not exceeding 26 weeks for any one disability benefit period, but in no case shall benefits be payable for any day on and after death or separation or retirement from state service.

(b) For purposes of this section, the "full pay" of a part-time or intermittent employee only shall be established in accordance with the following:

(1) Where the part-time employment is regularly scheduled and is a fixed proportion of the established workweek, the payments shall be determined on the basis of that proportionate part of the monthly rate.

(2) Where employment is intermittent or irregular, the payments shall be determined on the basis of the proportionate part of a monthly rate established by the total hours actually employed in the 18 monthly pay periods immediately preceding the pay period in which the disability begins as compared to the regular rate for a full-time employee in the same group or class.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(d) This section shall also apply to employees who are either excluded from the definition of a state employee in subdivision (c) of Section 3513, or are supervisory employees as defined in Section 3522.1, or are nonelected officers or employees of the executive branch of government who are not members of the civil service, except that the maximum weekly payment shall be established by regulation adopted by the department.

CHAPTER 269

An act to amend Sections 11166, 11166.2, 11169, 11174, and 11174.1 of, and to repeal Section 11166.1 of, the Penal Code, relating to child abuse and neglect.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 11166 of the Penal Code is amended to read:

11166. (a) Except as provided in subdivision (b), any child care custodian, health practitioner, or employee of a child protective agency who has knowledge of or observes a child in his or her professional capacity or within the scope of his or her employment whom he or she knows or reasonably suspects has been the victim of child abuse shall report the known or suspected instance of child abuse to a child protective agency immediately or as soon as practically possible by telephone and shall prepare and send a written report thereof within 36 hours of receiving the information concerning the incident. For the purposes of this article, "reasonable suspicion" means that it is objectively reasonable for a person to entertain such a suspicion, based upon facts that could cause a reasonable person in a like position, drawing when appropriate on his or her training and experience, to suspect child abuse. For the purpose of this article, the pregnancy of a minor does not, in and of itself, constitute the basis of reasonable suspicion of sexual abuse.

(b) Any child care custodian, health practitioner, or employee of a child protective agency who has knowledge of or who reasonably suspects that mental suffering has been inflicted on a child or his or her emotional well-being is endangered in any other way, may report such known or suspected instance of child abuse to a child protective agency.

(c) Any commercial film and photographic print processor who has knowledge of or observes, within the scope of his or her professional capacity or employment, any film, photograph, video tape, negative or slide depicting a child under the age of 14 years engaged in an act of sexual conduct, shall report such instance of suspected child abuse to the law enforcement agency having jurisdiction over the case immediately or as soon as practically possible by telephone and shall prepare and send a written report of it with a copy of the film, photograph, video tape, negative or slide attached within 36 hours of receiving the information concerning the incident. As used in this subdivision, "sexual conduct" means any of the following:

(1) Sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex or between humans and animals.

(2) Penetration of the vagina or rectum by any object.

(3) Masturbation, for the purpose of sexual stimulation of the viewer.

(4) Sadomasochistic abuse for the purpose of sexual stimulation of the viewer.

(5) Exhibition of the genitals, pubic or rectal areas of any person for the purpose of sexual stimulation of the viewer.

(d) Any other person who has knowledge of or observes a child whom he or she knows or reasonably suspects has been a victim of child abuse may report the known or suspected instance of child abuse to a child protective agency.

(e) When two or more persons who are required to report are present and jointly have knowledge of a known or suspected instance of child abuse, 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 such 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.

(f) (1) The reporting duties under this section are individual, and no supervisor or administrator may 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 and apprise supervisors and administrators of reports may be established provided that they are not inconsistent with the provisions of this article.

The internal procedures shall not require any employee required to make reports by this article to disclose his or her identity to the employer.

(2) Any supervisor or administrator who violates paragraph (1) is guilty of a misdemeanor which is punishable by confinement in the county jail for a term not to exceed six months or by a fine of not more than one thousand dollars ($1,000) or by both.

(g) A county probation or welfare department shall immediately or as soon as practically possible report by telephone to the law enforcement agency having jurisdiction over the case, to the agency given the responsibility for investigation of cases under Section 300 of the Welfare and Institutions Code, and to the district attorney's office every known or suspected instance of child abuse as defined in Section 11165.6, except acts or omissions coming within subdivision (b) of Section 11165.2, which shall only be reported to the county welfare department. A county probation or welfare department 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 law enforcement agency shall immediately or as soon as practically possible report by telephone to the agency given responsibility for investigation of cases under Section 300 of the Welfare and Institutions Code and to the district attorney's office

every known or suspected instance of child abuse reported to it, except acts or omissions coming within subdivision (b) of Section 11165.2, which shall only be reported to the county welfare department. A law enforcement agency shall report to the county welfare department every known or suspected instance of child abuse reported to it which is alleged to have occurred as a result of the action of a person responsible for the child's welfare, or as the result of the failure of a person responsible for the child's welfare to adequately protect the minor from abuse when the person responsible for the child's welfare knew or reasonably should have known that the minor was in danger of abuse. 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.

SEC. 2. Section 11166.1 of the Penal Code, as added by Chapter 1598 of the Statutes of 1985, is repealed.

SEC. 3. 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 subdivision (b) of Section 11165.2, 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. 4. Section 11169 of the Penal Code is amended to read:

11169. A child protective agency shall forward to the Department of Justice a report in writing of every case it investigates of known or suspected child abuse which is determined not to be unfounded, other than cases coming within subdivision (b) of Section 11165.2. A child protective agency shall not forward a report to the Department of Justice unless it has conducted an active investigation and determined that the report is not unfounded, as defined in Section 11165.12. If a report has previously been filed which subsequently proves to be unfounded, the Department of Justice shall be notified in writing of that fact and shall not retain the report. The report required by this section shall be in a form approved by the Department of Justice. A child protective agency receiving a written report from another child protective agency shall not send such report to the Department of Justice.

The immunity provisions of Section 11172 shall not apply to the submission of a report by a child protective agency pursuant to this section. However, nothing in this section shall be construed to alter or diminish any other immunity provisions of state or federal law.

SEC. 5. Section 11174 of the Penal Code is amended to read:

11174. The Department of Justice, in cooperation with the State Department of Social Services, shall prescribe by regulation guidelines for the investigation of abuse in out-of-home care, as defined in Section 11165.5, and shall ensure that the investigation is conducted in accordance with the regulations and guidelines.

SEC. 6. Section 11174.1 of the Penal Code is amended to read:

11174.1. The Department of Justice, in cooperation with the State Department of Social Services, shall prescribe by regulation guidelines for the investigation of child abuse, as defined in Section 11165.6, in facilities licensed to care for children, and shall ensure that the investigation is conducted in accordance with the regulations and guidelines.

CHAPTER 270

An act to amend Sections 4103.5, 4423, 4423.1, 4423.2, 4423.3, and 4423.4 of, and to add Sections 4103.4 and 4412.5 to, the Public Resources Code, relating to fires.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 4103.4 is added to the Public Resources Code, to read:

4103.4. "Open fire" means any fire, controlled or uncontrolled, including a campfire, burning outside of any structure, mobilehome, or living accommodation mounted on a motor vehicle. "Open fire" does not include portable lanterns designed to emit light resulting from a combustion process.

SEC. 2. Section 4103.5 of the Public Resources Code is amended to read:

4103.5. "Campfire" means a fire which is used for cooking, personal warmth, lighting, ceremonial, or aesthetic purposes, including fires contained within outdoor fireplaces and enclosed stoves with flues or chimneys, stoves using jellied, liquid, solid, or gaseous fuels, portable barbecue pits and braziers, or space heating devices which are used outside any structure, mobilehome, or living accommodation mounted on a motor vehicle. "Campfire" does not include portable lanterns designed to emit light resulting from a combustion process.

SEC. 3. Section 4412.5 is added to the Public Resources Code, to

read:

4412.5. "Campfire" has the same meaning as defined in Section 4103.5.

SEC. 4. Section 4423 of the Public Resources Code is amended to read:

4423. A person shall not burn any brush, stumps, logs, fallen timber, fallows, slash, grass-covered land, brush-covered land, forest-covered land, or other flammable material, in any state responsibility area, area receiving fire protection by the department by contract, or upon federal lands administered by the United States Department of Agriculture or Department of the Interior, unless the person has a written permit from the department or its duly authorized representative or the authorized federal officer on federal lands administered by the United States Department of Agriculture or of the Interior and in strict accordance with the terms of the permit:

(a) At any time in Zone A.

(b) At any time in Zone B between May 1st and the date the director declares, by proclamation, that the hazardous fire conditions have abated for that year, or at any other time in Zone B during any year when the director has declared, by proclamation, that unusual fire hazard conditions exist in the area.

The issuing agency may require the permittee to contact the agency to determine permit suspension status prior to burning.

SEC. 5. Section 4423.1 of the Public Resources Code is amended to read:

4423.1. Burning under permit by any person on public or private lands, except within incorporated cities, may be suspended, restricted, or otherwise prohibited by proclamation. Any of the following public officers may issue a proclamation, which shall be applicable within their respective jurisdictions:

(a) The director or his or her designee.

(b) Any county fire warden with the approval of the director.

(c) The federal officers directing activities within California of the United States Bureau of Land Management, the National Park Service, and the United States Forest Service.

The proclamation may be issued when, in the judgment of the issuing public official, the menace of destruction by fire to life, improved property, or natural resources is, or is forecast to become, extreme due to critical fire weather, fire suppression forces being heavily committed to control fires already burning, acute dryness of the vegetation, or other factors that may cause the rapid spread of fire. A proclamation is effective on issuance or at a time specified therein and shall remain in effect until a proclamation removing the suspension, restriction, or prohibition is issued. The proclamation may be effective for a single day or longer. The proclamation shall declare the conditions that necessitate its issuance, designate the geographic area to which it applies, require that all or specified burning under permit be suspended, restricted, or prohibited until

the conditions necessitating the proclamation abate, and identify the public official issuing the proclamation. The proclamation may be in the form of a verbal or tape-recorded telephone message, a press release, or a posted order.

The proclamation may be issued without complying with Chapter 3.5 (commencing with Section 11340) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 6. Section 4423.2 of the Public Resources Code is amended to read:

4423.2. (a) Whenever the burning under permit has been suspended , restricted, or prohibited by proclamation pursuant to Section 4423.1, the officer having jurisdiction may issue a restricted temporary burning permit in instances in which the continuation of burning may be essential for reasons of public health, safety, or welfare. The permit may stipulate any special precautions that are required to be followed to reduce the risk of uncontrolled fire originating from the operation.

(b) Violation of the terms of a restricted temporary burning permit is a misdemeanor, and any person upon conviction thereof shall be punished by a fine of not less than two hundred fifty dollars ($250). No part of the fine shall be suspended. The court may permit the fine prescribed by this section to be paid in installments if the court determines that the defendant is unable to pay the fine in one lump sum.

SEC. 7. Section 4423.3 of the Public Resources Code is amended to read:

4423.3. The use of a campfire is not restricted or prohibited by a proclamation issued pursuant to Section 4423.1, unless specifically restricted or prohibited in that or a subsequent proclamation. If restricted by proclamation, campfires shall be confined to facilities constructed for that purpose within the confines of a campground established, maintained, and open for public use, whether publicly or privately owned.

SEC. 8. Section 4423.4 of the Public Resources Code is amended to read:

4423.4. Outdoor smoking is not restricted or prohibited by a proclamation issued pursuant to Section 4423.1, unless specifically restricted or prohibited in that or a subsequent proclamation. If restricted by proclamation, smoking shall be confined to the following:

(a) Within motor vehicles while operating or parked on established roads, rest stops, or parking areas cleared of flammable vegetation.

(b) Within established campgrounds open to the public.

(c) Within an area that is at least three feet or approximately one meter in diameter which has been cleared to mineral soil by removal of all flammable vegetation and duff.

The exempted locations may be included within the smoking ban

if specifically noticed in the proclamation.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 271

An act to amend Sections 4359, 4516, 7020, and 7021 of the Civil Code, and to amend Section 550 of the Code of Civil Procedure, relating to orders.

[Approved by Governor July 6, 1988 Filed with Secretary of State July 6, 1988]

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

SECTION 1. Section 4359 of the Civil Code is amended to read:

4359. (a) During the pendency of any proceeding under Title 2 (commencing with Section 4400) or Title 3 (commencing with Section 4500) of this part, upon application of either party in the manner provided by Section 527 of the Code of Civil Procedure, the superior court may issue ex parte orders (1) restraining any person from transferring, encumbering, hypothecating, concealing, or in any way disposing of any property, real or personal, whether community, quasi-community, or separate, except in the usual course of business or for the necessities of life, and if the order is directed against a party, requiring him or her to notify the other party of any proposed extraordinary expenditures and to account to the court for all extraordinary expenditures; (2) enjoining any party from contacting, molesting, attacking, striking, threatening, sexually assaulting, battering, or disturbing the peace of the other party, and, in the discretion of the court, upon a showing of good cause, other named family and household members; (3) excluding one party from the family dwelling or from the dwelling of the other, for the period of time and upon the conditions as the court may determine, regardless of which party holds legal or equitable title, or is the lessee of the dwelling, upon a showing that the party to be excluded has assaulted or threatens to assault the other party or any other person under the care, custody, or control of the other party, or any minor child of the parties or of the other party, and that physical or emotional harm would otherwise result to the other party or any person under the care, custody, or control of the other party, or to any minor child of the parties or of the other party as provided in Section 5102; (4) determining the temporary custody of any minor children of the marriage, and the right of a party to visit the minor

children upon the conditions as the court may determine; (5) determining the temporary use, possession, and control of real or personal property of the parties and the payment of any liens or encumbrances coming due during the pendency of the order; and (6) enjoining a party from specified behavior which the court determines is necessary to effectuate orders under paragraph (2) or (3).

Any order issued pursuant to this section shall state on its face the date of expiration of the order.

The Judicial Council shall promulgate forms and instructions for applications for orders and orders granted pursuant to this section.

(b) The court shall order the party who obtained the order or the attorney for that party to deliver or the clerk to mail a copy of any order, or extension, modification or termination thereof, granted pursuant to subdivision (a), by the close of the business day on which the order, extension, modification, or termination was granted, and any subsequent proof of service thereof, to each local law enforcement agency designated by the party or the attorney for the party, having jurisdiction over the residence of the party and other locations where the court determines that acts of domestic violence against the party are likely to occur. Each appropriate law enforcement agency shall make available through an existing system for verification, information as to the existence, terms and current status of any order issued pursuant to subdivision (a) to any law enforcement officer responding to the scene of reported domestic violence.

Notwithstanding the foregoing, an order issued pursuant to this section is enforceable in any place in this state. However, an order issued pursuant to this section is not enforceable by a law enforcement agency of a political subdivision unless that law enforcement agency has received a copy of the order pursuant to this subdivision, has otherwise received a copy of the order, or the officer enforcing the order has been shown a copy of the order.

(c) Each order granted pursuant to this section shall state on its face that it is enforceable in any place in this state by any law enforcement agency that has received a mailed notice as provided by subdivision (b), by any other law enforcement agency that has received the order, or by any officer who has been shown the order. Any willful and knowing violation of any order granted pursuant to paragraph (2), (3) or (6) of subdivision (a) shall be a misdemeanor punishable under Section 273.6 of the Penal Code.

(d) Any restraining order against domestic violence issued pursuant to paragraph (2), (3), or (6) of subdivision (a) may, upon the request of the moving party, be served upon the responding party by any law enforcement officer who is present at the scene of reported domestic violence involving the parties to the action. The moving party shall provide the officer with an endorsed copy of the order and a proof of service which the officer shall complete and transmit to the issuing court.

SEC. 2. Section 4516 of the Civil Code is amended to read:

4516. 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 of entry of judgment 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. 3. Section 7020 of the Civil Code is amended to read:

7020. (a) During the pendency of any proceeding under this part, upon application in the manner provided by Section 527 of the Code of Civil Procedure, the superior court may issue ex parte orders (1) enjoining any party from contacting, molesting, attacking, striking, threatening, sexually assaulting, battering, or disturbing the peace of the other party or the minor child; (2) excluding one party from the dwelling of the party who has care, custody and control of the child upon showing that the party to be excluded has assaulted or threatens to assault the other party or the minor child, and that physical or emotional harm would otherwise result to the party or the minor child; (3) enjoining a party from specified behavior which the court determines is necessary to effectuate orders under paragraph (1) or (2); and (4) determining the temporary custody of any minor child who is the subject of a proceeding under this part and the right of a party to visit the minor child upon the conditions as the court may determine. In the case in which a temporary restraining order is granted without notice, the matter shall be made returnable on an order requiring cause to be shown why the order should not be granted, on the earliest day that the business of the court will permit, but not later than 15 days or, if good cause appears to the court, 20 days from the date the temporary restraining order is granted. The court may on motion of the plaintiff or on its own motion shorten the time for service on the defendant of the order to show cause.

(b) The court may issue upon notice and a hearing any of the orders set forth in subdivision (a). After notice and a hearing, the court may order the exclusion of one party from the common dwelling of both parties or from the dwelling of the party who has care, custody, and control of the minor child upon a showing only that physical or emotional harm would otherwise result to the party or the minor child. Any restraining order granted pursuant to this subdivision shall remain in effect, in the discretion of the court, not to exceed one year except as provided in Section 7021, unless otherwise terminated by the court, extended by mutual consent of the parties or extended by further order of the court on the motion of any party.

(c) Any order issued pursuant to subdivision (a) or (b) shall state on its face the date of expiration of the order.

(d) The court shall order the party who obtained the order or the attorney for the party to deliver or the clerk to mail a copy of any order, or extension, modification or termination thereof, granted pursuant to subdivision (a) or (b), by the close of the business day on which the order, extension, modification, or termination was granted, and any subsequent proof of service thereof, to each local law enforcement agency designated by the party or the attorney for the party, having jurisdiction over the residence of the party who has care, custody and control of the minor child and such other locations where the court determines that acts of domestic violence against the party and the minor child are likely to occur. Each appropriate law enforcement agency shall make available through an existing system for verification, information as to the existence, terms and current status of any order issued pursuant to subdivision (a) or (b) to any law enforcement officer responding to the scene of reported domestic violence.

(e) Any restraining order against domestic violence issued pursuant to paragraph (1), (2), or (3) of subdivision (a) may, upon the request of the moving party, be served upon the responding party by any law enforcement officer who is present at the scene of reported domestic violence involving the parties to the action. The moving party shall provide the officer with an endorsed copy of the order and a proof of service which the officer shall complete and transmit to the issuing court.

(f) Any willful and knowing violation of any order granted pursuant to subdivision (a) or (b) shall be a misdemeanor punishable under Section 273.6 of the Penal Code.

SEC. 4. Section 7021 of the Civil Code is amended to read:

7021. A judgment entered under this part may include any orders issued pursuant to paragraph (1), (2), or (3) of subdivision (a) of Section 7020. 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 (d) of Section 7020. Any willful and knowing violation of any such order shall be a misdemeanor punishable under Section 273.6 of the Penal Code.

SEC. 5. Section 550 of the Code of Civil Procedure is amended to read:

550. The court shall order the plaintiff or the attorney for the plaintiff to deliver or the county clerk to mail a copy of any order, or extension, modification or termination thereof granted pursuant to this chapter, by the close of the business day on which the order, extension, modification or termination was granted, and any subsequent proof of service thereof, to each local law enforcement

agency designated by the plaintiff or the attorney for the plaintiff, having jurisdiction over the residence of the plaintiff and such other locations where the court determines that acts of domestic violence against the plaintiff are likely to occur. Each appropriate law enforcement agency shall make available through an existing system for verification, information as to the existence, terms and current status of any order issued pursuant to this chapter to any law enforcement officer responding to the scene of reported domestic violence. Any restraining order against domestic violence issued pursuant to this chapter may, upon request of the plaintiff, be served upon the defendant by any law enforcement officer who is present at the scene of reported domestic violence involving the parties to the action. The moving party shall provide the officer with an endorsed copy of the order and a proof of service which the officer shall complete and transmit to the issuing court.

CHAPTER 272

An act to amend Section 1275 of the Penal Code, relating to bail.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 1275 of the Penal Code is amended to read:

1275. In setting, reducing, or denying bail, the judge or magistrate shall take into consideration the protection of the public, the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at trial or hearing of the case. The public safety shall be the primary consideration. No bail bond shall be accepted unless the judge or magistrate be convinced that no portion of the consideration, pledge, security, deposit, or indemnification paid, given, made, or promised for its execution was feloniously obtained by the defendant.

In considering the seriousness of the offense charged, the judge or magistrate shall include consideration of the alleged injury to the victim, and alleged threats to the victim or a witness to the crime charged, the alleged use of a firearm or other deadly weapon in the commission of the crime charged, and the alleged use or possession of controlled substances by the defendant.

In considering offenses wherein a violation of Chapter 6 (commencing with Section 11350) of Division 10 of the Health and Safety Code is alleged, the judge or magistrate shall consider the following: (1) the alleged amounts of controlled substances involved in the commission of the offense, and (2) whether the defendant is currently released on bail for an alleged violation of Chapter 6 (commencing with Section 11350) of Division 10 of the Health and

Safety Code.

CHAPTER 273

An act to amend Section 553 of the Penal Code, relating to real property.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 553 of the Penal Code is amended to read:

553. The following definitions apply to this article only:

(a) "Sign" means a sign not less than one (1) square foot in area and upon which in letters not less than two inches in height appear the words "trespassing-loitering forbidden by law," or words describing the use of the property followed by the words "no trespassing."

(b) "Posted property" means any property specified in Section 554 which is posted in a manner provided in Section 554.1.

(c) "Posted boundary" means a line running from sign to sign and such line need not conform to the legal boundary or legal description of any lot, parcel, or acreage of land, but only the area within the posted boundary shall constitute posted property, except as otherwise provided in subdivision (e) of Section 554.1.

CHAPTER 274

An act to add Section 2079.6 to the Civil Code, relating to real property.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 2079.6 is added to the Civil Code, to read:

2079.6. This article does not apply to transfers which are required to be preceded by the furnishing, to a prospective transferee, of a copy of a public report pursuant to Section 11018.1 of the Business and Professions Code and transfers which can be made without a public report pursuant to Section 11010.4 of the Business and Professions Code, unless the property has been previously occupied.

CHAPTER 275

An act to amend Section 68092.5 of the Government Code, relating to witnesses.

[Approved by Governor July 6, 1988 Filed with Secretary of State July 6, 1988]

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

SECTION 1. Section 68092.5 of the Government Code is amended to read:

68092.5. (a) A party requiring testimony before any court, tribunal, or arbiter in any civil action or proceeding from any (1) expert described in paragraph (2) of subdivision (a) of Section 2034 of the Code of Civil Procedure, except one who is a party or an employee of a party, or (2) treating physician or other treating health care practitioner who is to be asked to express an opinion during the action or procedure, 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 action or proceeding.

The party requiring the attendance shall either accompany the service of the subpoena or notice with a tender of the expert's fee based on the anticipated length of time the expert is required to remain at such place pursuant to the notice or subpoena or tender that fee at the required time of appearance. The expert's fee shall be delivered to the attorney for the party designating the expert. If the appearance of the expert takes longer than anticipated, the party serving the subpoena or notice 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 testimony and for traveling to the place of the civil action or proceeding, as well as for any travel expenses of the expert, unless otherwise determined by the court.

(b) The service of a proper subpoena or notice accompanied by the tender of the expert witness fee described in subdivision (a) is effective to require the party employing or retaining the expert to produce the expert for testimony. If the party serving the notice or subpoena fails to tender the expert's fee under subdivision (a), the expert shall not be required to appear at that time unless the parties stipulate otherwise.

(c) If a party requiring the appearance by subpoena or notice of another party's expert witness under this subdivision deems that the hourly or daily fee of that expert for providing 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 testimony if it determines that the fee demanded by that expert is unreasonable.

(d) In the event the proceeding at which the expert witness has been notified his attendance is required is continued or canceled in advance of the time for which it is scheduled, such witness shall be notified of the continuance or cancellation by the party requiring his or her attendance by the quickest and most reliable means of giving notice under the circumstances. In the event such party fails to give notice as required by this subdivision, then the expert witness shall be entitled to receive the compensation specified in subdivision (a) of this section, notwithstanding his or her failure to give any testimony.

(e) An express contract entered into between a person and the party requesting or requiring the person to testify, relating to compensation, shall be enforceable and shall prevail over the provisions of this section.

(f) The deposition of an expert witness is governed by Section 2034 of the Code of Civil Procedure.

CHAPTER 276

An act to amend Section 2955.5 of the Civil Code, relating to mortgages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 2955.5 of the Civil Code is amended to read:

2955.5. (a) No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

(b) Any person harmed by a violation of this section shall be entitled to obtain injunctive relief and may recover damages and reasonable attorney's fees and costs.

(c) A violation of this section does not affect the validity of the loan, note secured by a deed of trust, mortgage, or deed of trust.

(d) For purposes of this section:

(1) "Hazard insurance coverage" means insurance against losses caused by perils which are commonly covered in policies described as a "Homeowner's Policy," "General Property Form," "Guaranteed

Replacement Cost Insurance," "Special Building Form," "Standard Fire," "Standard Fire with Extended Coverage," "Standard Fire with special Form Endorsement," or comparable insurance coverage to protect the real property against loss or damage from fire and other perils covered within the scope of a standard extended coverage endorsement.

(2) "Improvements" means buildings or structures attached to the real property.

SEC. 2. This act is applicable to contracts entered into on or after January 1, 1988.

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

To resolve the current conflict between regulatory and statutory law governing the determination of the replacement value of the improvements on property, it is necessary that this act become effective immediately.

CHAPTER 277

An act to amend Sections 861 and 868 of the Penal Code, relating to criminal procedure.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 861 of the Penal Code is amended to read:

861. The preliminary examination shall be completed at one session or the complaint shall be dismissed, unless the magistrate, for good cause shown by affidavit, postpones it. The postponement shall not be for more than 10 court days, unless either of the following occur:

(a) The defendant personally waives his or her right to a continuous preliminary examination.

(b) The prosecution establishes good cause for a postponement beyond the 10-court day period. If the magistrate postpones the preliminary examination beyond the 10-court day period, and the defendant is in custody, the defendant shall be released pursuant to subdivision (b) of Section 859b.

The preliminary examination shall not be postponed beyond 60 days from the date the motion to postpone the examination is granted, unless by consent or on motion of the defendant.

Nothing in this section shall preclude the magistrate from interrupting the preliminary examination to conduct brief court matters so long as a substantial majority of the court's time is devoted

to the preliminary examination.

SEC. 2. Section 868 of the Penal Code is amended to read:

868. The examination shall be open and public. However, upon the request of the defendant and a finding by the magistrate that exclusion of the public is necessary in order to protect the defendant's right to a fair and impartial trial, the magistrate shall exclude from the examination every person except the clerk, court reporter and bailiff, the prosecutor and his or her counsel, the Attorney General, the district attorney of the county, the investigating officer, the officer having custody of a prisoner witness while the prisoner is testifying, the defendant and his or her counsel, the officer having the defendant in custody, and a person chosen by the prosecuting witness who is not himself or herself a witness but who is present to provide the prosecuting witness moral support, provided that the person so chosen shall not discuss prior to or during the preliminary examination the testimony of the prosecuting witness with any person, other than the prosecuting witness, who is a witness in the examination. Upon motion of the prosecution, members of the alleged victim's family shall be entitled to be present and seated during the examination. The court shall grant the motion unless the magistrate finds that the exclusion is necessary to protect the defendant's right to a fair and impartial trial, or unless information provided by the defendant or noticed by the court establishes that there is a reasonable likelihood that the attendance of members of the alleged victim's family poses a risk of affecting the content of the testimony of the victim or any other witness. The court shall admonish members of the alleged victim's family who are present and seated during the examination not to discuss any testimony with family members, witnesses, or the public. Nothing in this section shall affect the exclusion of witnesses as provided in Section 867 of the Penal Code.

For purposes of this section, members of the alleged victim's family shall include the alleged victim's spouse, parents, legal guardian, children, or siblings.

CHAPTER 278

An act to amend Section 631 of the Code of Civil Procedure, relating to civil procedure.

[Approved by Governor July 6, 1988 Filed with Secretary of State July 6, 1988.]

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

SECTION 1. Section 631 of the Code of Civil Procedure is amended to read:

631. Trial by jury may be waived by the several parties to an issue

of fact in any of the following ways:

1. By failing to appear at the trial;

2. By written consent filed with the clerk or judge;

3. By oral consent, in open court, entered in the minutes or docket;

4. By failing to announce that a jury is required, at the time the cause is first set upon the trial calendar if it be set upon notice or stipulation, or within five days after notice of setting if it be set without notice or stipulation; provided, that in justice courts such waiver may be made by failure of either party to demand a jury within two days after service upon him of the notice provided for in Section 594 of this code; provided further, that in any superior court action if a jury is demanded by either party in the memorandum to set cause for trial and such party thereafter by announcement or by operation of law waives a trial by jury, then in said event any and all adverse party or parties shall be given 10 days' written notice by the clerk of the court of such waiver, whereupon, notwithstanding any rule of the court to the contrary, such adverse party or parties shall have not exceeding five days immediately following the receipt of such notice of such waiver, within which to file and serve a demand for a trial by jury and deposit advance jury fees for the first day's trial whenever such deposit is required by rule of court, and if it is impossible for the clerk of the court to give such 10 days' notice by reason of the trial date, or if for any cause said notice is not given, the trial of said action shall be continued by the court for a sufficient length of time to enable the giving of such notice by the clerk of the court to such adverse party.

Regardless of anything contained in the foregoing to the contrary, the court may in its discretion, upon such terms as may be just, allow a trial by jury to be had, although there has been a waiver of such a trial.

5. By failing to deposit with the clerk, or judge, a sum equal to the amount of one day's jury fees payable under the law, 25 days prior to the date set for trial, except in unlawful detainer actions where the fees shall be deposited at least five days prior to the date set for trial.

6. By failing to deposit with the clerk or judge, promptly after the impanelment of the jury, a sum equal to the mileage or transportation (if any be allowed by law) of the jury accrued up to that time;

7. By failing to deposit with the clerk or judge, at the beginning of the second and each succeeding day's session a sum equal to one day's fees of the jury, and the mileage or transportation, if any there be.

8. When the party who has demanded trial by jury either waives such trial upon or after the assignment for trial to a specific department of the court, or upon or after the commencement of the trial, or fails to deposit the fees as provided in subdivision 6 or 7; by the other party either failing promptly to demand trial by jury before the judge in whose department such waiver, other than for the failure to deposit such fees, was made, or by his failing promptly to

deposit the fees provided in subdivision 6 or 7.

The court may, in its discretion upon such terms as may be just, allow a trial by jury to be had although there has been a waiver of such a trial.

CHAPTER 279

An act to add Section 10086.5 to the Insurance Code, relating to insurance.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 10086.5 is added to the Insurance Code, to read:

10086.5. (a) The Legislature hereby finds and declares that the continued regulation of the business practices of insurers and their products is in the interest of the citizens of the state and that the control and limitation of unlawful rejection or cancellation of residential property insurance after an offer of earthquake coverage is accepted is an essential component of that regulation which is necessary to effectuate an adequate and complete system and regulation of insurer and producer business practices. The Legislature finds that this chapter continues to provide critical protection to insureds in this state from the numerous consequences that would occur in the absence of that regulation.

(b) An insurer shall not reject or cancel a policy of residential property insurance after an offer of earthquake coverage is accepted solely because the insured has accepted that offer of earthquake coverage, except in cases in which the policy is terminated by the named insured.

CHAPTER 280

An act to amend Section 1142 of the Probate Code, relating to probate, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 7, 1988]

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

SECTION 1. Section 1142 of the Probate Code is amended to read:

1142. The public administrator and his or her attorney shall receive the same compensation and allowances as are granted by this code to other administrators and their attorneys. However, the compensation of the public administrator and his or her attorney shall not be less than the compensation and allowances in effect at the time of appointment of the public administrator. He shall file an inventory, institute suits for the recovery or protection of property, render accounts and deliver up the property of the estate, in the same manner as administrators generally; and the provisions of this code shall govern the administration of estates in his hands, except as otherwise provided in this chapter.

SEC. 2. It is the intent of the Legislature that the compensation received pursuant to Section 1142 of the Probate Code by the public administrator and his or her attorneys not be less than the compensation and allowances in effect at the time of appointment of the public administrator notwithstanding the operative date of 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 assure a valid, accurate projection of revenues for the 1988–89 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 281

An act to amend Section 703.5 of the Evidence Code, relating to governmental proceedings.

[Approved by Governor July 6, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 703.5 of the Evidence Code is amended to read:

703.5. No person presiding at any judicial or quasi-judicial proceeding, and no arbitrator, shall be competent to testify, in any subsequent civil proceeding, as to any statement, conduct, decision or ruling, occurring at or in conjunction with the prior proceeding, except as to a statement or conduct that could (a) give rise to civil or criminal contempt, (b) constitute a crime, (c) be the subject of investigation by the State Bar or Commission on Judicial Performance, or (d) give rise to disqualification proceedings under subdivision (5) of Section 170 of the Code of Civil Procedure.

CHAPTER 282

An act to amend Section 10311 of the Public Contract Code, relating to state procurement contracts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 7, 1988.]

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

SECTION 1. The Legislature hereby finds and declares that the amendment of Section 10311 of the Public Contract Code is necessary to ensure that there is no question that the previous administrative practice of awarding contracts in accordance with the expressed intent of this section conforms to the intent of the Legislature and that such contracts are valid.

The Legislature hereby further declares that, in complex procurements requiring consultation between the various offices and departments of state government, contract awards more than 45 days after bid opening are necessary to provide for adequate evaluation of bids.

SEC. 2. Section 10311 of the Public Contract Code is amended to read:

10311. (a) An estimate or requisition approved by the state agency in control of the appropriation or fund against which a purchase is to be charged, is full authority for any contract and purchase of supplies of the quality specified by the agency or determined by the Board of Control as provided in this article made pursuant thereto by the department.

(b) The department shall issue a call for bids within 30 days after receiving a requisition for any supplies, material, or equipment that are regularly purchased within this state. The period of closing time designated in the invitations for bids shall be exclusive of holidays and shall be extended to the next working day after a holiday.

(c) Except as provided in subdivision (d), after the closing date for receiving any bids within or without this state, the contract of purchase shall be awarded or the bids shall be rejected within 45 days unless a protest is filed as provided in Section 10306.

(d) After the 45-day time period prescribed by subdivision (c), the department may in its sound discretion either award the contract of purchase to the lowest responsible bidder meeting specifications who remains willing to accept the award or else reject all bids.

(e) The amendments made to this section at the 1987–88 Regular Session of the Legislature do not constitute a change in, but are declaratory of, existing law.

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

immediate effect. The facts constituting the necessity are:

In order to ensure that the validity of various existing procurement contracts is not jeopardized due to ambiguities in existing law, it is necessary that this act go into effect immediately.

CHAPTER 283

An act to amend Section 1770 of, and to add Sections 1770.1 and 1770.2 to, the Government Code, relating to public officers.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 1770 of the Government Code is amended to read:

1770. An office becomes vacant on the happening of any of the following events before the expiration of the term:

(a) The death of the incumbent.

(b) An adjudication pursuant to a quo warranto proceeding declaring that the incumbent is physically or mentally incapacitated due to disease, illness, or accident and that there is reasonable cause to believe that the incumbent will not be able to perform the duties of his or her office for the remainder of his or her term. This subdivision shall not apply to offices created by the California Constitution nor to federal or state legislators.

(c) His or her resignation.

(d) His or her removal from office.

(e) His or her ceasing to be an inhabitant of the state, or if the office be local and one for which local residence is required by law, of the district, county, or city for which the officer was chosen or appointed, or within which the duties of his or her office are required to be discharged. However, the office of judge of a municipal or justice court shall not become vacant when, as a result of a change in the boundaries of a judicial district during an incumbent's term, the incumbent ceases to be an inhabitant of the district for which he or she was elected or appointed to serve.

(f) His or her absence from the state without the permission required by law beyond the period allowed by law.

(g) His or her ceasing to discharge the duties of his or her office for the period of three consecutive months, except when prevented by sickness, or when absent from the state with the permission required by law.

(h) His or her conviction of a felony or of any offense involving a violation of his or her official duties. An officer shall be deemed to have been convicted under this subdivision when trial court judgment is entered. For the purposes of this subdivision, "trial court

judgment" means a judgment by the trial court either sentencing the officer or otherwise upholding and implementing the plea, verdict, or finding.

(i) His or her refusal or neglect to file his or her required oath or bond within the time prescribed.

(j) The decision of a competent tribunal declaring void his or her election or appointment.

(k) The making of an order vacating his or her office or declaring the office vacant when the officer fails to furnish an additional or supplemental bond.

(*l*) His or her commitment to a hospital or sanitarium by a court of competent jurisdiction as a drug addict, dipsomaniac, inebriate, or stimulant addict; but in that event the office shall not be deemed vacant until the order of commitment has become final.

SEC. 2. Section 1770.1 is added to the Government Code, to read:

1770.1. The disqualification from holding office upon conviction, as provided in Section 1021, or the forfeiture of office upon conviction, as provided in subdivision (h) of Section 1770 and Section 3000, is neither stayed by the initiation of an appeal from the conviction, nor set aside by the successful prosecuting of an appeal from the conviction by the person suffering the conviction.

SEC. 3. Section 1770.2 is added to the Government Code, to read:

1770.2. Upon the entry of a plea of guilty, the entry of a plea of nolo contendere, or the rendering of a verdict of a guilty either by a jury or by the court sitting without a jury of a public offense, the conviction of which would invoke the provisions of Section 1021, subdivision (h) of Section 1770, or Section 3000, the person found guilty shall not assume the office for which the person is otherwise qualified or shall be suspended immediately from the office the person then holds. During the time of inability to assume an office or of suspension from office, the person shall not be entitled to receive the emoluments of the office, including, but not limited to, the exercise of the powers of the office, the rights to be seated in the office, and the compensation, including benefits, prescribed for the office.

In the event the trial court sets aside or otherwise nullifies the plea or verdict before the trial court judgment is entered, the inability to assume office or the suspension from holding office shall be lifted, and the person suspended from office shall be restored to office with its emoluments, including those that would have otherwise accrued during the suspension, excluding, however, interest on any monetary payment.

SEC. 4. Sections 1 and 2 of this act do not constitute changes in, but are declaratory of, the existing law.

CHAPTER 284

An act to amend Sections 23378.2, 23776, and 25503.15 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988]

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

SECTION 1. Section 23378.2 of the Business and Professions Code is amended to read:

23378.2. Notwithstanding any other provision of this division, a licensed wholesaler or importer may be issued and may hold retail package off-sale beer and wine licenses if the wholesaler or importer sells wine and no other alcoholic beverages at or from the retail premises.

SEC. 2. 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:

(1) 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, or

(2) If restricted to the wholesaler's sale of wine, a beer and wine wholesaler's license may be renewed for the holder of an off-sale beer and wine licensee who on December 31, 1987, held an off-sale beer and wine license and a beer and wine wholesaler's license, provided that the beer and wine wholesaler's license restricted to the wholesaler's sale of wine can only be transferred to the holder of a beer and wine wholesaler's license restricted to the wholesaler's sale of wine on the date of transfer.

SEC. 3. Section 25503.15 of the Business and Professions Code is amended to read:

25503.15. Notwithstanding any other provision of this division, a winegrower who manufactures, produces, bottles, processes, imports, or sells wine only, or any officer, director, or agent of any such person, may hold the ownership of any interest in any on-sale license, or the business conducted under any such license, provided that the person or the officer, director, or agent of that person, shall have entered into an undertaking approved by the department stating that neither that person nor any officer, director, or agent of that person shall sell or furnish to the holder of the license any wine, or permit the sale pursuant to that license of any wine, manufactured, produced, bottled, processed, imported, or sold by that person or that person's principal so long as that ownership continues, nor that neither that person nor any officer, director, or agent of that person shall enter into any collusive scheme whereby

he or she unfairly sells or promotes, in his or her onsale businesses, the wine of another winegrower who manufactures, produces, bottles, processes, imports or sells wine only, in return for his or her wine being unfairly sold or promoted in the on-sale businesses of that winegrower.

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:

Chapter 68 of the Statutes of 1987 inadvertently removed longstanding statutory authority for delicatessens and groceries holding off-sale beer and wine licenses to wholesale wine in gift packs with food products. As a result, unless this defect is reversed by June 30, 1988, many small markets will be forced to divest themselves of their wine wholesale businesses. Therefore, it is necessary that this act go into immediate effect.

CHAPTER 285

An act to amend Section 3 of Chapter 2 of the Statutes of 1987—First Extraordinary Session, relating to disaster relief, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 7, 1988]

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

SECTION 1. Section 3 of Chapter 2 of the Statutes of 1987 First Extraordinary Session is amended to read:

Sec. 3. (a) In addition to any other funds made available, the sum of seventeen million five hundred thousand dollars ($17,500,000) is hereby transferred from the Special Fund for Economic Uncertainties to the Disaster Response-Emergency Operations Account therein for allocation by the Department of Finance in accordance with Section 8690.6 of the Government Code and this section pursuant to the following schedule:

(b) Of the funds transferred pursuant to subdivision (a), seven million five hundred thousand dollars ($7,500,000) is transferred to the Housing Rehabilitation Loan Fund for use by the Department of Housing and Community Development for making deferred-payment loans pursuant to Section 50662.5 of the Health and Safety Code, including administrative costs, which shall not exceed two hundred fifty thousand dollars ($250,000).

(c) Of the funds transferred pursuant to subdivision (a), ten million dollars ($10,000,000) shall be allocated to the State Department of Social Services for allocation by that department to provide individual and family grant assistance to persons incurring

damage due to earthquakes occurring in October 1987 in Los Angeles and Orange Counties. These funds shall not be used to fulfill matching fund requirements for federal disaster assistance, but shall be used to supplement the federal Individual and Family Grant Program. A supplemental grant provided for under this subdivision to an individual or family shall not exceed ten thousand dollars ($10,000). Except as provided in subdivision (d), any moneys subject to this subdivision that are not encumbered as of July 1, 1988, shall be transferred on that date to the Housing Rehabilitation Loan Fund for use as specified in subdivision (b).

(d) From the moneys subject to subdivision (c) and that are not encumbered as of July 1, 1988, the amount of five hundred thousand dollars ($500,000) shall be retained by the State Department of Social Services to provide additional individual and family grant assistance until October 1, 1988. The unencumbered portion, if any, of that amount shall be transferred to the Housing Rehabilitation Loan Fund for use as specified 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 insure that all persons who incurred damage as a result of the October 1987 earthquakes in Los Angeles and Orange Counties and who have applied for supplemental individual and family grants assistance receive full and appropriate consideration and in order to give the State Department of Social Services additional time in 1988 to process and resolve all applications for grants, it is necessary that this act go into immediate effect.

CHAPTER 286

An act to amend Sections 1513, 1513.5, 1514, 1515, 1516, 1518, 1519, 1520, and 1521 of, and to add Section 1501.5 to, the Code of Civil Procedure, relating to escheat.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 1501.5 is added to the Code of Civil Procedure, to read:

1501.5. (a) Notwithstanding any provision of law to the contrary, property received by the state under this chapter shall not permanently escheat to the state.

(b) The Legislature finds and declares that this section is declaratory of the existing law and sets forth the intent of the Legislature regarding the Uniform Disposition of Unclaimed

Property Act (Chapter 1809, Statutes of 1959) and all amendments thereto and revisions thereof. Any opinions, rulings, orders, judgments, or other statements to the contrary by any court are erroneous and inconsistent with the intent of the Legislature.

SEC. 2. Section 1513 of the Code of Civil Procedure is amended to read:

1513. Subject to Sections 1510 and 1511, the following property held or owing by a business association escheats to this state:

(a) Except as provided in subdivision (f), any demand, savings, or matured time deposit, or account subject to a negotiable order of withdrawal, made with a banking organization, together with any interest or dividends thereon, excluding, from demand deposits and accounts subject to a negotiable order of withdrawal only, any reasonable service charges which may lawfully be withheld and which do not (where made in this state) exceed those set forth in schedules filed by the banking organization from time to time with the State Controller, when the owner, for more than five years, has not done any of the following:

(1) Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest.

(2) Corresponded in writing with the banking organization concerning the deposit.

(3) Otherwise indicated an interest in the deposit as evidenced by a memorandum or other record on file with the banking organization.

No banking organization may discontinue any interest or dividends on any savings deposit because of the inactivity contemplated by this section.

(b) Except as provided in subdivision (f), any demand, savings, or matured time deposit, or matured investment certificate, or account subject to a negotiable order of withdrawal, or other interest in a financial organization or any deposit made therewith, and any interest or dividends thereon, excluding, from demand deposits and accounts subject to a negotiable order of withdrawal only, any reasonable service charges which may lawfully be withheld and which do not (where made in this state) exceed those set forth in schedules filed by the financial organization from time to time with the Controller, when the owner, for more than five years, has not done any of the following:

(1) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends.

(2) Corresponded in writing with the financial organization concerning the funds or deposit.

(3) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum or other record on file with the financial organization.

No financial organization may discontinue any interest or

dividends on any funds paid toward purchase of shares or other interest, or on any deposit, because of the inactivity contemplated by this section.

(c) Any sum payable on a travelers check issued by a business association that has been outstanding for more than 15 years from the date of its issuance, when the owner, for more than 15 years, has not corresponded in writing with the business association concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with such association.

(d) Any sum payable on any other written instrument on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, any draft or certified check, that has been outstanding for more than five years from the date it was payable, or from the date of its issuance if payable on demand, when the owner, for more than five years, has not corresponded in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the banking or financial organization.

(e) Any sum payable on a money order issued by a business association (including a banking or financial organization), that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, when the owner, for more than seven years, has not corresponded in writing with the business association, banking, or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the business association.

(f) Any funds held by a business association in an individual retirement account or under a retirement plan for self-employed individuals or similar account or plan established pursuant to the internal revenue laws of the United States or of this state, when the owner, for more than five years after the funds become payable or distributable, has not done any of the following:

(1) Increased or decreased the principal.

(2) Accepted payment of principal or income.

(3) Corresponded in writing concerning the property or otherwise indicated an interest.

Such funds are not payable or distributable within the meaning of this subdivision unless, under the terms of the account or plan, distribution of all or a part of the funds would then be mandatory.

(g) For purposes of this section "service charges" means service charges imposed because of the inactivity contemplated by this section.

SEC. 3. Section 1513.5 of the Code of Civil Procedure is amended to read:

1513.5. (a) Except as provided in subdivision (c), if the holder has in its records an address for the apparent owner, which the holder's records do not disclose to be inaccurate, every banking or financial organization shall make reasonable efforts to notify by mail

any customer that the customer's deposit, account, shares, or other interest in the banking or financial organization will escheat to the state pursuant to subdivision (a) or (b) of Section 1513. The notice shall be given not less than three years nor more than three and one-half years after the date of last activity by, or communication with, the owner with respect to the account, deposit, shares, or other interest, as shown on the record of the financial organization.

(b) The notice required by this section shall specify the time that the deposit, account, shares, or other interest will escheat and the effects of escheat, including the necessity for filing a claim for the return of the deposit, account, shares, or other interest. It shall also include a form, as prescribed by the State Controller, by which the customer may declare an intention to maintain the deposit, account, shares, or other interest. If that form is filled out, signed by the customer, and returned to the banking or financial organization, it shall satisfy the requirement of paragraph (3) of subdivision (a) or paragraph (3) of subdivision (b) of Section 1513. The banking or financial organization may impose a service charge on the deposit, account, shares, or other interest for this notice in an amount not to exceed the administrative cost of mailing the notice and form and in no case to exceed two dollars ($2).

(c) Notice as provided by subdivisions (a) and (b) shall not be required for deposits, accounts, shares, or other interests of less than twenty-five dollars ($25) and no service charge may be made for notice on these items.

SEC. 4. Section 1514 of the Code of Civil Procedure is amended to read:

1514. The contents of any safe deposit box or any other safekeeping repository, held in this state by a business association, escheat to this state if unclaimed by the owner for more than five years from the date on which the lease or rental period on the box or other repository expired, or from the date of termination of any agreement because of which the box or other repository was furnished to the owner without cost, whichever last occurs.

SEC. 5. Section 1515 of the Code of Civil Procedure is amended to read:

1515. (a) Subject to Section 1510, funds held or owing by a life insurance corporation under any life or endowment insurance policy or annuity contract which has matured or terminated escheat to this state if unclaimed and unpaid for more than five years after the funds became due and payable as established from the records of the corporation.

(b) If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation. This presumption is a presumption

affecting the burden of proof.

(c) A life insurance policy not matured by actual proof of the death of the insured according to the records of the corporation is deemed to be matured and the proceeds due and payable if:

(1) The insured has attained, or would have attained if he were living, the limiting age under the mortality table on which the reserve is based;

(2) The policy was in force at the time the insured attained, or would have attained, the limiting age specified in paragraph (1); and

(3) Neither the insured nor any other person appearing to have an interest in the policy has, within the preceding five years, according to the records of the corporation (i) assigned, readjusted, or paid premiums on the policy, (ii) subjected the policy to loan, or (iii) corresponded in writing with the life insurance corporation concerning the policy.

(d) Any funds otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

SEC. 6. Section 1516 of the Code of Civil Procedure is amended to read:

1516. (a) Subject to Section 1510, any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to its shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within five years after the date prescribed for payment or delivery, escheats to this state.

(b) Subject to Section 1510, any intangible interest in a business association, as evidenced by the stock records or membership records of the association, escheats to this state if (1) the interest in the association is owned by a person who for more than five years has neither claimed a dividend or other sum referred to in subdivision (a) nor corresponded in writing with the association or otherwise indicated an interest as evidenced by a memorandum or other record on file with the association, and (2) the association does not know the location of the owner at the end of such five-year period. With respect to such interest, the business association shall be deemed the holder.

(c) Subject to Section 1510, any dividends or other distributions held for or owing to a person at the time the stock or other security to which they attach escheats to this state also escheat to this state as of the same time.

SEC. 7. Section 1518 of the Code of Civil Procedure is amended to read:

1518. (a) All tangible personal property located in this state and, subject to Section 1510, all intangible personal property, and the income or increment on such tangible or intangible property, held in a fiduciary capacity for the benefit of another person escheats to

this state if after it becomes payable or distributable, the owner has not, within a period of five years, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary.

(b) Funds in an individual retirement account or a retirement plan for self-employed individuals or similar account or plan established pursuant to the internal revenue laws of the United States or of this state are not payable or distributable within the meaning of subdivision (a) unless, under the terms of the account or plan, distribution of all or part of the funds would then be mandatory.

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

SEC. 8. Section 1519 of the Code of Civil Procedure is amended to read:

1519. All tangible personal property located in this state, and, subject to Section 1510, all intangible personal property, held for the owner by any government or governmental subdivision or agency, that has remained unclaimed by the owner for more than five years escheats to this state.

SEC. 9. Section 1520 of the Code of Civil Procedure is amended to read:

1520. All tangible personal property located in this state and, subject to Section 1510, all intangible personal property, except property of the classes mentioned in Sections 1511, 1513, 1514, 1515, 1516, 1517, 1518, 1519, and 1521, including any income or increment thereon and deducting any lawful charges, that is held or owing in the ordinary course of the holder's business and has remained unclaimed by the owner for more than five years after it became payable or distributable escheats to this state.

For purposes of this section, "lawful charges" means charges which are specifically authorized by statute, other than the Unclaimed Property Law, or by a valid, enforceable contract.

SEC. 10. Section 1521 of the Code of Civil Procedure is amended to read:

1521. (a) Except as provided in subdivision (b), and subject to Section 1510, all employee benefit plan distributions and any income or other increment thereon escheats to the state if the owner has not, within five years after it becomes payable or distributable, accepted such distribution, corresponded in writing concerning such

distribution, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary of the trust or custodial fund or administrator of the plan under which such trust or fund is established. As used in this section, "fiduciary" means any person exercising any power, authority, or responsibility of management or disposition with respect to any money or other property of a retirement system or plan, and "administrator" means the person specifically so designated by the plan, trust agreement, contract, or other instrument under which the retirement system or plan is operated, or if none is designated, the employer.

(b) Except as provided in subdivision (c), an employee benefit plan distribution and any income or other increment thereon shall not escheat to this state if, at the time such distribution shall become payable to a participant in an employee benefit plan, such plan contains a provision for forfeiture or expressly authorizes the administrator to declare a forfeiture of a distribution to a beneficiary thereof who cannot be found after a period of time specified in such plan, and the trust or fund established under the plan has not terminated prior to the date on which such distribution would become forfeitable in accordance with such provision.

(c) A participant entitled to an employee benefit plan distribution in the form of residuals shall be relieved from a forfeiture declared under subdivision (b) upon the making of a claim therefor.

CHAPTER 287

An act to add Section 1192.3 to the Penal Code, relating to restitution.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 1192.3 is added to the Penal Code, to read:

1192.3. (a) A plea of guilty or nolo contendere to an accusatory pleading charging a public offense, other than a felony specified in Section 1192.5 or 1192.7, which public offense did not result in damage for which restitution may be ordered, made on the condition that charges be dismissed for one or more public offenses arising from the same or related course of conduct by the defendant which did result in damage for which restitution may be ordered, may specify the payment of restitution by the defendant as a condition of the plea or any probation granted pursuant thereto, so long as the plea is freely and voluntarily made, there is factual basis for the plea, and the plea and all conditions are approved by the court.

(b) If restitution is imposed which is attributable to a count dismissed pursuant to a plea bargain, as described in this section, the

court shall obtain a waiver pursuant to People v. Harvey (1979) 25 Cal. 3d 754 from the defendant as to the dismissed count.

CHAPTER 288

An act to amend Sections 13700, 13701, 13702, 13703, and 13704 of, and to repeal Section 13705 of, the Welfare and Institutions Code, relating to children, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 7, 1988]

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

SECTION 1. Section 13700 of the Welfare and Institutions Code is amended to read:

13700. The Legislature finds and declares all of the following:

(a) There are homeless minors living on the streets of major urban centers in this state without adequate food, shelter, health care or financial support.

(b) Many of these homeless youth in these urban centers come from out-of-city or out-of-county locations.

(c) The homeless child, in many instances, has a history of physical or sexual abuse at home, and of having been rejected or forced out of the parental home.

(d) While living on the streets, these youth fall prey to drug abuse, prostitution and other illegal activities.

(e) Local public agencies are unable to provide these youth with an adequate level or range of remedial services.

(f) These homeless minors are urgently in need of specialized services to locate them, to assist them with their immediate survival needs, and to address their long-term need to reunite with their parents or find a suitable home.

(g) Two homeless youth emergency service pilot programs, one in the City of Los Angeles, and one in the City and County of San Francisco, have demonstrated the need for ongoing programs to meet the needs of homeless minors and the effectiveness of these programs in meeting these needs.

The purpose of this chapter is therefore to maintain one Homeless Youth Emergency Service Project in the County of Los Angeles, and one in the City and County of San Francisco, where the problem is most acute, and to examine the condition of homeless youth in major urban areas of this state with populations of 500,000 or more, as well as other urban, suburban, and rural areas, and develop a profile of homeless youth in terms of background and available services, in order to locate these youth, to provide for their emergency survival needs, and to assist them in reunification with their parents or in

finding a suitable home.

SEC. 2. Section 13701 of the Welfare and Institutions Code is amended to read:

13701. Each homeless youth project established under this chapter shall provide services which shall include, but are not limited to, all of the following:

(a) Food and access to an overnight shelter.

(b) Counseling to address immediate emotional crises or problems.

(c) Outreach services to locate homeless youth and link them with services, and drop-in facilities to make the services accessible to the street population.

(d) Screening for basic health needs and referral to public and private agencies for health care.

(e) Linkage to other services offered by public and private agencies.

(f) Long-term stabilization planning so that the youth may be returned to the parental home under circumstances favoring long-term reunification with the family, or so that the youth can be suitably placed in a situation outside the family when family reunification is not possible.

(g) Followup services to ensure that the return to the family or the placement outside the family is stable.

SEC. 3. Section 13702 of the Welfare and Institutions Code is amended to read:

13702. In addition to the services provided for in Section 13701, each homeless youth emergency services project shall collect data based upon client service histories, including data from similar youth service providers in urban areas of this state with populations of 500,000 or more. These data shall include client demographic and cost information on each case that will be sufficient to allow for the effective evaluation of the projects. These client data shall remain confidential unless disclosure is provided for under some other provision of law, and if disclosure is required it shall be made only in the manner provided for under such other provision of law.

SEC. 4. Section 13703 of the Welfare and Institutions Code is amended to read:

13703. (a) One homeless youth emergency service project shall be established in the County of Los Angeles and one shall be established in the City and County of San Francisco. Each project may have one central location or may have more than one location in the service area in order to serve effectively the area population of homeless youth. Each project shall be operated by an agency in accordance with the grant award agreement with the office.

(b) The office shall prepare and disseminate a request for proposals for grantees under this chapter by February 15, 1986. The office shall enter into grant award agreements, and the operation of pilot projects shall begin, not later than June 1, 1986.

(c) An agency eligible to apply for funds under this chapter and

to operate a homeless youth emergency service project shall be a private, nonprofit agency with a demonstrated record of success in the delivery of services to homeless youth. The agency selected for each project shall demonstrate the ability to provide each of the services described in Section 13701, either directly or under subcontract with a competent provider. Preference shall be given to agencies that demonstrate a history of coordination with other public and private agencies in the service region that provide services to homeless youth. Preference shall also be given to agencies that will involve a network of youth-serving agencies in the delivery of services to homeless youth under this chapter.

SEC. 5. Section 13704 of the Welfare and Institutions Code is amended to read:

13704. (a) The office shall monitor the projects established under this chapter. In monitoring and evaluating the projects, the office shall coordinate its efforts with the activities relating to homeless youth of the state advisory group on juvenile justice, as described in Sections 1785 and 1786. The office shall submit an evaluation of the projects established under this chapter to the Legislature on or before December 1, 1988, and annually thereafter.

(b) Based upon data collected from the California Runaway Hotline and other reliable sources, the office shall include in its reports an evaluation of the status of runaway homeless youth in the state. The evaluation shall include information on the extent of the homeless youth problem in major urban areas of 500,000 or more and the need for services for homeless youth. The evaluation shall also include data on other urban, suburban, and rural areas in California.

SEC. 6. Section 13705 of the Welfare and Institutions Code is repealed.

SEC. 7. (a) It is the intent of the Legislature that funds for homeless youth projects established under this chapter shall be provided to the Office of Criminal Justice Planning in the annual Budget Act.

(b) It is the further intent of the Legislature that if the results of the evaluation conducted pursuant to Section 13704 of the Welfare and Institutions Code document a need for additional services to homeless youth, and to the extent that funds are available, funds shall be provided to the Office of Criminal Justice Planning in the annual Budget Act to meet documented needs of homeless youth.

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

In order to ensure the continued operation of the two homeless youth emergency service projects, it is necessary that this act go into effect immediately.

CHAPTER 289

An act to amend Section 24045.5 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 24045.5 of the Business and Professions Code is amended to read:

24045.5. The department in its discretion may issue a temporary permit to the transferee of any license to continue the operation of the premises during the period a transfer application for the license from person to person at the same premises is pending and when all the following conditions exist:

(a) The premises shall have been operated under a license within 30 days of the date of filing the application for a temporary permit.

(b) The license for said premises shall have been surrendered pursuant to rules of the department.

(c) The applicant for the temporary permit shall have filed with the department an application for transfer of the license at such premises to himself or herself.

(d) The application for the temporary permit shall be accompanied by a temporary permit fee of one hundred dollars ($100).

A temporary permit issued by the department pursuant to this section shall be for a period not to exceed 120 days. A temporary permit may be extended at the discretion of the department for an additional 120-day period upon payment of an additional fee of one hundred dollars ($100) and upon compliance with all conditions required herein. A temporary permit is a conditional permit and authorizes the holder thereof to sell such alcoholic beverages as would be permitted to be sold under the privileges of the license for which transfer application has been filed with the department.

Purchase of beer and wine by the holder of a temporary permit shall be made only upon payment before or at time of delivery in currency or by check. Purchase of distilled spirits by the holder of a temporary permit shall be made only upon payment before or at time of delivery in currency or by certified check. Provided, however, that the holder of a temporary retail permit who also holds one or more retail licenses and is operating under such retail license or licenses in addition to the temporary permit, and who is not delinquent under the provisions of Section 25509 as to any retail license under which he or she operates, may purchase alcoholic beverages on credit under the temporary permit.

All checks received by a seller for beer or wine purchased by the holder of a temporary retail permit shall be deposited not later than

the second business day following the date the beer or wine is delivered.

A check dishonored on presentation shall not be deemed payment. The receipt by the seller or his or her agent in good faith from a holder of a temporary permit of a check dishonored on presentation shall not be cause for disciplinary action against the seller.

Transfer of the license for which the holder of a temporary permit has filed application shall not be approved by the department until the holder of the temporary permit shall have filed with the department a statement executed under penalty of perjury that all current obligations have been discharged, and that all outstanding checks issued by him or her in payment for alcoholic beverages will be honored on presentation.

It shall not be a violation of this section or otherwise grounds for disciplinary action for any licensee to extend credit to the holder of a temporary permit or to receive payment from such permittee in a manner other than authorized herein unless the seller had knowledge of the fact that the purchaser was operating under a temporary permit. Knowledge of such fact may be established by evidence, including, but not limited to, evidence that, at the time of receipt of payment or the extension of credit, the premises operated under a temporary permit were posted with the notice required by Section 23985, or the holder of the temporary permit had recorded notice as required by Section 24073, or the holder of the temporary permit had published notice as required by Section 23986, or the holder of the temporary permit had recorded and published notice pursuant to Division 6 (commencing with Section 6101) of the Commercial Code.

Refusal by the department to issue or extend a temporary permit shall not entitle the applicant to petition for such permit pursuant to Section 24011, or to a hearing pursuant to Section 24012. The provisions of Articles 2 (commencing with Section 23985) and 3 (commencing with Section 24011) of this chapter shall not apply to temporary permits.

Notwithstanding any other provision of law, a temporary permit may be canceled or suspended summarily at any time if the department determines that good cause for such cancellation or suspension exists. The provisions of Chapter 8 (commencing with Section 24300) of this division shall not apply to temporary permits.

Application for a temporary permit shall be on such form as the department shall prescribe. If an application for temporary permit is withdrawn before issuance or is refused by the department, the fee which accompanied such application shall be refunded in full, and Sections 23959 and 23960 shall not apply. Fees received by the department for issuance of temporary permits shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

CHAPTER 290

An act to amend Section 4511 of, and to add Section 4513 to, the Food and Agricultural Code, relating to fairs.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988]

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

SECTION 1. Section 4511 of the Food and Agricultural Code is amended to read:

4511. (a) All county fairs and citrus fruit fairs shall, prior to entering into a carnival contract, do both of the following:

(1) Notify all persons on the department's list of qualified carnival contractors of the contract opportunity at least 180 days prior to entering into the contract.

(2) Provide all applicants for the carnival contract a hearing before the board or governing authority on their proposal.

(b) If a county fair or citrus fruit fair enters into a carnival contract with a person other than the highest bidder, it shall submit a justification for that action to the department.

(c) No county fair or citrus fruit fair shall enter into a carnival contract for a term which exceeds three years without the approval of the department.

SEC. 2. Section 4513 is added to the Food and Agricultural Code, to read:

4513. (a) The department may expend funds for promotional and public relations purposes for the California Exposition and State Fair.

(b) The California Exposition and State Fair may expend funds for promotional and public relations purposes of the fair.

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 291

An act to amend Section 290.2 of the Penal Code, relating to crime.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 290.2 of the Penal Code is amended to read:

290.2. (a) Any person required to register under Section 290 because of the commission of or the attempt to commit a felony offense specified in Section 290 who is discharged or paroled from a state prison, county jail, or any institution under the jurisdiction of the Youth Authority where he or she was confined, or is granted probation, or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under the provisions of Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, the granting of probation or release, be required to provide two specimens of blood and a saliva sample to that institution or, in the case of a person granted probation, to a person and at a location within the county designated for testing. The county shall make every effort to utilize one location for testing a person under this section.

The withdrawal of blood shall be performed in a medically approved manner. Only a physician, registered nurse, licensed vocational nurse, duly licensed clinical laboratory technologist, or clinical laboratory bioanalyst may withdraw the blood specimens for purposes of this section.

(b) The Department of Justice shall provide all blood specimen vials, mailing tubes, labels, and instructions for the collection of the blood specimens and saliva samples. The specimens and samples shall thereafter be forwarded to the Department of Justice criminalistics laboratory in Sacramento for analysis and categorizing into blood groupings.

(c) The blood grouping analysis information shall be filed with the offender's file maintained by the Sex Registration Unit of the Department of Justice, and shall not be included in the state summary criminal history information.

(d) The blood grouping analysis information shall be released only to law enforcement agencies and district attorneys' offices, at the request of the agency.

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 292

An act to add Section 17031.8 to, the Health and Safety Code, relating to housing.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 17031.8 is added to the Health and Safety Code, to read:

17031.8. (a) An agency which assumes the responsibility for the enforcement of this part pursuant to Section 17050, shall submit the information specified in subdivision (c) by June 30 of each year regarding the previous calendar year.

(b) The Department of Housing and Community Development shall gather the information specified in subdivision (c) for all permittees for which it acts as the enforcement agency and include a summary of the information from the permittees and enforcement agencies in the annual report submitted pursuant to Section 50408 regarding housing programs administered by the department, and shall submit the information specified in subdivision (c) to the Legislative Analyst pursuant to subdivision (d) of Section 17056.

(c) The following information shall be provided for purposes of subdivisions (a) and (b):

(1) The number and location of labor camps.

(2) The number and location of labor camps found operating without a permit.

(3) The number and location of inactive labor camps and the number of occupants residing in the labor camp when it was most recently occupied.

(4) The number or preoccupancy inspections, occupancy inspections, and reinspections performed.

(5) A schedule of permit fees charged and the total amount of fees collected, and the total amount in reinspection fees collected.

(6) The number and character of any complaints received during the time the housing has been operated as a labor camp.

(7) The number and character of violations of the provisions of this part, building standards published in the State Building Standards Code relating to labor camps, and other regulations adopted pursuant to provisions of this part, or conditions of the permits.

(8) The number of staff hours dedicated to the implementation of

the Employee Housing Act.

(9) The number and location of labor camps receiving an exemption pursuant to Section 17031, 17031.3, or 17033.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act does not mandate a new program or higher level of service on local government. 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 293

An act to amend Section 15816 of, and to add Sections 15818 and 15849.6 to, the Government Code, relating to state bonds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 15816 of the Government Code is amended to read:

15816. (a) When any public building has been acquired or constructed by the board, and the revenues, rentals, or receipts from the operation of the public building are no longer required or pledged for the payment of principal or interest on any of the certificates or revenue bonds of the board undertaken under this part, the board shall forthwith notify the Department of General Services of that fact, and thereafter the public building shall be under the jurisdiction of, and operated and maintained by, the Department of General Services.

(b) Subdivision (a) shall not apply to any public building constructed for lease-purchase to the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Maritime Academy, or any community college district by the board, pursuant to this part. When the revenues, rentals, or receipts from the operation of any such public building are no longer required or pledged for the payment of principal or interest on the certificates or revenue bonds of the board undertaken to finance the public building, title to the public building shall vest in the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Maritime Academy, or any community college district.

(c) If at any time funds are available by law to retire any certificates or revenue bonds issued to defray the cost of any public

building, these funds shall be applied to the redemption of certificates or revenue bonds secured by the rentals and revenues from that public building.

SEC. 2. Section 15818 is added to the Government Code, to read:

15818. Exclusively for the purpose of securing the financing of projects through the issuance of revenue bonds, notes, or certificates by the board, and notwithstanding any other law, any community college district may buy or lease public buildings or equipment, or both, from the board, and in connection therewith, sell or lease public buildings or equipment, or both, to the board, in each case with the installment payment or rental provisions, term, payment, security, default, remedy, and other terms or provisions as may be specified in the installment sale, lease, or other agreement or agreements, between the board and the community college district. This section provides a complete, additional, and alternative method for performing the acts authorized by this section, and any sale or lease of public buildings or equipment, or both, to the board or any community college district, any purchase or lease of public buildings or equipment, or both, from the board or any community college district, and any agreement for liquidity or credit enhancement in connection therewith, pursuant to this section, need not comply with the requirements of any other law applicable to sale, purchase, lease, or credit, as the case may be, by a community college district.

SEC. 3. Section 15849.6 is added to the Government Code, to read:

15849.6. Notwithstanding any provision of this part to the contrary, the board may issue bonds, notes, or other obligations to finance the acquisition or construction of a public building, facility, or equipment as shall be authorized by the Legislature, in the total amount as shall be authorized by the Legislature, and any additional amount as shall be authorized by the board to pay the cost of financing. This additional amount may include interest during acquisition or construction of the public building, facility, or equipment, interest payable on any interim loan for the public building, facility, or equipment from the General Fund pursuant to Section 15849.1 or from the Pooled Money Investment Account pursuant to Section 16312 or 16313, a reasonably required reserve fund, and the costs of issuance of permanent financing after completion of the construction or acquisition of the public building, facility, or equipment.

This section shall be applicable to, but not limited to, bonds, notes, or obligations of the board which were authorized by appropriations of the legislature made prior to the effective date of 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 for 10 community college districts to receive approval by the Public Works Board for their capital outlay projects to be funded

by the Higher Education Bond Act of 1986 as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 294

An act to amend Sections 53601, 53635, and 53651.2 of the Government Code, relating to local agency deposits, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 53601 of the Government Code 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 deposit 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 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.

(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 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 adviser 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 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 certficates 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 restrictions of this article and Article 1 (commencing with Section 53600). 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 adviser 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.

SEC. 3. 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. Any first mortgage or first trust deed which secures a promissory note providing for negative amortization shall be removed from the securities pool and replaced with an eligible security under subdivision (m) of Section 53651 if the loan to value ratio exceeds 85 percent of the original appraised value of the security property as a consequence of 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.

(1) Any promissory note subject to the provisions of this subdivision shall be removed from the securities pool when any payment on the note is more than 60 days past due.

(2) This subdivision shall remain operative until January 1, 1994.

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

A large number of financial institutions which provide millions of dollars in home loans for citizens of California are currently prohibited from seeking deposits from local agencies due to unnecessary limitations in the statutes governing security for local

agency deposits. In order to remove these limitations, enact more realistic protections for these deposits, and ensure maximum availability of funds for housing in this state, it is necessary that this act take effect immediately.

CHAPTER 295

An act to amend Sections 6703, 6707, and 6708 of the Fish and Game Code, relating to water bottom leases.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 7, 1988.]

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

SECTION 1. Section 6703 of the Fish and Game Code is amended to read:

6703. The initial term of a lease for the exclusive privilege of harvesting kelp shall not exceed 20 years. No lessee shall have an exclusive lease, excluding subleases, to an area in excess of 25 square miles or 50 percent of the total area of the kelp resource as shown on the maps of the resource prepared by the commission, whichever is greater.

SEC. 2. Section 6707 of the Fish and Game Code is amended to read:

6707. Each lease entered into, or renewed, on or after January 1, 1985, shall require, in addition to the license fee required by this chapter, a payment by the lessee or any sublessee of not less than the minimum royalty established under Article 2 (commencing with Section 6680), for all kelp harvested from the lease area, and shall provide for an annual advance payment of not less than forty dollars ($40) per square mile per year for the kelp bed leased, to be credited against the amount payable by the lessee, or sublessee, as the case may be, for each ton of kelp harvested during the ensuing year. The lease shall, in addition, include provisions for forfeiture of the lease if the annual payment is not made in advance.

SEC. 3. Section 6708 of the Fish and Game Code is amended to read:

6708. A lease may not be assigned, in whole or in part, by the lessee, either voluntarily or by operation of law, and no subleases or other rights may be granted thereunder by the lessee without the prior approval of the commission, subject to the conditions that the commission prescribes. The lease shall be forfeited in the event of a violation of this section. Each lease shall contain a statement of the contents of this section.

CHAPTER 296

An act to amend, repeal, and add Section 25299 of, and to add and repeal Section 25293.1 of, the Health and Safety Code, relating to hazardous substances.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 25293.1 is added to the Health and Safety Code, to read:

25293.1. (a) Any person, as specified in subdivision (b), who sells, or authorizes the delivery of, hazardous substances to any underground storage tank, which is located in the County of San Mateo, shall provide the county, on or before January 1, 1990, with a complete list of all deliveries made from January 1, 1989, to December 31, 1989. The list shall include all of the following information for each delivery:

(1) The owner or operator of the tank to which the delivery was made.

(2) The address and location of the underground storage tank.

(3) A description of the type and quantity of hazardous substances delivered.

(b) This section applies only to persons who sell, or authorize the delivery of, hazardous substances and does not apply to highway carriers, as defined in Section 3511 of the Public Utilities Code, or their drivers, unless that person is the person who sold the hazardous substance specified in subdivision (a).

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

SEC. 2. Section 25299 of the Health and Safety Code is amended to read:

25299. (a) Any operator of an underground storage tank shall be liable for a civil penalty of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000) per day for any of the following:

(1) Operates an underground storage tank which has not been issued a permit.

(2) Fails to monitor the underground storage tank, as required by the permit.

(3) Fails to maintain records, as required by Section 25286.

(4) Fails to report an unauthorized release, as required by Sections 25294 and 25295.

(5) Fails to properly close an underground storage tank, as required by Section 25298.

(b) Any owner of an underground storage tank shall be liable for

a civil penalty of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000) per day for any of the following:

(1) Failure to obtain a permit as specified by this chapter.

(2) Failure to repair an underground storage tank in accordance with the provisions of this chapter.

(3) Abandonment or improper closure of any underground storage tank subject to the provisions of this chapter.

(4) Knowing failure to take reasonable and necessary steps to assure compliance with this chapter by the operator of an underground storage tank.

(c) Any person who falsifies any monitoring records required by this chapter, or knowingly fails to report an unauthorized release, shall, upon conviction, be punished by a fine of not less than five thousand dollars ($5,000) or more than ten thousand dollars ($10,000), or by imprisonment in the county jail for not to exceed one year, or by both that fine and imprisonment.

(d) Any person subject to Section 25293.1 who fails to transmit the information as required by Section 25293.1 shall be liable for a civil penalty of not more than one thousand dollars ($1,000).

(e) In determining both the civil and criminal penalties imposed pursuant to this section, the court shall consider all relevant circumstances, including, but not limited to, the extent of harm or potential harm caused by the violation, the nature of the violation and the period of time over which it occurred, the frequency of past violations, and the corrective action, if any, taken by the person who holds the permit.

(f) Each civil penalty or criminal fine imposed pursuant to this section for any separate violation shall be separate, and in addition to, any other civil penalty or criminal fine imposed pursuant to this section or any other provision of law, and shall be paid to the treasury of the local agency or state, whichever is represented by the office of the city attorney, district attorney, or Attorney General bringing the action.

(g) In addition to the state and any city or county implementing this chapter pursuant to Section 25283, a city or county specified in subdivision (a) of Section 25299.1 may also levy and collect penalties under this section.

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

SEC. 3. Section 25299 is added to the Health and Safety Code, to read:

25299. (a) Any operator of an underground storage tank shall be liable for a civil penalty of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000) per day for any of the following:

(1) Operates an underground storage tank which has not been issued a permit.

(2) Fails to monitor the underground storage tank, as required by

the permit.

(3) Fails to maintain records, as required by Section 25286.

(4) Fails to report an unauthorized release, as required by Sections 25294 and 25295.

(5) Fails to properly close an underground storage tank, as required by Section 25298.

(b) Any owner of an underground storage tank shall be liable for a civil penalty of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000) per day for any of the following:

(1) Failure to obtain a permit as specified by this chapter.

(2) Failure to repair an underground storage tank in accordance with this chapter.

(3) Abandonment or improper closure of any underground storage tank subject to this chapter.

(4) Knowing failure to take reasonable and necessary steps to assure compliance with this chapter by the operator of an underground storage tank.

(c) Any person who falsifies any monitoring records required by this chapter, or knowingly fails to report an unauthorized release, shall, upon conviction, be punished by a fine of not less than five thousand dollars ($5,000) or more than ten thousand dollars ($10,000), or by imprisonment in the county jail for not to exceed one year, or by both that fine and imprisonment.

(d) In determining both the civil and criminal penalties imposed pursuant to this section, the court shall consider all relevant circumstances, including, but not limited to, the extent of harm or potential harm caused by the violation, the nature of the violation and the period of time over which it occurred, the frequency of past violations, and the corrective action, if any, taken by the person who holds the permit.

(e) Each civil penalty or criminal fine imposed pursuant to this section for any separate violation shall be separate, and in addition to, any other civil penalty or criminal fine imposed pursuant to this section or any other provision of law, and shall be paid to the treasury of the local agency or state, whichever is represented by the office of the city attorney, district attorney, or Attorney General bringing the action.

(f) In addition to the state and any city or county implementing this chapter pursuant to Section 25283, a city or county specified in subdivision (a) of Section 25299.1 may also levy and collect penalties under this section.

(g) This section shall become operative on January 1, 1991.

SEC. 4. The Legislature hereby finds and declares that Section 1 of this act is not a special statute within the meaning of Section 16 of Article IV of the California Constitution, as Section 1 of this act would establish a temporary pilot project in the County of San Mateo for the purpose of determining the feasibility of gathering information on unregistered underground storage tanks using delivery information and that the County of San Mateo is especially

suitable to carry out this pilot project because the county's current information system, though extensive, requires new data to discover these tanks.

CHAPTER 297

An act to amend Sections 12879.2, 12879.4, 12879.5, 12879.6, and 14029 of the Water Code, to amend Section 2 of Chapter 45 of the Statutes of 1988, and to amend Sections 7 and 8 of Chapter 46 of the Statutes of 1988, relating to water, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 12879.2 of the Water Code is amended to read:

12879.2. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Water Conservation Finance Committee created pursuant to 12879.9.

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

(c) "Fund" means the 1988 Water Conservation Fund created pursuant to 12879.3.

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

(e) "Eligible project" means any dam, reservoir, or other construction or improvement by a local agency for the diversion, storage, or primary distribution of water, or facilities for groundwater extraction, primarily for domestic, municipal, agricultural, industrial, recreation, fish and wildlife enhancement, flood control, or power production purposes. An eligible project also means any reservoir, pipeline, or other construction or improvement by a local agency for the storage or distribution of reclaimed water for reuse.

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

Groundwater recharge facilities may include either of the following:

(1) Instream facilities for regulation of water levels, but not

regulation of streamflow by storage to accomplish diversion from the waterway.

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

Any part or all of the project facilities, including land under the facilities, may consist of separable features, or an appropriate share of multipurpose features of a larger system, or both.

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

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

SEC. 2. Section 12879.4 of the Water Code is amended to read:

12879.4. (a) The department may make loans to local agencies, upon approval of the Legislature by statute, to aid in the construction of eligible projects and to aid in the funding of voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities, and may adopt rules and regulations necessary to carry out this chapter.

Notwithstanding any provision of law, existing rules and regulations adopted by the department pursuant to Chapter 5 (commencing with Section 12880) and Chapter 6.1 (commencing with Section 13450) that are in effect on the effective date of this chapter may be utilized to carry out this chapter. The department may subsequently revise those rules and regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code as necessary to carry out this chapter.

(b) For the purpose of administering this chapter, the total expenditures of the department through the making of any loans may not exceed 5 percent of the total amount of the bonds authorized to be issued under this chapter. The department shall establish a reasonable schedule of administrative fees for loans,

which fees shall be paid by the local agency pursuant to subdivision (c) of Section 12879.4 to reimburse the state for the costs of state administration of this chapter.

Charges incurred by the Attorney General in protecting the interests of the state in the use and repayment of funds under this chapter shall be paid from the proceeds of bonds authorized to be issued under this chapter. These charges shall not be paid from funds allocated for administrative purposes, but shall be treated as a program expense, not to exceed 1.5 percent of the total amount of the bonds authorized to be issued under this chapter.

(c) Any contract entered into pursuant to this section may include such provisions as may be determined by the department, provided that any contract concerning an eligible project shall include, in substance, all of the following provisions:

(1) A finding by the department that the local agency has the ability to repay the loan, that the eligible project is economically justified, and that the eligible project is feasible from an engineering and geologic standpoint.

(2) An estimate of the reasonable cost and benefit of the eligible project, program, or facility.

(3) An agreement by the local agency to proceed expeditiously with, and complete, the eligible project.

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

(5) Local agencies seeking a loan shall demonstrate, to the satisfaction of the department, that an adequate opportunity for public participation regarding the loan has been provided.

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

(7) Annual principal and interest payments shall commence not later than one year after completion of any project and all loans shall be fully amortized not later than 50 years after project completion.

(8) The recipient of a loan shall establish a dedicated source of revenue for repayment of the loan.

(9) Any loans made pursuant to this chapter may be for a period of up to 20 years. The interest rate for the loans made for projects to be funded pursuant to Section 12879.5 shall be set at a rate equal to the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. The interest rate for loans made for projects to be funded pursuant to Section 12879.6 shall be set at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, with that rate to be computed according to the true interest cost method. When the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of

one-tenth of 1 percent. The interest rate set for each contract shall be applied throughout the repayment period of the contract. There shall be a level annual repayment of principal and interest on the loans. The amount of the principal shall include the administrative fee described in subdivision (b).

(d) All loans made pursuant to this chapter shall be subject to the approval of the Legislature by statute.

(e) Applications for loans or financial participation by the state under this chapter shall be made to the department in the form and with the supporting material as may be prescribed by the department.

(f) All money repaid to the state pursuant to any contract executed under this chapter, or under Section 13999.11, shall be deposited in the General Fund as reimbursement for payment of principal and interest on bonds authorized to be issued under this chapter or Chapter 15 (commencing with Section 13999) that have been paid from the General Fund.

(g) As approved annually by the Legislature in the Budget Act, the department, notwithstanding subdivision (b), may expend money repaid to the state pursuant to any contract executed pursuant to this chapter as necessary for the administration of contracts entered into by the department pursuant to this chapter. However, the expenditures may not in any year exceed 1.5 percent of the amount repaid to the state in that year. Charges incurred by the Attorney General in protecting the state's interests in the use and repayment of funds pursuant to this chapter may be paid by the department from these funds. However, the charges may not exceed 0.5 percent of the amount repaid to the state in that year. Any of the foregoing sums approved by the Legislature in the Budget Act but unencumbered at the end of any year shall automatically revert to the General Fund.

SEC. 3. Section 12879.5 of the Water Code is amended to read:

12879.5. (a) The sum of twenty million dollars ($20,000,000) of the money in the fund shall be deposited in the Local Water Projects Assistance Account and shall be available for loans to local agencies to aid in the construction of eligible projects.

(b) No eligible project may receive more than five million dollars ($5,000,000) in loans from the department.

(c) In the administration of this section, the department and the California Water Commission shall give preference to projects involving the development of new basic water supplies which may include the enlargement of existing dams and reservoirs, and for projects that will remedy existing water supply problems. The department and the California Water Commission shall set priority for loans pursuant to this section on the basis of the cost effectiveness of the proposed project, with the most cost-effective projects receiving highest priority.

(d) If the water supply function of a dam and reservoir facility is operationally limited or eliminated for dam safety purposes,

pursuant to Part 1 (commencing with Section 6000) of Division 3, the department and the California Water Commission may give consideration to projects which would rehabilitate the dam and reservoir for water supply purposes. The rehabilitation of facilities may include comparable replacement facilities.

(e) A copy of each application for a loan pursuant to this section shall be transmitted by the department to the Department of Fish and Game, the Department of Parks and Recreation, and the State Water Resources Control Board. A report on each application shall be prepared by the department and submitted to the Legislature, together with the comments of those agencies to which the application was transmitted. In the report, the department shall make findings as to the nature and extent of the statewide interest in the project, the urgency of the need, and the engineering feasibility, economic justification, and financial feasibility of the project.

(f) Not later than January 31, 1990, and each year thereafter, the department shall submit to the Legislature an annual report on all loans made pursuant to this chapter. The report shall cover loans made by the department during the previous calendar year.

(g) The department shall not make loans pursuant to this section for otherwise eligible projects whose benefits are more than 50 percent derived from hydroelectric generation, as determined by the department.

(h) The department may make loans to local agencies, at the interest rates authorized pursuant to this chapter and pursuant to any terms and conditions as may be determined necessary by the department, for the purposes of financing feasibility studies of projects potentially eligible for funding pursuant to this section. No single potential project shall be eligible to receive more than five hundred thousand dollars ($500,000), and not more than 10 percent of the total amount of bonds authorized to be expended for purposes of this section may be expended for those purposes.

SEC. 4. Section 12879.6 of the Water Code is amended to read:

12879.6. (a) The sum of forty million dollars ($40,000,000) of the money in the fund shall be deposited in the Water Conservation and Groundwater Recharge Account and shall be available for appropriation by the Legislature for loans to local agencies to aid in the acquisition and construction of voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities.

(b) No eligible project may receive more than five million dollars ($5,000,000) in loans from the department.

(c) The department shall set priority for loans under this section for voluntary, cost-effective capital outlay water conservation programs on the basis of the cost effectiveness of the proposed project, with the most cost-effective projects receiving the highest priority.

(d) The department shall set priority for loans under this section

for groundwater recharge facilities for projects in overdrafted groundwater basins and those projects in critical need, for projects whose feasibility studies show the greatest economic justification and the greatest engineering and hydrogeologic feasibility, as determined by the department, and for projects located in areas which have existing water management programs.

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

SEC. 5. Section 14029 of the Water Code is amended to read:

14029. (a) As approved annually by the Legislature in the Budget Act, the department, notwithstanding Section 14022, may expend money repaid to the state pursuant to any contract executed under Section 14011 as necessary for the administration of contracts entered into by the department under this chapter, but those expenditures may not in any year exceed 1.5 percent of the amount repaid to the state in that year. Charges incurred by the Attorney General in protecting the state's interest in the use and repayment of grant and loan funds under this chapter may be paid by the department from these funds, but those charges may not exceed one-half of 1 percent of the amount repaid to the state in that year. Any of the above sums approved by the Legislature, but unexpended by the department at the end of any year, shall automatically revert to the General Fund.

(b) Except as provided in subdivision (a), all money repaid to the state pursuant to any contract executed under Section 14011 shall be deposited in the General Fund and, when so deposited, shall be applied as a reimbursement to the General Fund on account of principal and interest on bonds issued pursuant to this chapter which has been paid from the General Fund.

(c) The department may enter into contracts with suppliers of water for grants or short-term loans for the purpose of investigating and identifying alternatives for system improvements. Any loans or grants pursuant to this section shall be made from the fund. No supplier may receive for a single investigation more than twenty-five thousand dollars ($25,000) in the form of a loan or grant pursuant to this section. The State Department of Health Services shall review all proposed investigations and shall determine if they are necessary and appropriate.

(d) Any contract entered into pursuant to this section shall include terms and conditions consistent with this chapter, and any loan contract shall provide for a repayment period not to exceed 24 months.

(e) Not more than six million dollars ($6,000,000) may be expended for the purposes of this section, of which not more than two million dollars ($2,000,000) may be used for grants to public agencies. A loan or grant made for the purposes of this section shall not decrease the maximum amount of any other loan or grant which may be made under this chapter, Chapter 10.2 (commencing with Section 13810), Chapter 10.5 (commencing with Section 13850), Chapter 10.6 (commencing with Section 13880), or Chapter 10.7 (commencing with Section 13895).

SEC. 6. Section 2 of Chapter 45 of the Statutes of 1988 is amended to read:

Sec. 2. Section 1 of this act, as amended by Assembly Bill 1720 of the 1987–88 Regular Session, shall take effect upon the adoption by the voters of the California Safe Drinking Water Bond Law of 1988, as set forth in Section 1 of this act, as amended by Assembly Bill 1720 of the 1987–88 Regular Session.

SEC. 7. Section 7 of Chapter 46 of the Statutes of 1988 is amended to read:

Sec. 7. Sections 1 to 6, inclusive, of this act, as amended by Assembly Bill 1720 of the 1987–88 Regular Session, shall take effect upon the adoption by the voters of the Water Conservation Bond Law of 1988, as set forth in Section 1 of this act, as amended by Assembly Bill 1720 of the 1987–88 Regular Session.

SEC. 8. Section 8 of Chapter 46 of the Statutes of 1988 is amended to read:

Sec. 8. Sections 1 to 6, inclusive, of this act, as amended by Assembly Bill 1720 of the 1987–88 Regular Session, shall be submitted to the voters at the next statewide general election in accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 9. (a) Notwithstanding Sections 3525 and 10218 of the Elections Code, the amendments made by Sections 1 to 5, inclusive, of this act shall be submitted to the voters at the November 8, 1988, general election.

(b) Notwithstanding Section 3572 of the Elections Code, the Legislative Analyst shall prepare an impartial analysis of the amendments to the bond acts contained in Sections 1 to 5, inclusive, of this act as expeditiously as possible.

(c) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the amendments to the bond acts contained in Sections 1 to 5, inclusive, of this act.

If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the amendments to the bond acts to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall, notwithstanding Section 3578 of that code, be mailed at least 14 days before the election.

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 for vitally needed water conservation and water purity programs to be submitted to the voters at the 1988 general election so that needed eligible projects may be provided at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 298

An act to amend Section 3342 of the Civil Code, relating to dog bites.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 3342 of the Civil Code is amended to read:

3342. (a) The owner of any dog is liable for the damages suffered by any person who is bitten by the dog while in a public place or lawfully in a private place, including the property of the owner of the dog, regardless of the former viciousness of the dog or the owner's knowledge of such viciousness. A person is lawfully upon the private property of such owner within the meaning of this section when he is on such property in the performance of any duty imposed upon him by the laws of this state or by the laws or postal regulations of the United States, or when he is on such property upon the invitation, express or implied, of the owner.

(b) Nothing in this section shall authorize the bringing of an action pursuant to subdivision (a) against any governmental agency using a dog in military or police work if the bite or bites occurred while the dog was defending itself from an annoying, harassing, or provoking act, or assisting an employee of the agency in any of the following:

(1) In the apprehension or holding of a suspect where the employee has a reasonable suspicion of the suspect's involvement in criminal activity.

(2) In the investigation of a crime or possible crime.

(3) In the execution of a warrant.

(4) In the defense of a peace officer or another person.

(c) Subdivision (b) shall not apply in any case where the victim of the bite or bites was not a party to, nor a participant in, nor suspected to be a party to or a participant in, the act or acts that prompted the use of the dog in the military or police work.

(d) Subdivision (b) shall apply only where a governmental agency using a dog in military or police work has adopted a written

policy on the necessary and appropriate use of a dog for the police or military work enumerated in subdivision (b).

SEC. 2. It is the intent of the Legislature in enacting this act to provide only a limited immunity from the strict liability imposed by Section 3342 of the Civil Code. Any other cause of action predicated on common law theories of negligence, intentional tort, and other theories is unaffected by this act.

CHAPTER 299

An act to add Section 1797.221 to the Health and Safety Code, relating to emergency medical services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 1797.221 is added to the Health and Safety Code, to read:

1797.221. The medical director of the local EMS agency may approve or conduct any scientific or trial study of the efficacy of the prehospital emergency use of any drug, device, or treatment procedure within the local EMS system, utilizing any level of prehospital emergency medical care personnel. The study shall be consistent with any requirements established by the authority for scientific or trial studies conducted within the prehospital emergency medical care system, and, where applicable, with Article 5 (commencing with Section 26670) of Chapter 6 of Division 21. No drug, device, or treatment procedure which has been specifically excluded by the authority from usage in the EMS system shall be included in such a study.

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 the continuity of funding for trial studies of prehospital emergency treatments, it is necessary that this act go into immediate effect.

CHAPTER 300

An act to amend Sections 25174, 25174.02, 25174.6, and 25205.8 of, and to repeal Sections 25174 and 25174.6 of, the Health and Safety Code, relating to hazardous waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 8, 1988]

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

SECTION 1. Section 25174 of the Health and Safety Code, as amended by Chapter 113 of the Statutes of 1985, is repealed.

SEC. 2. Section 25174 of the Health and Safety Code, as added by Chapter 1506 of the Statutes of 1986, is amended to read:

25174. (a) There is in the General Fund a Hazardous Waste Control Account which shall be administered by the director. In addition to any other moneys transferred by the Legislature to the Hazardous Waste Control Account, all of the following amounts shall be deposited in the account:

(1) The fees collected pursuant to this section and Sections 25205.2, 25205.5, and 25205.7.

(2) Any interest earned upon the money deposited in the Hazardous Waste Control Account.

(3) Any moneys received from the federal government pursuant to the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Sec. 6901 et seq.).

(4) Any fines or penalties collected pursuant to this chapter.

(b) The funds deposited in the Hazardous Waste Control Account may be expended by the department, upon appropriation by the Legislature, for the following purposes:

(1) The administration of this chapter by the department.

(2) To the State Board of Equalization to pay refunds of fees collected pursuant to 43051 of the Revenue and Taxation Code.

(3) The costs of environmental epidemiology and health effects studies related to toxic substances, including extremely hazardous waste, as defined in Section 25115, and hazardous waste, as defined in Section 25117.

(4) The support of the Toxic Substance Enforcement Program in the Office of the Attorney General.

(5) The costs incurred in the administration of Section 13227 of the Water Code and costs incurred as a result of inspection of underground storage tanks and related enforcement costs pursuant to Section 13301 of the Water Code. It is the intent of the Legislature that funds be annually appropriated in the Budget Act from the Hazardous Waste Control Account to the State Water Resources Control Board for all costs incurred by the board in administering Sections 13227 and 13301 of the Water Code.

(6) The costs of water monitoring pursuant to Section 4026.1.

(c) Each person who disposes of hazardous wastes onsite, who annually submits more than 500 pounds of hazardous waste for disposal offsite, or who submits hazardous waste for transportation in this state for disposal outside of the state shall pay a fee directly to the State Board of Equalization for disposal of those wastes.

(d) Each operator at any facility at which hazardous wastes are disposed shall pay a fee directly to the State Board of Equalization for disposal of those wastes, except that the site operator is not required to pay the fee for a hazardous waste if the person submitting the waste for disposal provides the operator with a properly completed manifest for that waste which includes that person's Hazardous Waste Tax Account number, as assigned by the State Board of Equalization, and the site operator submits a copy of the manifest to the State Board of Equalization in the time and manner as it may prescribe.

(e) The State Board of Equalization shall deposit the fees collected pursuant to this section in the Hazardous Waste Control Account in the General Fund.

SEC. 3. Section 25174.02 of the Health and Safety Code is amended to read:

25174.02. (a) The State Board of Equalization shall set the base rate for the hazardous wastes specified in Section 25174.6 in accordance with the following formula:

$$\text{Base rate} = \frac{[(B-M) + .05\,B] \times .46}{(T_1 + T_2 + T_7)\ .25 + (T_3 + T_4)\ 2.00 + (T_5)\ .05 + T_6 + (T_8)\ .10 + (T_9)\ .5}$$

Where all of the following apply:

(1) "B" is the amount appropriated annually by the Legislature for the Hazardous Waste Control Account including, but not limited to, any amounts appropriated for the compensation of employees.

(2) "M" is any unobligated funds remaining in the fund from previous fiscal years.

(3) "T_1" is the total amount in tons of waste specified in paragraph (1) of subdivision (a) of Section 25174.6.

(4) "T_2" is the total amount in tons of waste specified in paragraph (2) of subdivision (a) of Section 25174.6.

(5) "T_3" is the total amount in tons of waste specified in paragraph (3) of subdivision (a) of Section 25174.6.

(6) "T_4" is the total amount in tons of waste specified in paragraph (4) of subdivision (a) of Section 25174.6.

(7) "T_5" is the total amount in tons of waste specified in paragraph (5) of subdivision (a) of Section 25174.6.

(8) "T_6" is the total amount in tons of waste specified in paragraph (6) of subdivision (a) of Section 25174.6.

(9) "T_7" is the total amount in tons of waste specified in paragraph (7) of subdivision (a) of Section 25174.6.

(10) "T_8" is the total amount in tons of waste specified in subdivision (c) of Section 25174.6.

(11) "T_9" is the total amount in tons of waste specified in paragraph (8) of subdivision (a) of Section 25174.6.

(b) The base rate specified in subdivision (a) shall apply to persons subject to the fee specified in Section 25174. Upon the enactment of the Budget Act of 1986, and upon the enactment of the annual Budget Act for each fiscal year thereafter, the State Board of Equalization shall determine the base rate, in accordance with the formula specified in subdivision (a), using the adjusted tonnage estimates supplied by the department for the fiscal year for that year's budget. The department shall supply these estimates to the State Board of Equalization before July 1 of each year, so as to give the State Board of Equalization sufficient time to determine the base rate. Within 30 days after the enactment of the annual Budget Act, the State Board of Equalization shall send a notice of the adjusted fee rate to every person subject to the fee specified in Section 25174.

(c) This section shall remain in effect only until July 1, 1989, and, as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 1989, deletes or extends that date.

SEC. 4. Section 25174.6 of the Health and Safety Code, as added by Section 4 of Chapter 113 of the Statutes of 1985, is repealed.

SEC. 5. Section 25174.6 of the Health and Safety Code, as amended by Chapter 1417 of the Statutes of 1987, is amended to read:

25174.6. (a) The fee provided pursuant to Section 25174 to be paid by persons disposing of hazardous waste onsite, or submitting hazardous waste for disposal offsite, and by operators of hazardous waste disposal facilities, for each ton, or fraction thereof, of hazardous waste disposed of on land or applied to land on or after July 1, 1986, shall be determined as a percentage of the base rate, as adjusted by the State Board of Equalization, pursuant to Section 25174.02. The percentages of the base rate for determining these fees are as follows:

(1) Twenty-five percent of the base rate for each ton, or fraction thereof for up to the first 5,000 tons of hazardous waste disposed of, or submitted for offsite disposal, at each specific facility by each producer or at each specific onsite facility, per month, which is not subject to Subchapter III (commencing with Section 6921) of Chapter 82 of Title 42 of the United States Code, pursuant to subsection (b) of Section 6921 of Title 42 of the United States Code and which is not otherwise subject to the fee specified in paragraph (3) or (4), or hazardous waste for which the Administrator of the Environmental Protection Agency has determined that regulation is unwarranted, as specified in subparagraph (C) of paragraph (2) of, and subparagraph (C) of paragraph (3) of, subsection (b) of Section 6921 of Title 42 of the United States Code and which is not otherwise subject to the fee specified in paragraph (3) or (4).

(2) Twenty-five percent of the base rate for each ton, or fraction

thereof, for up to the first 5,000 tons of hazardous waste disposed of, or submitted for offsite disposal, at each specific facility by each producer or at each specific onsite facility, per month, which result from the extraction, beneficiation, and processing of ores and minerals, including phosphate rock and the overburden from the mining of uranium ore and which is not otherwise subject to the fee specified in paragraph (3) or (4).

(3) Two hundred percent of the base rate for each ton, or fraction thereof, of extremely hazardous waste.

(4) Two hundred percent of the base rate for each ton, or fraction thereof, of restricted hazardous wastes listed in Section 66900 of Title 22 of the California Code of Regulations.

(5) Five percent of the base rate for each ton, or fraction thereof, of solid hazardous waste residues resulting from incineration or other controlled chemical or physical treatment processes if the department determines that the processes alter the physical properties of the waste being incinerated or treated and effectively remove all free liquids and volatile organic constituents from the waste being incinerated or treated.

(6) One hundred percent of the base rate for each ton, or fraction thereof, of hazardous waste disposed of, or submitted for offsite disposal, at each specific facility by each producer or at each specific onsite facility, per month, of hazardous waste, which is not otherwise subject to the fees specified in paragraph (1), (2), (3), (4), (5), or (7) of this subdivision or subdivision (c).

(7) Twenty-five percent of the base rate for each ton, or fraction thereof, of waste resulting from the shredding of automobile bodies, sheet metal, and household appliances, if the producer of the shredder waste has certified in writing, to the department, that the producer has in place an ongoing program for inspection and removal of all automobile batteries, mufflers, tailpipes, and wheelweights from the shredder feed, and if the producer meets any other regulations imposed by the department.

(8) Fifty percent of the base rate for each ton, or fraction thereof, of hazardous waste generated in this state which is disposed of, or submitted for disposal, outside the state.

(b) The amount of fees payable to the State Board of Equalization pursuant to this section shall be calculated using the total wet weight, measured in tons or fractions thereof, of the hazardous waste in the form in which the hazardous waste existed at the time of disposal, submission for disposal, or application to land using the land disposal methods defined in Section 66122 of Title 22 of the California Code of Regulations.

(c) Notwithstanding subdivision (a), the fee rate for hazardous waste disposed of, or submitted for offsite disposal, into a surface impoundment which is double lined, meets the criteria specified in paragraph (1), and for which a report has not been submitted pursuant to paragraph (2), is 10 percent of the base rate for each ton, or fraction thereof, of hazardous waste so disposed of or submitted

for disposal. The owner or operator of the surface impoundment shall certify to the State Board of Equalization that the requirements of paragraph (1) have been met before the fee rate specified in this subdivision may be applied to the hazardous waste disposed of, or submitted for disposal, into the surface impoundment.

(1) This subdivision applies only to hazardous waste disposed of, or submitted for disposal, into a surface impoundment which meets all the following criteria:

(A) The surface impoundment is double lined and is equipped with a leachate collection system which is in place and in operation, and complies with existing federal and state regulations and guidance documents published by the Environmental Protection Agency prior to July 1, 1984.

(B) The surface impoundment has in place and in operation a minimum of one upgradient and two downgradient monitoring wells capable of identifying the migration of any hazardous waste constituents disposed of into the surface impoundment.

(C) The surface impoundment has in place and in operation a vadose zone monitoring system capable of identifying the migration of any hazardous waste constituents disposed of into the surface impoundment from the impoundment into the zone between the surface and the water table.

(D) The surface impoundment has an enforceable site closure plan which initiates closure of the impoundment within 12 years after the surface impoundment is certified pursuant to this subdivision. This plan shall require the surface impoundment, and any surrounding soils contaminated by the impoundment, to be returned to a nonhazardous condition within five years of initiating closure.

(E) The owner or operator has submitted to the department and to the California regional water quality control board documentation demonstrating full compliance with subparagraphs (A), (B), (C), and (D).

(2) Upon discovering that, or receiving notification that, a surface impoundment certified for the fee rate specified in this subdivision has leaked or overflowed, and that there is migration into the vadose zone or into the waters of the state, the owner or operator of the surface impoundment shall report the migration to the department and the California regional water quality control board within 24 hours after the migration or unauthorized release has been detected. The owner or operator shall transmit a full written report to the department and the regional board within five working days after the detection of the migration. The reporting requirements imposed by this paragraph are in addition to any requirements which may be imposed by Section 13271 of the Water Code. Unless the regional board, or its executive officer, determines that the presence of the hazardous waste constituents in the migration do not pose any short-term or long-term, present or potential, hazards to human health or the environment, the regional board shall issue a cease and

desist order pursuant to Section 13301 of the Water Code prohibiting any discharge into the surface impoundment and shall take any other actions which are necessary.

(3) After a surface impoundment has been the subject of a report specified in paragraph (2), the fee rate specified in this subdivision for hazardous waste disposed of, or submitted for disposal, into that surface impoundment shall not apply and the fees shall be calculated pursuant to subdivision (a). The fee rate specified in this subdivision may again be applied to the hazardous waste disposed of, or submitted for disposal, into the surface impoundment only after the department and the California regional water quality control board determines that hazardous constituents are no longer migrating from the surface impoundment, and that there is no significant potential for them to migrate from the surface impoundment into the vadose zone or into the waters of the state, so that the presence of the hazardous constituents poses, or would pose, a present or potential hazard to human health or the environment.

(4) Hazardous waste, as used in this subdivision, includes restricted hazardous waste.

(d) All fees imposed by this section shall be paid in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code.

(e) This section shall remain in effect only until July 1, 1989, and, as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 1989, deletes or extends that date.

SEC. 6. Section 25205.8 of the Health and Safety Code is amended to read:

25205.8. This article shall remain in effect only until July 1, 1989, and, as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 1989, deletes or extends that date.

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

In order to continue the authority to fund the state's hazardous waste control program, and thereby protect the public health and safety, it is necessary that this act take effect immediately.

CHAPTER 301

An act to amend Sections 798.56 and 798.61 of, and to add Section 798.14 to, the Civil Code, relating to mobilehomes.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 8, 1988]

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

SECTION 1. Section 798.14 is added to the Civil Code, to read:

798.14. Unless otherwise provided, all notices required by this chapter shall be either delivered personally to the homeowner or deposited in the United States mail, postage prepaid, addressed to the homeowner at his or her site within the mobilehome park.

SEC. 2. 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 which is a part of the rental agreement, or any amendment thereto.

No act or omission of the homeowner or resident shall constitute a failure to comply with a reasonable rule or regulation 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) (1) Nonpayment of rent, utility charges, or reasonable incidental service charges; provided that the amount due has been unpaid for a period of at least five days from its due date, and provided, that the homeowner shall be given a three-day written notice subsequent to that five-day period 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 shall cure a default under this subdivision.

(2) However, if a homeowner has been given a three-day notice to pay the amount due or to vacate the tenancy on three or more occasions within the preceding 12-month period, no written three-day notice shall be required for a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges.

(3) 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.

(4) The homeowner shall remain liable for all payments due up until the time the tenancy is vacated.

(5) 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.

SEC. 2.5. 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 which is part of the rental agreement or any amendment thereto.

No act or omission of the homeowner or resident shall constitute a failure to comply with a reasonable rule or regulation 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) (1) Nonpayment of rent, utility charges, or reasonable incidental service charges; provided that the amount due has been unpaid for a period of at least five days from its due date, and provided, that the homeowner shall be given a three-day written notice subsequent to that five-day period 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 shall cure a default under this subdivision.

(2) However, if a homeowner has been given a three-day notice to pay the amount due or to vacate the tenancy on three or more occasions within the preceding 12-month period, no written three-day notice shall be required for a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges.

(3) 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.

(4) The homeowner shall remain liable for all payments due up until the time the tenancy is vacated.

(5) 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.

(g) The report required pursuant to subdivisions (b) and (i) of Section 65863.7 of the Government Code shall be given to the homeowners or residents at the same time that notice is required pursuant to subdivision (f) of this section.

SEC. 3. Section 798.61 of the Civil Code is amended to read:

798.61. (a) As used in this section, "abandoned mobilehome" means a mobilehome (1) less than 12 feet in width, (2) located in a mobilehome park on a site for which no rent has been paid to the management for the preceding 60 days, (3) that is unoccupied, and

(4) which the management reasonably believes to be abandoned.

(b) After determining a mobilehome in a mobilehome park to be an abandoned mobilehome, the management shall post a notice to that effect on the mobilehome for not less than 30 days, and shall deposit copies of the notice in the United States mail, postage prepaid, addressed to the homeowner at the last known address and to any known registered owner, if different from the homeowner, and to any known holder of a security interest in the mobilehome. This notice shall be mailed by registered mail with a return receipt requested.

(c) Thirty or more days following posting pursuant to subdivision (b), the management may file a petition in the municipal or justice court for the judicial district in which the mobilehome park is located for a judicial declaration of abandonment of the mobilehome. Copies of the petition shall be served upon the homeowner, any known registered owner, and any known person having a lien or security interest of record in the mobilehome by mailing copies to those persons at their last known addresses by registered mail with a return receipt requested in the United State mail, postage prepaid.

(d) Hearing on the petition shall be given precedence over other matters on the court's calendar. In no event shall the hearing be scheduled less than 60 days following initial posting under subdivision (b). If, upon the hearing, the petitioner shows by a preponderance of the evidence that the mobilehome meets the criteria for an abandoned mobilehome and no party establishes an interest therein at the hearing, the court shall enter a judgment of abandonment, determine the amount of charges to which the petitioner is entitled, and award costs to the petitioner. However, at any time prior to sale under this section, any person having a right to possession of the mobilehome may recover it upon payment to the management of all rent or other charges due, including reasonable costs of storage and other costs awarded by the court.

(e) Within 10 days following a judgment of abandonment, the management shall enter the abandoned mobilehome and complete an inventory of the contents and submit the inventory to the court. During this period the management shall post and mail notice of intent to sell the abandoned mobilehome and its contents under this section, and announcing the date of sale, in the same manner as provided for the notice of determination of abandonment under subdivision (b), and by publication in a newspaper of general circulation published in the city in which the park is located or, if located in an unincorporated area, in the county where the park is located.

(f) Prior to the sale, the abandoned mobilehome and its contents shall not be moved from its site, but the management shall be entitled to storage costs in the same amount as the contract rent and other charges that would be applicable if the mobilehome had not been abandoned.

(g) Not less than 30 days following the judgment of abandonment,

the management may conduct a public sale of the abandoned mobilehome and its contents. The management may bid at the sale and shall have the right to offset its bids to the extent of the total amount due it under this section. The proceeds of the sale shall be retained by the management, but any unclaimed amount thus retained over and above the amount to which the management is entitled under this section shall be deemed abandoned property and shall be paid into the treasury of the county in which the sale took place within 30 days of the date of the sale. The former homeowner or any other owner may claim any or all of that unclaimed amount within one year from the date of payment to the county by making application to the county treasurer or other official designated by the county. If the county pays any or all of that unclaimed amount to a claimant, neither the county nor any officer or employee of the county is liable to any other claimant as to the amount paid.

(h) Within 30 days of the date of the sale, the management shall submit to the court an accounting of the moneys received from the sale and the disposition of the money and the items contained in the inventory submitted to the court pursuant to subdivision (e).

(i) The management shall provide the purchaser at the sale with a copy of the judgment of abandonment and evidence of title, as shall be specified by the State Department of Housing and Community Development, which shall register title in the mobilehome to the purchaser upon presentation thereof. The sale shall pass title to the mobilehome to the purchaser free of any prior interest, including any security interest or lien, in the mobilehome.

SEC. 4. Section 2.5 of this bill incorporates amendments to Section 798.56 of the Civil Code proposed by both this bill and AB 3085. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1989, (2) each bill amends Section 798.56 of the Civil Code, and (3) this bill is enacted after AB 3085, in which case Section 2 of this bill shall not become operative.

CHAPTER 302

An act to amend Section 25189.7 of, and to add Section 25189.7 to, the Health and Safety Code, relating to hazardous waste.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 25189.7 is added to the Health and Safety Code, to read:

25189.7. (a) The burning or incineration of any hazardous waste, or the causing thereof, is prohibited when the burning or incineration is at a facility which does not have a permit from the

department issued pursuant to this chapter, or at any point which is not authorized according to this chapter.

(b) Any person who is convicted of knowingly burning or incinerating, or causing the burning or incineration of, any hazardous waste, or who reasonably should have known that he or she was burning or incinerating, or causing the burning or incineration of, any hazardous waste, at a facility which does not have a permit from the department issued pursuant to this chapter, or at any point which is not authorized according to this chapter, shall, upon conviction, be punished by imprisonment in the county jail for not more than one year or by imprisonment in the state prison for 16, 24, or 36 months.

(c) The court shall also impose upon a person convicted of violating subdivision (b) a fine of not less than five thousand dollars ($5,000) nor more than one hundred thousand dollars ($100,000) for each day of violation, except as otherwise provided in this subdivision. If the act which violated subdivision (b) caused great bodily injury or caused a substantial probability that death could result, the person convicted of violating subdivision (b) may be punished by imprisonment in the state prison for up to 36 months, in addition to the term specified in subdivision (b), and may be fined up to two hundred fifty thousand dollars ($250,000) for each day of violation.

SEC. 2. Section 25190 of the Health and Safety Code is amended to read:

25190. Except as otherwise provided in Sections 25189.5, 25189.7, 25191, and 25195, any person who violates any provision of this chapter, or any permit, rule, regulation, standard, or requirement issued or adopted pursuant to this chapter, is, upon conviction, guilty of a misdemeanor.

If the conviction is for a second or subsequent violation, the person shall, upon conviction, be punished by imprisonment in the county jail for not more than one year or by imprisonment in the state prison for 16, 20, or 24 months. The court shall also impose upon the person a fine of not less than five thousand dollars ($5,000) or more than twenty-five thousand dollars ($25,000).

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 303

An act to amend Sections 412, 413, 1313.3, 1313.5, and 1568.15 of, to add Section 1568.17 to, and to repeal Chapter 1.6 (commencing with Section 171) of Part 1 of Division 1 of, the Health and Safety Code, relating to health, and making an appropriation therefor.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Chapter 1.6 (commencing with Section 171) of Part 1 of Division 1 of the Health and Safety Code is repealed.

SEC. 2. Section 412 of the Health and Safety Code is amended to read:

412. (a) The Legislature finds that Alzheimer's disease, a devastating disease which destroys certain vital cells of the brain, affects more than 1,500,000 Americans. The Legislature also finds that Alzheimer's disease and related disorders are responsible for 50 percent of all nursing home admissions and Alzheimer's disease is the fourth leading cause of death in adults. The Legislature recognizes that the disease has serious emotional, financial, and social consequences for its victims and their families.

(b) The Legislature recognizes that the cause of Alzheimer's disease is presently unknown, and there is no established treatment which can cure, reverse, or stop the progression of Alzheimer's disease. The Legislature also recognizes that research is the only hope for victims and families. The Legislature finds that existing diagnostic and treatment centers have improved the quality of care available to the victims of Alzheimer's disease and increased knowledge with respect to Alzheimer's disease and related disorders. These centers provide clinical opportunities for research and facilitate the collection of essential data regarding Alzheimer's disease and related disorders, while at the same time providing valuable services such as information and referral, counseling, and training to victims and their families. It is the intent of the Legislature, in enacting this article, to encourage the establishment of geographically dispersed diagnostic and treatment centers for Alzheimer's disease within every postsecondary higher educational institution with a medical center, and to encourage research to discover the cause of, and a cure for, Alzheimer's disease.

(c) The functions of the diagnostic and treatment centers shall be designed to serve all of the following purposes:

(1) To provide diagnostic and treatment services and improve the quality of care to victims of Alzheimer's disease.

(2) To increase research by faculty and students in discovering the cause of, and a cure for, Alzheimer's disease.

(3) To provide training, monitoring, consultation, and continuing

education to the families of those who are affected by Alzheimer's disease.

(4) To increase the training of health care professionals with respect to Alzheimer's disease.

SEC. 3. Section 413 of the Health and Safety Code is amended to read:

413. (a) Any postsecondary higher educational institution with a medical center may establish diagnostic and treatment centers for Alzheimer's disease subject to the State Department of Health Services' grants review process.

(b) The State Department of Health Services shall administer grants to postsecondary higher educational institutions which establish diagnostic and treatment centers pursuant to subdivision (a).

(c) Funds appropriated for the purposes of this article by the Statutes of 1987 shall first be used to maintain and enhance, as determined by the state department, existing centers and to prevent program cutbacks under subdivision (b).

(d) Alzheimer's disease grants for the purpose of establishing a diagnostic and treatment center shall be used only for the purposes of this article, including, but not limited to, all of the following:

(1) Salary and benefits for faculty, residents, fellows, and staff of the diagnostic and treatment center.

(2) Costs of supplies and equipment.

(3) Research grants for faculty research to discover the cause of, and a cure for, Alzheimer's disease.

(4) Research grants for students, residents, and fellows.

(5) General administrative costs of up to 8 percent of the total grant.

(e) The State Department of Health Services shall establish criteria for requests for Alzheimer's disease diagnostic and treatment center grants and Alzheimer's disease research grants, and for program evaluation.

(f) No grant awarded pursuant to this article shall be approved for any amount which exceeds 25 percent of the total amount of funds appropriated for this purpose in the 1987–88 Regular Session of the Legislature.

(g) The department shall administer a grant program for the purpose of research into the causes, treatment, cure, strategies for coping with, prevention, incidence, and prevalence of Alzheimer's disease and related disorders. Priority shall be given to grant applications for feasibility studies, startup grants, and matching funds for federal and privately funded research grants. Consideration shall be given to proposals which link service delivery and collect data relative to patient care and the delivery of social services. This research may include, but is not limited to, examinations and recommendations for the improvement of the family, community-based and health care support systems available to Alzheimer's disease victims, and their caregivers.

(h) Upon request, the department shall make available to the Legislature information regarding the progress of the grant programs established pursuant to this article.

(i) The State Department of Health Services shall reduce any grant pursuant to this article by the amount of any federal funds available for the same purposes to the same grantee.

SEC. 4. Section 1313.3 of the Health and Safety Code is amended to read:

1313.3. The office shall submit an annual report to the Legislature commencing on or before January 1, 1988, concerning the progress of the demonstration project. The report shall include, but is not limited to, the number of participants served, a description of the services provided and the cost per service and per patient (for the entire institute) in the aggregate. A final report shall be submitted by the office to the Legislature 42 months following the date that the designation is executed for the first Alzheimer's disease institute site. The report shall include all of the information required in the above-described progress reports, an evaluation of the demonstration project, and a description of the legislative and regulatory changes that would be required to make the institutes established pursuant to this article permanent.

SEC. 5. Section 1313.5 of the Health and Safety Code is amended to read:

1313.5. This article shall be repealed on the last day of the 48th full month following the date that the designation is executed for the first Alzheimer's disease institute site, unless a later enacted statute deletes or extends that date.

SEC. 6. Section 1568.15 of the Health and Safety Code is amended to read:

1568.15. The Secretary of the Health and Welfare Agency shall be responsible for the oversight and coordination of programs serving victims of Alzheimer's disease and related disorders and their families. This responsibility shall include, but not be limited to:

(a) State level support and assistance to all programs within the Health and Welfare Agency and member departments developed for this target population.

(b) Establishment of the Alzheimer's Disease and Related Disorders Advisory Committee pursuant to Section 1568.17.

(c) Review of the recommendations contained in the 1987 California Alzheimer's Disease Task Force Report, in consultation with appropriate state departments and the Alzheimer's Disease and Related Disorders Advisory Committee.

SEC. 7. Section 1568.17 is added to the Health and Safety Code, to read:

1568.17. (a) The Health and Welfare Agency shall establish an Alzheimer's Disease and Related Disorders Advisory Committee consisting of 12 members selected as follows:

(1) One representing the field of academic medical research.

(2) One representing the field of social research.

(3) One representing the field of mental health.

(4) One representing the Alzheimer's day care resource centers.

(5) One representing the Alzheimer's disease diagnostic and treatment centers.

(6) Two representing families of persons suffering from Alzheimer's disease or related disorders.

(7) Two representing organizations providing services to Alzheimer's disease patients.

(8) One representing a consumer organization representing persons with Alzheimer's disease.

(9) One representing a member of the State Bar who is familiar with the legal issues confronting Alzheimer's disease victims and their families.

(10) The Secretary of the Health and Welfare Agency or his or her designee.

(b) Priority for membership shall be given to the members that were, on December 31, 1987, serving on the task force established under former Section 171.3, to ensure continuity, in monitoring the implementations of the 1987 California Alzheimer's Disease Task Force Report.

(c) Members shall serve at the pleasure of the Secretary of the Health and Welfare Agency. The agency secretary may establish fixed terms for advisory committee membership. For purposes of continuity, those terms shall be staggered.

(d) Members shall serve without compensation, but shall receive reimbursement for travel and other necessary expenses actually incurred in the performance of their official duties.

(e) The Alzheimer's Disease and Related Disorders Advisory Committee shall do all of the following:

(1) Provide ongoing advice and assistance to the administration and the Legislature as to the program needs and priorities of the target population.

(2) Appoint a chairperson and vice chairperson.

(3) Meet quarterly.

(f) All meetings of the advisory committee and any subcommittees thereof, shall be open to the public and adequate notice shall be provided in accordance with Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 8. The sum of fifteen thousand dollars ($15,000) is hereby appropriated from the General Fund to the Health and Welfare Agency for the purpose of meeting the travel and other necessary expenses actually incurred in the performace of their official duties by the members of the Alzheimer's Disease and Related Disorders Advisory Committee as provided in Section 1568.17 of the Health and Safety Code.

CHAPTER 304

An act to amend and supplement the Budget Act of 1988 by adding Item 3760-302-786 to Section 2.00 thereof, relating to the State Coastal Conservancy, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Item 3760-302-786 is added to Section 2.00 of the Budget Act of 1988, to read:

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3760-302-786—For capital outlay, State Coastal Conservancy, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 1,500,000

Schedule:

(a) Jones Ranch, Mendocino County.. 1,500,000

Provisions:

1. The sum appropriated in this item shall be in augmentation of the appropriation made pursuant to Section 2 of the act that added this item to the Budget Act of 1988. Any amount expended from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 pursuant to this item shall be repaid by an appropriation from the Environmental License Plate Fund in the 1989–90 fiscal year with interest calculated at a rate equal to the rate of interest on any bonds sold pursuant to Chapter 4 (commencing with Section 5930) of Division 5.8 of the Public Resources Code for the purposes of funding this appropriation.
2. This appropriation shall become operative on November 9, 1988.

SEC. 2. (a) The sum of two million five hundred thousand dollars ($2,500,000) is hereby transferred from the State Energy Conservation Assistance Account in the General Fund to the Environmental License Plate Fund as a loan for the purpose of carrying out this section. This loan shall be repaid to the Energy Resources Programs Account in the General Fund in the 1989–90 fiscal year from the Environmental License Plate Fund with interest

to be determined in accordance with Section 16314 of the Government Code.

(b) The sum of two million five hundred thousand dollars ($2,500,000) is hereby appropriated from the Environmental License Plate Fund to the State Coastal Conservancy for expenditure, together with as much of the funds appropriated in Section 1 of this act as may be necessary, for acquisition of all or part of the Jones Ranch, near Westport, Mendocino County. The first two million five hundred thousand dollars ($2,500,000) encumbered from the appropriations made by this section and Section 1 shall consist of the funds transferred from the State Energy Conservation Assistance Account pursuant to subdivision (a).

(c) Upon completion of the acquisition, the State Coastal Conservancy shall prepare a property disposition plan in cooperation with the Department of Parks and Recreation and the County of Mendocino. Upon completion of the plan, those portions of the property acquired by the state and suitable for the expansion of Westport-Union Landing State Beach shall be transferred to the Department of Parks and Recreation. Any remaining portions of the property held by the conservancy may be disposed of by the conservancy pursuant to Division 21 (commencing with Section 31000) of the Public Resources Code and in accordance with the applicable local coastal program. Any remaining portions of the property held in trust, as provided in subdivision (d), and not held by the conservancy, may also be disposed of by the conservancy if the trustee consents. After deduction of an amount necessary to reimburse the conservancy for its costs incurred pursuant to this act, the net proceeds of any property thus disposed of, which was previously held in trust, shall be deposited in the trust described in subdivision (d), and the net proceeds of any property thus disposed of, which was previously held by the conservancy, up to the sum of two million five hundred thousand dollars ($2,500,000) plus interest calculated pursuant to subdivision (a), shall be deposited to the credit of the Environmental License Plate Fund. In no event, however, shall the amount deducted exceed 5 percent of the proceeds. Any net proceeds received by the conservancy in excess of the amount necessary to reimburse the two million five hundred thousand dollars ($2,500,000) plus interest expended from the Environmental License Plate Fund shall be deposited in the trust described in subdivision (d).

(d) This section shall not become operative until the Registrar of Charitable Trusts in the Department of Justice confirms in writing to the Secretary of State that the owner of the Jones Ranch has transferred title, in trust, to all of the Jones Ranch and that the charitable remainder of the trust is for the exclusive benefit of the Statewide Air Pollution Research Center.

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 funding necessary to acquire property for the expansion of the state park system on exceptionally favorable terms that will be available for a limited period, it is necessary that this act take effect immediately.

CHAPTER 305

An act to amend Section 20017.79 of the Government Code, relating to public retirement, and making an appropriation therefor.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 20017.79 of the Government Code is amended to read:

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

Classification Code	Classification
0617	Farm Manager
0648	Crops Farmer
0679	Dairy Manager
0682	Dairy Supervisor
0683	Assistant Dairy Operator
2303	Supervisor of Correctional Education Programs
2370	Supervisor of Vocational Instruction
2384	Supervisor of Commercial Diver Training
2311	Youth Authority Teacher
2429	Vocational Instructor (fire science) (correctional facility)
2433	Vocational Instructor (heavy equipment repair) (correctional facility)
1575	Prison Canteen Manager I
1576	Prison Canteen Manager II
7158	Production Manager III, Correctional Industries
7157	Production Manager II, Correctional Industries
7156	Production Manager I, Correctional Industries

7154	Industrial Maintenance Superintendent
7162	Product Engineering Technician, Prison Industries
7163	Production Manager II, Prison Industries (wood products)
7164	Production Manager II, Prison Industries (metal products)
7165	Production Manager II, Prison Industries (textile products)
7170	Detergent Plant Superintendent
7172	Wood Products Factory Superintendent
7175	Assistant Wood Products Factory Superintendent
7178	Wood Products Factory Supervisor
7179	Upholstery Supervisor
7190	Metal Products Factory Superintendent
7189	Assistant Metal Products Factory Superintendent
7191	Metal Products Factory Supervisor
7192	Tool and Die Making Supervisor
7195	Textile Products Factory Superintendent
7196	Bedding Factory Superintendent
7198	Textile Products Factory Supervisor
7201	Tobacco Factory Superintendent
7205	Shoe Factory Superintendent
7206	Shoe Factory Supervisor (lasting through packing)
7207	Shoe Factory Supervisor (cutting and fitting)
7209	Knitting Mill Superintendent
7210	Knitting Mill Supervisor
7211	Knit Goods Finishing Supervisor
7214	Printing Superintendent, Correctional Industries
7215	Industrial Maintenance Supervisor
7216	Printing Supervisor, Correctional Industries
7218	Book Repair and Bindery Supervisor, Correctional Industries
2108	Laundry Superintendent, Correctional Industries
2109	Laundry Supervisor, Correctional Industries
8215	Senior Medical Technical Assistant
9908	Supervising Social Worker II, Youth Authority

9910	Supervising Social Worker I, Youth Authority
9911	Social Worker, Youth Authority
0716	Supervising Groundskeeper II (correctional facility)
0718	Supervising Groundskeeper I (correctional facility)
0720	Lead Groundskeeper (correctional facility)
0743	Groundskeeper (correctional facility)
2004	Janitor Supervisor II (correctional facility)
2005	Janitor Supervisor I (correctional facility)
2006	Janitor (correctional facility)
2044	Supervising Housekeeper I (correctional facility)
2046	Housekeeper (correctional facility)
2068	Shoemaker (correctional facility)
2077	Seamer (correctional facility)
2080	Assistant Seamer (correctional facility)
2084	Barbershop Manager (correctional facility)
2086	Barber (correctional facility)
2111	Laundry Supervisor II (correctional facility)
2114	Laundry Supervisor I (correctional facility)
2117	Laundry Worker (correctional facility)
2120	Laundry Finisher (correctional facility)
2150	Food Manager (correctional facility)
2147	Food Administrator II (correctional facility)
2153	Food Administrator I (correctional facility)
2182	Supervising Cook II (correctional facility)
2183	Supervising Cook I (correctional facility)
2186	Cook II (correctional facility)
2187	Cook I (correctional facility)
2221	Baker II (correctional facility)
2224	Baker I (correctional facility)
2245	Butcher—Meat Cutter II (correctional facility)

2195	Food Service Assistant II (correctional facility)
2196	Food Service Assistant I (correctional facility)
2305	Supervisor of Academic Instruction (correctional facility)
2284	Teacher (arts and crafts) (correctional facility)
2285	Teacher (business education) (correctional facility)
2287	Teacher (elementary education) (correctional facility)
2290	Teacher (high school education) (correctional facility)
2297	Teacher (ethnic studies) (correctional facility)
2291	Teacher (home economics) (correctional facility)
2298	Teacher (librarian) (correctional facility)
2286	Teacher (cerebral palsied children) (correctional facility)
2295	Teacher (recreation and physical education) (correctional facility)
2294	Teacher (music) (correctional facility)
2371	Teacher (speech development and correction) (correctional facility)
2373	Teacher (mentally retarded deaf children) (correctional facility)
2292	Teacher (mentally retarded children) (correctional facility)
2288	Teacher (emotionally/learning handicapped) (correctional facility)
2289	Teacher (family life education) (correctional facility)
2423	Vocational Instructor (dog grooming and handling) (correctional facility)
2665	Vocational Instructor (powerplant mechanics) (correctional facility)
2387	Vocational Instructor (airframe mechanics) (correctional facility)
2396	Vocational Instructor (auto body and fender repair) (correctional facility)
2398	Vocational Instructor (auto mechanics) (correctional facility)
2399	Vocational Instructor (baking) (correctional facility)

2400	Vocational Instructor (bookbinding) (correctional facility)
2417	Vocational Instructor (carpentry) (correctional facility)
2420	Vocational Instructor (cosmetology) (correctional facility)
2422	Vocational Instructor (culinary arts) (correctional facility)
2628	Vocational Instructor (merchandising) (correctional facility)
2425	Vocational Instructor (drycleaning works) (correctional facility)
2426	Vocational Instructor (electrical work) (correctional facility)
2428	Vocational Instructor (electronics) (correctional facility)
2431	Vocational Instructor (furniture refinishing and repair) (correctional facility)
2432	Vocational Instructor (garment making) (correctional facility)
2597	Vocational Instructor (household appliance repair) (correctional facility)
2598	Vocational Instructor (industrial arts) (correctional facility)
2599	Vocational Instructor (instrument repair) (correctional facility)
2600	Vocational Instructor (janitorial service) (correctional facility)
2601	Vocational Instructor (landscape gardening) (correctional facility)
2611	Vocational Instructor (laundry work) (correctional facility)
2614	Vocational Instructor (machine shop practice) (correctional facility)
2615	Vocational Instructor (masonry) (correctional facility)
2619	Vocational Instructor (meat cutting) (correctional facility)
2627	Vocational Instructor (mechanical drawing) (correctional facility)
2630	Vocational Instructor (mill and cabinet work) (correctional facility)
2640	Vocational Instructor (offset printing) (correctional facility)
2644	Vocational Instructor (painting) (correctional facility)

2661	Vocational Instructor (plumbing) (correctional facility)
2666	Vocational Instructor (printing) (correctional facility)
2667	Vocational Instructor (radiologic technology) (correctional facility)
2668	Vocational Instructor (refrigeration and air-conditioning repair) (correctional facility)
2669	Vocational Instructor (sewing machine repair) (correctional facility)
2670	Vocational Instructor (sheet metal work) (correctional facility)
2671	Vocational Instructor (shoemaking) (correctional facility)
2672	Vocational Instructor (silk screening process) (correctional facility)
2673	Vocational Instructor (storekeeping and warehousing) (correctional facility)
2674	Vocational Instructor (typewriter repair) (correctional facility)
2675	Vocational Instructor (upholstering) (correctional facility)
2419	Vocational Instructor (commercial diver training) (correctional facility)
2677	Vocational Instructor (welding) (correctional facility)
2676	Vocational Instructor (vocational nursing) (correctional facility)
2853	Vocational Instructor (animal husbandry) (correctional facility)
2854	Vocational Instructor (building maintenance) (correctional facility)
2855	Vocational Instructor (computer and related technologies) (correctional facility)
2856	Vocational Instructor (diesel mechanics) (correctional facility)
2857	Vocational Instructor (drywall installer/taper) (correctional facility)
2858	Vocational Instructor (floor cover layer) (correctional facility)
2847	Vocational Instructor (glazier) (correctional facility)
2848	Vocational Instructor (insulation installer, building and pipes) (correctional facility)

2849	Vocational Instructor (office services and related technologies) (correctional facility)
2850	Vocational Instructor (roofer) (correctional facility)
2851	Vocational Instructor (small engine repair) (correctional facility)
2945	Senior Librarian (correctional facility)
2952	Librarian (correctional facility)
6216	Building Maintenance Worker (correctional facility)
6221	Warehouse Worker (correctional facility)
1502	Warehouse Manager II (correctional facility)
1504	Warehouse Manager I (correctional facility)
1505	Materials and Stores Supervisor II (correctional facility)
1508	Materials and Stores Supervisor I (correctional facility)
6379	Heavy Truck Driver (correctional facility)
6382	Truck Driver (correctional facility)
6392	Automotive Equipment Operator II (correctional facility)
6394	Automotive Equipment Operator I (correctional facility)
6471	Carpenter Supervisor (correctional facility)
6483	Carpenter I (correctional facility)
6521	Painter Supervisor (correctional facility)
6524	Painter II (correctional facility)
6474	Carpenter II (correctional facility)
6528	Painter I (correctional facility)
6534	Electrician Supervisor (correctional facility)
6538	Electrician II (correctional facility)
6544	Electrician I (correctional facility)
6545	Plumber Supervisor (correctional facility)
6550	Plumber I (correctional facility)
6557	Steamfitter Supervisor (correctional facility)
6559	Steamfitter (correctional facility)

6617	Mason (correctional facility)
6941	Maintenance Mechanic (correctional facility)
6643	Locksmith (correctional facility)
6699	Chief Engineer I (correctional facility)
6705	Stationary Engineer Supervisor (correctional facility)
6708	Stationary Engineer II (correctional facility)
6697	Stationary Engineer I (correctional facility)
6709	Boilerroom Tender (correctional facility)
6715	Refrigeration Engineer (correctional facility)
6724	Water and Sewage Plant Supervisor (correctional facility)
6748	Chief of Plant Operation III (correctional facility)
6751	Chief of Plant Operation II (correctional facility)
6754	Chief of Plant Operation I (correctional facility)
6763	Supervisor of Building Trades (correctional facility)
6865	Equipment Maintenance Supervisor (correctional facility)
6867	Lead Automobile Mechanic (correctional facility)
6868	Automobile Mechanic (correctional facility)
6893	Automotive Pool Manager I (correctional facility)
6916	Electronics Technician (correctional facility)
8217	Medical Technical Assistant (correctional facilities)
2645	Vocational Instructor (Plastering) (correctional facility)
7200	Dry Cleaning Plant Supervisor
6772	Utility Shops Supervisor (correctional facility)
6801	Machinist (correctional facility)
6826	Heavy Equipment Mechanic (correctional facility)
2688	Vocational Instructor (Eyewear Manufacturing) (correctional facility)

2940	Supervising Librarian (correctional facility)
6594	Plumber II (correctional facility)
7194	Assistant Textile Products Factory Superintendent
7197	Bedding Factory Supervisor
7217	Book Repair and Bindery Superintendent, Correctional Industries
6696	Chief Engineer II (correctional facility)
2000	Janitor Supervisor III (correctional facility)
6222	Laborer (correctional facility)
6955	Fusion Welder (correctional facility)
6211	Skilled Laborer (correctional facility)

In addition, "state safety member" shall also include officers and employees of the Department of Corrections, the Department of the Youth Authority, or the Prison Industry Authority in any classification of vocational instructor, industrial supervisor, industrial superintendent, assistant industrial superintendent, or production manager II (prison industries) which is established on or after January 1, 1984, if the Department of Personnel Administration and the State Personnel Board approve the inclusion of the classification.

"State safety member" shall also include officers and employees in parenthetical specialty classes when the core class has already been expressly included in the state safety membership category if the Department of Personnel Administration and the State Personnel Board approve the inclusion of the classifications. The inclusion shall not be effective until notice thereof has been received by the Board of Administration.

Any such officer or employee in employment on the operative date of the amendment made in 1986 to this section and who becomes a state safety member as a result of that amendment, may elect by a writing filed with the board prior to 90 days after notification by the board, to be restored to his or her previous status as a state industrial member. Upon the filing of such election the member shall cease to be a state safety member, and his or her rights and obligations shall be adjusted prospectively and retroactively to the operative date of this section, to what they would have been had this section not been enacted.

CHAPTER 306

An act to add Section 5001.5 to the Unemployment Insurance Code, to amend Sections 11310 and 11320 of, to add Sections 11314 and 11320.95 to, and to repeal Article 3.85 (commencing with Section 11348.5) of Chapter 2 of Part 3 of Division 9 of, the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 5001.5 is added to the Unemployment Insurance Code, to read:

5001.5. This division shall only be effective in those counties which have not implemented the plan required by Section 11320.2 of the Welfare and Institutions Code except as otherwise provided in the Greater Avenues for Independence Act of 1985, Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

SEC. 2. Section 11310 of the Welfare and Institutions Code is amended to read:

11310. (a) Except for individuals provided for in Section 11251 and as provided in subdivision (b), every individual, as a condition for eligibility for aid under this chapter, shall register for manpower services, training, and employment.

(b) The following individuals are not required to register:

(1) An individual under 16.

(2) A child attending school full time. For purposes of this subdivision, school does not include postsecondary education.

(3) An individual who is ill, incapacitated, or of advanced age.

(4) An individual so remote from a work incentive project that his or her effective participation is precluded.

(5) An individual whose presence in the home is required because of illness or incapacity of another member of the household.

(6) A parent with primary responsibility for the care of a child under the age of six or other relative who is caring for such child if the parent or adult relative is providing care with only brief or infrequent absences from the child.

(7) A parent or other relative who is caring for a child if the other parent or another adult relative meets all of the following requirements:

(A) The other parent or adult relative is in the home.

(B) He or she is not excluded by paragraph (1), (2), (3), (4), or (5) of this subdivision.

(C) He or she has not failed to register as required by this section or has not been found pursuant to Chapter 4 (commencing with

Section 5300) of Division 2 of the Unemployment Insurance Code to have refused without good cause to participate under a work incentive program or to accept employment, to the extent not in conflict with federal law.

(8) An individual who is working not less than 30 hours per week in unsubsidized employment which is expected to last a minimum of 30 days. This exemption continues to apply if there is a temporary break in full-time employment which is expected to last no longer than 10 working days.

(c) Any individual not required to register may choose to register voluntarily for manpower services, training, and employment, and may withdraw such registration at any time without loss of eligibility for aid under this chapter, if his or her status has not changed in a way which would require registration.

SEC. 3. Section 11314 is added to the Welfare and Institutions Code, to read:

11314. This article shall only be effective in those counties which have not implemented the plan required by Section 11320.2, except as otherwise provided in the Greater Avenues for Independence Act of 1985, Article 3.2 (commencing with Section 11320).

SEC. 4. Section 11320 of the Welfare and Institutions Code is amended to read:

11320. The Legislature finds and declares that this article is intended to be the employment and training program for the state and is intended to satisfy the registration requirement of Section 602(a)(19)(A) of Title 42 of the United States Code. The Legislature further declares that the provisions of this article shall be implemented even if the requirements of the federal Social Security Act are not met.

(b) The Legislature finds and declares that the state and counties recognize all of the following:

(1) Applicants for, and recipients of, aid under this chapter desire to work, and will do so if provided with the opportunity.

(2) The state and counties shall provide applicants for, and recipients of, aid under this chapter with the opportunity to obtain employment by offering a full range of employment training and supportive services, consistent with the needs of participants, that allow for informed choices in order to meet their employment goals.

(3) Able-bodied applicants for, and recipients of, aid under this chapter, are expected to work. The timeframes for fulfilling this expectation shall be set forth in an explicit contract between an applicant or recipient and the county.

(4) Applicants for, and recipients of, aid under this chapter who are required to register for employment and training programs pursuant to Section 11310 are "individuals in special need" of training as described in Section 2 of the federal Job Training Partnership Act (29 U.S.C. Sec. 1501 et seq.), "individuals who require special assistance" provided in Section 123 of that act, and "most in need" of employment and training opportunities as

described in Section 141 of that act. The Legislature finds and declares that these individuals are in the labor force actively seeking employment.

(5) Because success of any program will depend on the state, it must exercise leadership to engender enthusiasm among counties, county welfare department directors, and county welfare department line staff, who are the principal contacts for many recipients enrolled in the program.

(6) A successful program should also be based upon all the following principles:

(A) Recipients should be able to make choices and to live up to the responsibilities involved in those choices.

(B) Participants should have an early opportunity to obtain a job.

(C) Expenditures should be targeted where they can do the most good.

(D) The state and the counties have a responsibility to provide a sufficient level of services to meet the needs of participants, as well as to undertake sufficient public information efforts to make recipients, potential participants, employers, or other public or private entities aware of the components, opportunities, and benefits of this program.

(E) New programs should be good investments of public funds. Added costs to the system should be incurred only when they are likely to result in long-term personal and community payoff.

(7) Clients should not be placed in any unassigned pool while waiting for a scarce resource.

(8) Most types of employment and training program components for applicants for, and recipients of, aid under this chapter have been successfully tried in this state.

(9) Aid under this chapter is available to persons who meet eligibility requirements. The program provided for in this article should not hamper continuation of this state's existing system of fraud detection, one of the most successful in the nation.

SEC. 5. Section 11320.95 is added to the Welfare and Institutions Code, to read:

11320.95. In those counties which have not implemented the plan required by Section 11320.2, all of the following shall apply:

(a) County welfare departments shall have the responsibility for registering applicants and recipients as required by Section 11310.

(b) In implementing the program, the State Department of Social Services shall contract with the Employment Development Department to provide services pursuant to Division 2 (commencing with Section 5000) of the Unemployment Insurance Code to applicants and recipients of aid under this chapter who are registered under subdivision (a) of Section 11310. Under the terms of the contract, the Employment Development Department is authorized to carry out any or all of the functions specified in Division 2 (commencing with Section 5000) of the Unemployment Insurance Code, except as otherwise provided under subdivision (c).

(c) The State Department of Social Services shall conduct the hearings regarding any dispute. "Good cause" shall be as defined in Sections 5007 and 5007.5 of the Unemployment Insurance Code. The hearings shall be requested and conducted under the provisions of Chapter 7 (commencing with Section 10950) of Part 2. Nothing in this section precludes the registrant's right to conciliation efforts as specified in Section 5302 of the Unemployment Insurance Code.

SEC. 6. Article 3.85 (commencing with Section 11348.5) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

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.

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 provide for an orderly continuation of the Work Incentive Demonstration Program in California upon expiration of federal authorizing legislation and to provide for an orderly transition into the Greater Avenues for Independence program, it is necessary that this act take effect immediately.

CHAPTER 307

An act to amend Section 40531 of the Food and Agricultural Code, relating to agricultural products.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 40531 of the Food and Agricultural Code is amended to read:

40531. The director may investigate and certify to shippers or other financially interested parties the analysis, classification, grade, quality, or condition of any fruit, vegetable, or other agricultural product, either raw or processed, under regulations that the director may adopt, including the payment of reasonable fees, the frequency of payment of the fees, the procedure for payment, the procedure for refunds, and the penalties for late payment.

CHAPTER 308

An act to amend Section 8380 of, and to add and repeal Section 8388 of, the Fish and Game Code, relating to fish.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988]

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

SECTION 1. Section 8380 of the Fish and Game Code is amended to read:

8380. (a) Giant seabass (Stereolepis gigas) may not be taken for any purpose, except that not more than one fish per vessel may be possessed or sold if taken incidentally in commercial fishing operations by gill or trammel net. Any fish so taken shall not be transferred to any other vessel.

(b) The restrictions specified in this section shall not apply to 1,000 pounds of giant seabass per trip taken in waters lying south of the International Boundary Line between the United States and Mexico extended westerly into the Pacific Ocean. Fish taken under this provision, however, shall be limited to a maximum aggregate of 3,000 pounds per vessel in any calendar year. A current fishing permit issued by the Mexican government constitutes valid evidence that the giant seabass were taken south of the international boundary.

SEC. 2. Section 8388 is added to the Fish and Game Code, to read:

8388. (a) No female angel shark measuring less than 42 inches in total length or 4.5 inches in alternate length and no male angel shark measuring less than 40 inches in total length or 4.3 inches in alternate length may be possessed, sold, or purchased, except that 10 percent of the angel sharks in any load may measure less than the minimum sizes specified herein.

(b) Angel shark total length shall be measured from the anterior end of the head to the tip of the tail while the fish is lying in a position of natural repose. When measuring total length, the tip of the tail may be laid flat against the surface of the measuring device. Angel shark alternate length shall be measured between the points where the leading edges of the first and second dorsal fins meet the back. Angel sharks may be constrained from lateral movement during measurement by restraining devices approved by the department.

(c) Angel sharks taken in gill or trammel nets shall be landed (brought ashore) with at least one intact pelvic fin attached.

(d) Angel sharks taken in gill or trammel nets shall not be transferred to or from another vessel, except that angel sharks may be transferred to or from vessels with a department observer on board. An observer shall observe and make a written record of that transfer.

(e) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute which

is enacted before January 1, 1992, deletes or extends that date.

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 309

An act to amend Section 996.030 of the Code of Civil Procedure, relating to bonds.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 996.030 of the Code of Civil Procedure is amended to read:

996.030. (a) The court if a bond is given or ordered in an action or proceeding, or the officer if a bond is given or ordered other than in an action or proceeding, may determine that the amount of the bond is excessive and order the amount reduced to an amount that in the discretion of the court or officer appears proper under the circumstances. The order is subject to any limitations in the statute providing for the bond.

(b) The determination shall be made upon motion or affidavit of the principal in the same manner as a motion or affidavit for a determination under this article that a bond is insufficient. The notice of motion or the order to show cause made pursuant to affidavit shall be served on the beneficiary. The determination shall be made in the same manner and pursuant to the same procedures as a determination under this article that the bond is insufficient.

(c) The principal may give a new bond for the reduced amount. The sureties may be the same sureties as on the original bond.

CHAPTER 310

An act to amend Sections 26205.6 and 27297.5 of the Government Code, relating to county recorders.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 26205.6 of the Government Code is amended to read:

26205.6. (a) Notwithstanding any other law relating to the destruction of city or county records, the county recorder may cause to be destroyed any original document left with and recorded by the county recorder which is undeliverable by mail and uncalled for for 10 years or more after the date of recording.

(b) Notwithstanding any other law relating to the destruction of city or county records, the county recorder may cause to be destroyed any original document left with and recorded by the county recorder by permanent photographic means which is undeliverable by mail and uncalled for two years or more after the date of recording.

(c) For purposes of this section, "destroy" means destroy or dispose of for purposes of destruction.

SEC. 2. Section 27297.5 of the Government Code is amended to read:

27297.5. (a) Upon recordation of an abstract of judgment or other document creating an involuntary lien affecting the title to real property, unless the county recorder has received from the judgment creditor proof of service pursuant to subdivision (b) of a copy of the document being recorded, the county recorder shall, whenever the recorded document evidencing such lien contains the address of the person or persons against whom the involuntary lien is recorded or the address of the judgment debtor's attorney of record, within 10 days notify the person or persons or attorney of record by mail of the recordation.

(b) As an alternative to notice by the recorder, the judgment creditor or lienholder may serve upon the person or persons against whom the abstract of judgment or document creating an involuntary lien is to be recorded, a copy thereof in one of the following ways:

(1) By personal delivery. Proof of service pursuant to this paragraph shall be shown by the affidavit of the person making the service, showing the time, place, and manner of service, the name and address of the person served, and any other facts necessary to show that service was made in accordance with this paragraph. If there is no address for a person to be served known to the judgment creditor or lienholder, he or she shall append to the abstract of judgment or involuntary lien an affidavit to that effect.

(2) By leaving it at the person's residence or place of business in the care of some person in charge. Proof of service pursuant to this paragraph shall be shown by the affidavit of the person making the service, showing the time, place, and manner of service, the name and address of the person served, together with the title or capacity of the person accepting service, and any other facts necessary to show that service was made in accordance with this paragraph.

(3) By registered or certified mail, postage prepaid, addressed to the person's residence or place of business. This service is complete at the time of mailing. Proof of service pursuant to this paragraph shall be shown by an affidavit setting forth the fact of service, the name and residence or business address of the person making this service, showing that he or she is a resident of, or employed in, the county where the mailing occurs, the fact that he or she is over the age of 18 years, the date and place of deposit in the mail, the name and address of the person served as shown on the envelope, and the fact that the envelope was sealed and deposited in the mail, with the postage thereon fully prepaid, and sent by registered or certified mail.

(c) The judgment creditor may add the actual cost of service pursuant to subdivision (b) to the judgment or involuntary lien. The costs shall not exceed the cost had the abstract of judgment or involuntary lien been recorded pursuant to subdivision (a).

(d) As used in this section, "involuntary lien" means a lien which the person or persons against whom the lien is recorded has not executed or has not consented to by contract.

(e) This section shall not apply to the recordation of any documents relating to an involuntary lien in favor of the federal government pursuant to federal law or statute or to the recordation of any state tax lien against real property.

(f) The failure of the county recorder or a judgment creditor or lienholder to notify the person or persons against whom an abstract of judgment or involuntary lien is recorded as required by this section shall not affect the constructive notice otherwise imparted by recordation, nor shall it affect the force, effect, or priority otherwise accorded the lien.

(g) In the event that the notice is returned to the recorder by the postal service as undeliverable, the recorder is not required to retain the returned notice.

CHAPTER 311

An act to amend Section 640 of the Penal Code, relating to crime.

[Approved by Governor July 7, 1988 Filed with Secretary of State July 8, 1988]

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

SECTION 1. Section 640 of the Penal Code is amended to read:

640. Any of the following acts committed on or in the facilities or vehicles of a public transportation system as defined by Section 99211 of the Public Utilities Code, on or in the facilities of, or vehicles operated by entities subsidized by, the Department of Transportation is an infraction punishable by a fine not to exceed two hundred fifty dollars ($250) or by community service for a total time not to exceed 20 hours over a period not to exceed 30 days, during a time other than during his or her hours of school attendance or employment:

(a) Evasion of the payment of the fares of the system.

(b) Misuse of transfers, passes, tickets, or tokens with the intent to evade the payment of fares.

(c) Playing sound equipment on or in system facilities or vehicles.

(d) Smoking, eating, or drinking in or on system facilities or vehicles in those areas where those activities are prohibited by that system.

(e) Expectorating upon system facilities or vehicles.

(f) Willfully disturbing others on or in system facilities or vehicles by engaging in boisterous or unruly behavior.

(g) Writing, spraying, scratching, or otherwise affixing of graffiti on or in system facilities or vehicles.

As used in this subdivision, graffiti means any form of unauthorized painting, writing, or inscription regardless of the content or nature of the material used in the commission of the act.

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 312

An act to amend Section 43.95 of the Civil Code, relating to civil law.

[Approved by Governor July 7, 1988. Filed with Secretary of State July 8, 1988]

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

SECTION 1. Section 43.95 of the Civil Code, as amended by Section 3 of Chapter 727 of the Statutes of 1987, is amended to read:

43.95. (a) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society or any nonprofit corporation authorized by the society to operate a referral service, or a nonprofit lawyer referral service registered with the State Bar of California and which conforms to the minimum standards for a lawyer referral service approved by the Supreme Court, or their agents, employees, or members, for referring any member of the public to any professional member of the society or service, or for acts of negligence or conduct constituting unprofessional conduct committed by a professional to whom a member of the public was referred, so long as any of the foregoing persons or entities has acted without malice, and the referral was made at no cost added to the initial referral fee as part of a public service referral system organized under the auspices of the professional society or nonprofit lawyer referral service. Further, there shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society for providing a telephone information library available for use by the general public without charge, nor against any nonprofit corporation authorized by the society for providing a telephone information library available for use by the general public without charge. "Professional society" includes psychological, architectural, medical, dental, dietetic, accounting, optometric, podiatric, pharmaceutic, chiropractic, veterinary, licensed marriage, family, and child counseling, licensed clinical social work, and engineering organizations having as members at least 25 percent of the eligible persons or licentiates in the geographic area served by the particular society. However, if the professional society has less than 100 members, it shall have as members at least a majority of the eligible persons or licentiates in the geographic area served by the particular society. Professional society also includes organizations with nonprofit lawyer referral services which are registered with the State Bar of California and conform to the minimum standards for a lawyer referral service approved by the Supreme Court, and organizations which have been established to provide free assistance or representation to needy patients or clients.

(b) This section shall not apply whenever the professional society,

while making a referral to a professional member of the society, or a lawyer referral service registered with the State Bar of California while making a referral to an attorney, fails to disclose the nature of any disciplinary action of which it has actual knowledge taken by a state licensing agency against that professional. However, there shall be no duty to disclose a disciplinary action in either of the following cases:

(1) Where a disciplinary proceeding results in no disciplinary action being taken against the professional to whom a member of the public was referred.

(2) Where a period of three years has elapsed since the professional to whom a member of the public was referred has satisfied any terms, conditions, or sanctions imposed upon such professional as disciplinary action; except that if the professional is an attorney, there shall be no time limit on the duty to disclose.

(c) A nonprofit referral service that, on July 1, 1988, has been authorized by the State Bar of California and determined to be operating in accordance with its minimum standards for a lawyer referral service, shall be afforded the protection conferred by this section against monetary liability for a reasonable period, not to exceed six months, after approval of the minimum standards by the Supreme Court to permit that referral service to apply for reregistration with the State Bar under the approved standards.

(d) This section 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.

SEC. 2. Section 43.95 of the Civil Code, as amended by Section 4 of Chapter 727 of the Statutes of 1987, is amended to read:

43.95. (a) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society or any nonprofit corporation authorized by such society to operate a referral service, or their agents, employees, or members, for referring any member of the public to any professional member of such society or service, or for acts of negligence or conduct constituting unprofessional conduct committed by a professional to whom a member of the public was referred, so long as any of the foregoing persons or entities has acted without malice, and the referral was made at no cost added to the initial referral fee as part of a public service referral system organized under the auspices of the professional society. Further, there shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society for providing a telephone information library available for use by the general public without charge, nor against any nonprofit corporation authorized by such society for providing a telephone information library available for use by the general public without charge. "Professional society" includes legal, psychological, architectural, medical, dental, dietetic, accounting, optometric, podiatric, pharmaceutic, chiropractic, veterinary,

licensed marriage, family, and child counseling, licensed clinical social work, and engineering organizations having as members at least 25 percent of the eligible persons or licentiates in the geographic area served by the particular society. However, if the society has less than 100 members, it shall have as members at least a majority of the eligible persons or licentiates in the geographic area served by the particular society. "Professional society" also includes organizations with referral services which have been authorized by the State Bar of California and operated in accordance with its Minimum Standards for a Lawyer Referral Service in California, and organizations which have been established to provide free assistance or representation to needy patients or clients.

(b) This section shall not apply whenever the professional society, while making a referral to a professional member of such society, fails to disclose the nature of any disciplinary action of which it has actual knowledge taken by a state licensing agency against that professional member. However, there shall be no duty to disclose a disciplinary action in either of the following cases:

(1) Where a disciplinary proceeding results in no disciplinary action being taken against the professional to whom a member of the public was referred.

(2) Where a period of three years has elapsed since the professional to whom a member of the public was referred has satisfied any terms, conditions, or sanctions imposed upon such professional as disciplinary action; except that if the professional is an attorney, there shall be no time limit on the duty to disclose.

(c) This section shall become operative on July 1, 1993.

SEC. 3. In enacting this section, it is the intent of the Legislature to maximize the public benefit resulting from professional referral services and to standardize the prerequisites for liability protection granted professional associations.

CHAPTER 313

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 8, 1988. Filed with Secretary of State July 8, 1988.]

I object to the following appropriations contained in Assembly Bill No. 224.

Item 0250-001-001—For support of Judiciary. I reduce this item from $107,862,000 to $106,783,000 by increasing:

(fx) Unallocated Reduction from −$2,214,000 to −$3,293,000.

I am reducing this item in the amount of $1,079,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 0420-101-001—For local assistance, for the state's share of salaries and health, dental and vision benefits of judges of superior courts, as provided by Section 68206 of the Government Code. I reduce this item from $56,243,000 to $56,154,000 by reducing:

(a) State share and advances per Section 68206 of the Government Code for Superior Court judges from $57,598,000 to $57,509,000.

I am deleting $89,000 for health, dental and vision benefits for superior court judgeships that have been delayed in their appointment by legislative action to delete funding for the Trial Court Funding Program. The salaries associated with these judgeships were deleted by the Legislature, but not the associated benefits. I have retained benefit funding on a half-year basis, however, and have set aside sufficient funding to support legislation that would permit the Trial Court Funding Program to commence on January 1, 1989.

Item 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. I reduce this item from $13,500,000 to $7,050,000.

I am reducing this item by $6,450,000, half of the $12,900,000 amount augmented by the Legislature. When the Legislature eliminated funding for the Trial Court Funding Program, it was necessary for them to make this augmentation. Since I am urging the Legislature to send me the necessary clean-up legislation for the Trial Court Program and use funding available from my reductions to the 1988–89 Budget Bill to finance the Trial Court Funding Program on a half-year basis commencing January 1, 1989, one-half of the Legislature's augmentation is unnecessary.

Item 0500-001-001—For support of Governor and of Governor's Office. I reduce this item from $7,471,000 to $7,410,000 by increasing:

(dx) Unallocated Reduction from −$122,000 to −$183,000.

I am reducing this item by $61,000 which represents a one percent reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 0690-001-001—For support of Office of Emergency Services, California Emergency Council and Advisory Committees. I reduce this item from $10,146,000 to

$10,045,000 by increasing:

(ex) Unallocated Reduction from −$314,000 to −$415,000.

I am reducing this item in the amount of $101,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6 9 percent I believe this remaining amount will continue to provide essential services to Californians.

Item 0820-001-001—For support of Department of Justice I reduce this item from $159,760,000 to $154,462,000 by reducing·

(f) 45-Public Rights from $23,379,000 to $20,530,000,

(g) 50-Law Enforcement from $129,532,000 to $128,070,000,

(h) Reimbursements from −$35,892,000 to −$35,319,000,

and by increasing:

(gx) Unallocated Reduction from −$2,191,000 to −$3,751,000,

and by deleting Provision 5.

I am deleting the $1,462,000 legislative augmentation and 18.8 personnel years to expand the Organized Crime and Criminal Intelligence Program to include two new organized crime strike force teams. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties It should also be noted that with the existing budgeted resources, the Department of Justice's Bureau of Organized Crime and Criminal Intelligence and Special Prosecutions Unit are already engaged in many of the activities proposed for the new strike force teams.

I am deleting the $2,276,000 legislative augmentation and associated 4 8 personnel years for litigation work related to the Atlantic Richfield Company (ARCO) v. State Lands Commission, et al. Funding for this legal work should more appropriately be included in the State Lands Commission budget, since the Commission has the lead programmatic responsibility regarding this matter. In addition, before any further support is provided for this litigation, the Legislature should study carefully the need for and level of additional resources necessary to meet the legal requirements of this case.

I am deleting Provision 5 of this item to conform with this action

I am reducing this item in the amount of $1,560,000 which represents a one percent unallocated reduction This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6 9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am reducing the scheduled reimbursements in this item to delete a $573,000 legislative augmentation and 9.7 personnel years funded by the Department of Health Services for costs associated with litigation efforts to recover the costs of cleaning up hazardous waste sites because it is unclear that the workload identified will materialize. This conforms to my action in Item 4260-011-014.

Item 0820-101-001—For local assistance, Department of Justice I reduce this item from $1,310,000 to $310,000 by reducing Program 50, Law Enforcement

I am reducing this item by $1,000,000 for reimbursements to counties with populations under 1,250,000 for costs associated with the Clandestine Laboratory Enforcement Program. I am supportive of efforts in this area, however it is now estimated that claims for reimbursements from eligible counties for 1987–88 will total $200,000. Therefore, the $310,000 remaining in this item should be sufficient to meet the funding needs of eligible counties during 1988–89.

Item 0840-001-001—For support of State Controller I reduce this item from $61,841,000 to $61,223,000 by increasing:

(dy) Unallocated Reduction from −$1,378,000 to −$1,996,000.

I am reducing this item by $618,000 which represents a one percent reduction This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction

in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 0860-001-001—For support of State Board of Equalization. I reduce this item from $103,007,000 to $101,711,000 by reducing:

(a) 100000-Personal Services from $124,249,000 to $124,066,000,

(b) 300000-Operating Expenses and Equipment from $31,907,000 to $31,821,000, and by increasing:

(bx) Unallocated Reduction from −$1,000,000 to −$2,027,000.

I am deleting the legislative augmentation of $269,000 and 4.7 personnel years to implement the provisions of SB 2407 of the 1987–88 Regular Session, and the enhancement of the Property Taxes Exemption Unit. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current vital programs and provide for a prudent reserve for economic uncertainties.

I am also reducing this item in the amount of $1,027,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 0890-001-001—For support of Secretary of State. I reduce this item from $22,298,000 to $22,075,000 by increasing:

(cx) Unallocated Reduction from −$458,000 to −$681,000.

I am reducing this item in the amount of $223,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 0950-001-001—For support of State Treasurer. I reduce this item from $6,083,000 to $6,021,000 by increasing:

(bx) Unallocated Reduction from −$124,000 to −$186,000,

and by deleting Provisions 1 and 2.

I am deleting Provision 1 which was added by the legislature to require the State Treasurer's Office to select banking firms and bond counsel based on a review process that allows all banking firms and bond counsels to participate; and to report to the Legislature the firms that have been awarded contracts related to the issuance of the State's bonds and notes during 1988. While this Administration favors open competition in connection with selecting providers of State goods and services, a change in the substantive law related to selection of banking firms and bond counsel is not appropriate as part of the Budget Act. In addition, the information regarding the issuance of the State's bonds and notes is readily available as public information. Consequently, the Provision 1 language proposed by the Legislature is unnecessary.

In addition, I am deleting Provision 2 added by the Legislature because conducting specified bond and note issuance seminars could be costly and may not result in the most cost effective method of providing information. Further, I am reducing $1,000 from this item to reflect the savings that will be achieved based on my vetoing of the seminar requirements of this provision and the reporting requirements proposed in Provision 1.

I am also reducing this item by $61,000 which represents a one percent reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 0977-101-001—For local assistance, California Health Facilities Financing Authority. I delete this item and Provision 1.

I am deleting the $100,000 General Fund legislative augmentation to expand services provided by the California Health Facilities Financing Authority. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 1 to conform to this action.

Item 1100-001-001—For support of Museum of Science and Industry. I reduce this item from $8,787,000 to $8,699,000 by increasing:

(bx) Unallocated Reduction from —$182,000 to —$270,000.

I am reducing this item in the amount of $88,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6 9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 1120-001-704—For support of Board of Accountancy. I reduce this item from $5,132,000 to $4,398,000 by reducing:

(a) 3—Board of Accountancy from $5,151,000 to $4,417,000.

I am deleting the legislative augmentation of $734,000 and 8.5 personnel years. The 1988–89 Budget already provides an increase of $925,000 for the Board's enforcement program. I believe the Board should have the opportunity to incorporate this augmentation into current operations before more resources are added.

Item 1700-001-001—For support of Department of Fair Employment and Housing. I reduce this item from $9,466,000 to $9,359,000, by reducing:

(a) 50-Administration of Civil Rights Law from $11,761,000 to $11,760,000,

and by increasing:

(ax) Unallocated Reduction from —$216,000 to —$322,000,

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 three 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 believe Provision 1 is inconsistent with the separation of powers provision concerning the Executive Branch authority and represents a substantive change of law.

I am reducing this item in the amount of $106,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 1700-011-001—For support of the 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 seven 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 support of the 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.

Item 1700-021-001—For the support of the Department of Fair Employment and Housing, San Francisco Legal Office. I reduce this item from $437,000 to $436,000, revise the language in this 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 In 1986–87 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 1988–89, 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 the support of the 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, inasmuch as existing law does not define or reference the San Francisco Legal Office, the language represents a substantive change of law.

Item 1700-031-001—For the support of the Department of Fair Employment and Housing, Boalt Hall Employment Discrimination Clinic. I reduce this item from $72,000 to $71,000, 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. In 1986–87 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 1988–89, 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 the support of the 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.

Item 1730-001-001—For support of Franchise Tax Board. I reduce this item from $153,216,000 to $151,684,000 by adding:

Unallocated Reduction —$1,532,000.

I am reducing this item in the amount of $1,532,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount

will continue to provide essential services to Californians.

Item 1760-001-001—For support of the Department of General Services. I reduce this item from $10,533,000 to $9,732,000.

I am reducing this item by $125,000 to delete a legislative augmentation for a study to review earthquake damage to historical buildings in the City of Whittier. The need for this augmentation has not been demonstrated.

I am reducing this item by $115,000 to delete a legislative augmentation for the remodeling of the State Capitol 6th floor cafeteria. I am retaining an augmentation of $71,000, which, together with $113,000 budgeted in the current year, is sufficient to complete this remodeling project.

I am reducing this item by $458,000 and 11.8 personnel years to eliminate a legislative augmentation for increased State Police security services for Legislative staff. The Budget was augmented $476,000 to provide increased State Police security services for Legislative staff housed in five locations in Sacramento. The need for permanent onsite security at those locations has not been documented. However, I am retaining $18,000 and 0.5 personnel year to provide necessary Police escort services at those Sacramento locations.

I am directing the Department of General Services to conduct a comprehensive study to assess and prioritize the security needs of State employees in leased facilities throughout the State.

I am also reducing this item in the amount of $103,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 1760-001-666—For support of Department of General Services. I revise this item by reducing:

(b) 300000—Operating Expenses and Equipment from $229,315,000 to $228,617,000,

(d) Amount payable from the General Fund (Item 1760-001-001) from −$10,533,000 to −$9,732,000,

and by increasing:

(cx) Unallocated Reduction from −$928,000 to −$1,031,000.

I am revising this item to correspond to the $801,000 General Fund reduction made in Item 1760-001-001.

Item 1760-012-001—For support of the Department of General Services. I reduce this item from $9,548,000 to $8,040,000 by reducing:

(b) Operating Expenses and Equipment from $9,091,000 to $7,583,000.

I am reducing the PCB Removal Program by $1,508,000. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 1760-022-001—For support of Department of General Services. I reduce this item from $9,508,000 to $3,590,000 by reducing:

(b) Operating Expenses and Equipment from $9,189,000 to $3,271,000.

I am reducing the Asbestos Abatement Program in the amount of $5,918,000. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians. The funds remaining will allow expenditures to continue at the 1987–88 level.

Item 1760-301-033—For capital outlay, Department of General Services. I delete this item and Provision 1.

I am deleting the $428,000 legislative augmentation from the Van Nuys State Office Building Space Frame Roof Covering for existing structure because the project should

be submitted through the annual budget process for consideration in the context of competing Statewide priorities.

I am deleting Provision 1 to conform to this action.

Item 1880-001-001—For support of State Personnel Board. I reduce this item from $21,476,000 to $20,914,000 by reducing.

(a) 10—Merit System Administration from $24,633,000 to $24,282,000,

and by increasing:

(dx) Unallocated Reduction from —$431,000 to —$642,000,

and by deleting Provision 5.

I am deleting the $350,000 and 5.7 personnel year legislative augmentation to expand the Hispanic Hiring Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am reducing this item in the amount of $211,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am reducing this item by an additional $1,000 related to drug testing Executive Order D-58-86 directed the State Personnel Board to develop standards to be used in establishing a drug free workplace. The board had public hearings on this subject and is nearing adoption of regulations that will be used by State agencies for drug testing The drug testing regulations developed by the State Personnel Board are needed by State agencies to ensure the uniform application of drug testing standards and procedures for new State employees. Although the State Personnel Board did not receive additional funding to support the drug testing program. I am reducing the Board's budget by $1,000 which represents savings that will be achieved as a result of not devoting staff time and resources to comply with requirements contained in Provision 5

I am deleting Provision 5 to conform to this action.

I believe the provision inappropriately restricts the State Personnel Board in its efforts, within the Board's existing statutory authority, in continuing to provide standards for fitness of new State employment applicants Further, I believe this language conflicts with exising law pertaining to the adoption of administrative regulations.

Item 1960-101-001—For local assistance, Department of Veterans Affairs I reduce this item from $2,150,000 to $1,000,000.

I am deleting the $1,150,000 legislative augmentation to expand assistance to county veteran services offices. This has always been funded by the counties, and State support has been supplemental. This increase in State funding would supplant local responsibility Chapter 1424, Statutes of 1987, already provides a mechanism whereby counties may gain increased federal funding for the services provided in assessing Medi-Cal eligibility.

Item 1970-011-001—For support of Veterans' Home of California. I reduce this item from $24,855,000 to $23,955,000 by reducing·

(a) 30—Care of Sick and Disabled Veterans from $42,957,000 to $42,057,000

I am reducing this item by $900,000. Federal Veterans Administration per diem payments to members of the Veterans' Home of California were increased by the enactment of Public Law 100-322 (Veterans Benefits and Services Act of 1988) This increase in per diem payments results in increased reimbursements from the members, which permits the reduction of $900,000 in General Funds. These funds will be replaced by the increased reimbursements, leaving total funding unchanged.

Item 2100-001-001—For support of Department of Alcoholic Beverage Control I reduce this item from $21,292,000 to $21,079,000 by adding:

Unallocated Reduction —$213,000.

I am reducing this item by $213,000 which represents a one percent unallocated

reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 2180-001-001—For support of Department of Corporations. I reduce this item from $9,381,000 to $9,287,000 by adding:

Unallocated Reduction —$94,000.

I am reducing this item by $94,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 2200-001-001—For support of Department of Commerce. I reduce this item from $9,256,000 to $7,530,000 by reducing:

(a) 10-Business Development from $3,577,000 to $3,227,000,

(f) 50-Small Business from $2,592,000 to $1,292,000,

and by adding:

Unallocated Reduction —$76,000.

I am deleting the legislative augmentation of $1,300,000 and 2 positions for the Small Business Development Center program. I am supportive of efforts in this program and during the May Revision process I proposed continued funding for three existing Small Business Development Centers and one new Center. The Legislature rejected my proposal and instead proposed this significant General Fund augmentation. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties I understand there is pending legislation (Senate Bill 1255) that contains provisions for a comprehensive plan for program expansion and a funding source which is a viable alternative to this legislative augmentation

I am also deleting the legislative augmentation of $350,000 and 4 positions for the Enterprise Zone Program. It is my understanding the Auditor General is required to evaluate the effectiveness of this program and report to the Legislature by June 30, 1988. It would be premature to augment this program prior to reviewing this report.

This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am also reducing this item by $76,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 2200-001-147—For support of Department of Commerce I delete this item and Provision 1.

I am deleting this item due to the uncertainty regarding unitary tax receipts in fiscal year 1988–89. Although Chapter 660, Statutes of 1986 specifies the development of regulations for infrastructure activity supported by unitary tax receipts, I believe there are sufficient resources within the department to support such development without a direct appropriation from the Unitary Fund.

I am deleting Provision 1 to conform to this action.

Item 2240-001-001—For support of Department of Housing and Community Development. I reduce this item from $5,928,000 to $5,738,000 by reducing:

(b) 20-Community Affairs Program from $13,619,000 to $13,566,000,

(c) 30-Housing Policy Development Program from $1,315,000 to $1,283,000,

(d) 50.01-Administration from $7,030,000 to $6,930,000,

(o) Amount payable from the Housing Rehabilitation Loan Fund (Item

2240-001-929) from —$573,000 to —$520,000,
and by adding:
Unallocated Reduction —$58,000.

I am deleting the legislative augmentation of $32,000 and 0.5 position for the preparation of an inventory of low-income rental units. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting the legislative augmentation of $100,000 and 2.0 positions for implementation of the California Housing and Homeless Bond Act of 1988 which will be on the November 1988 ballot. Because that bond measure has yet to be acted on by the voters, it would be premature to allocate implementation resources at this time. Such resources can be administratively provided upon approval of the measure by the voters in November

I am reducing this item by $58,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am also revising this item to conform to the actions I have taken in Items 2240-001-843 and 2240-001-929.

Item 2240-001-843—For support of Department of Housing and Community Development. I delete this item.

I am deleting this item to conform to the actions I have taken in Items 2240-001-001 and 2240-001-929.

Item 2240-001-929—For support of Department of Housing and Community Development. I reduce this item from $573,000 to $520,000

I am deleting the legislative augmentation of $53,000 and 1.0 position to provide staffing to administer the Deferred Payment Rehabilitation Loan Program. This is consistent with my May Revision proposal, and with legislative action which deleted funding for the program.

This action conforms to the actions I have taken in Items 2240-001-001 and 2240-001-843.

Item 2240-101-001—For local assistance, Department of Housing and Community Development. I reduce this item from $8,150,000 to $4,400,000 by reducing:

(a) 20-Community Affairs from $66,100,000 to $61,500,000,

(b) Amount payable from the Farm Labor Housing Rehabilitation Loan Account (Item 2240-101-844) from —$1,350,000 to —$500,000,
and deleting Provisions 1, 2 and 3

I am deleting the $250,000 legislative augmentation for the Homeless Relief Pilot Project in San Diego County. While I agree with the concept of coordinating and centralizing the delivery of services for the homeless, I continue to believe that public and private funds available within San Diego County can be redirected to implement the program.

I am deleting Provision 1 to conform with this action.

I am deleting the $1,000,000 legislative augmentation to provide for the renovation and construction of treatment facilities for intravenous drug users at special risk of becoming AIDS victims. Under my Administration, funding for the AIDS program has experienced significant growth statewide. The AIDS General Fund budget has been increased from $52.7 million in 1987–88 to $67.3 million in 1988–89. This represents an increase of $14.6 million, or 27.7 percent.

I am deleting Provision 2 to conform with this action.

I am deleting the $2,500,000 legislative augmentation to provide funds for the operating costs of homeless shelters. The $2,000,000 remaining in the budget for the Emergency Shelter Program will be used to provide grants to shelters. Currently, up to 50 percent of each grant may be used to fund the operating costs of emergency shelters. In addition, a housing bond measure on the November 1988 ballot, if approved by the voters, would provide an additional $25,000,000 to this program.

I am deleting Provision 3 to conform with this action.

I am also revising this item to conform to the actions I have taken in Item 2240-101-844

Item 2240-101-843—For local assistance, Department of Housing and Community Development. I reduce this item from ($6,000,000) to ($4,000,000) by reducing:

(e) For transfer to the Emergency Housing and Assistance Fund (985) from ($4,000,000) to ($2,000,000).

I am deleting the $2,000,000 legislative augmentation to fund the Emergency Shelter Program, consistent with my May Revision proposal. The $2,000,000 remaining in the budget for the program will be used to provide grants to shelters. In addition, a housing bond measure on the November 1988 ballot, if approved by the voters, will provide an additional $25,000,000 to this program.

Item 2240-101-844—For local assistance, Department of Housing and Community Development. I reduce this item from $1,350,000 to $500,000,
and delete Provisions 1 and 2.

I am deleting the $500,000 legislative augmentation to establish a farm labor camp in San Diego. The allocation of Farm Labor Housing Rehabilitation Loan Account monies for this purpose would be inappropriate as current statutes specify that all monies in the account are to be expended for rehabilitation loans to owners of farmworker housing.

I am deleting Provision 1 to conform with this action.

I am deleting the $350,000 legislative augmentation for the Rural Technical Assistance Program, which assists low-income rural communities in resolving domestic water and wastewater problems As stated above, the allocation of Farm Labor Housing Rehabilitation Loan Account monies for other than rehabilitation loans to owners of farmworker housing would be inappropriate. Also, funds are available in the budget to provide similar assistance to rural communities. Of the $82.8 million in the department's local assistance budget, over 50 percent is designated for small cities and rural areas. In addition, my Rural Renaissance Program provides $20 million in the current year, with over half of that amount expected to be carried over into 1988–89, to finance public improvements in rural counties.

I am deleting Provision 2 to conform with this action.

These actions conform to the actions I have taken in Item 2240-101-001.

Item 2660-001-042—For support of Department of Transportation. I reduce this item from $1,108,492,000 to $1,108,392,000 by reducing:

(b) 20-Highway Transportation from $1,309,284,000 to $1,309,184,000,
(1) 20.10.010-Rehabilitation from ($85,968,000) to ($85,944,000),
(2) 20.10.020-Operational improvements from ($101,364,000) to ($101,336,000),
(3) 20 10.030-New facilities from ($173,775,000) to ($173,727,000),

and by deleting Provision 9.

I am deleting the $100,000 legislative augmentation for a study to improve the department's organization structure and project delivery process because such a study would be duplicative of existing efforts I share a strong concern for improving the efficiency of all agencies of State government, including the Department of Transportation. However, during the 1987–88 fiscal year, two major efforts were undertaken by my administration aimed specifically at improving Caltrans' organization and project delivery process. First, by Executive Order, I created the Governor's Interagency Task Force on Transportation, which has identified a variety of process improvement actions which can be taken by State departments, e.g., the acceleration of mandated permit and review processes which will help speed the delivery of highway projects. Second, the department initiated an internal review during which it expended six personnel years to identify procedural changes which can expedite project delivery. Finally, I would like to point out that the 1988–89 Budget includes eight personnel years ($449,000) to demonstrate a "fast track" project delivery process which will help identify additional improvements which can enhance project delivery in future years.

I am deleting Provision 9 to conform with this action.

Item 2660-001-046—For support of Department of Transportation. I delete Provision #2.

I am deleting Provision 2 because this language is unnecessarily restrictive. It would limit the use of $256,000 of intercity rail funds to the improvement of service on the Los Angeles-Santa Barbara segment of the San Diegan passenger train. These funds are part of the base budget for all Amtrak rail services. No analysis has been performed to indicate that the need for improvement on the Los Angeles-Santa Barbara segment is greater than the need for improvement on any other segment. Therefore, I believe the funds should be available to the department for allocation to any intercity rail project on a priority basis.

Item 2660-101-042—For local assistance, Department of Transportation. I reduce this item from $107,000,000 to $96,000,000 by reducing:

(b) 30-Mass Transportation from $75,000,000 to $64,000,000.

I am deleting the $11,000,000 legislative augmentation for transit guideways. Improving transportation facilities is one of the highest priorities of my administration. For that reason, my 1988–89 Budget proposed to augment funding for transit guideways from the 1987–88 level of $31,920,000 to $64,000,000—an increase of 100 percent. The Legislature accepted my proposal, but chose to augment the Budget further by $11,000,000. While the intent of this augmentation may be laudable, a limit must be placed on the appropriation of State Highway Account funds for transit guideway projects if sufficient funds are to remain available for highway improvements. I believe the appropriation of $64,000,000 for guideways represents the best division of our transportation resources between transit guideway and highway needs.

Item 2660-301-036—For capital outlay, Department of Transportation. I delete this item.

I am deleting the $100,000 legislative augmentation to construct a soundwall for the Lutheran School. I support the Department of Transportation's retrofit soundwall construction program as provided by State law. Under this program, funding for soundwalls is allocated from the State Highway Account to projects on the retrofit soundwall list in priority order. This augmentation would provide separate funding from the Special Account for Capital Outlay (SAFCO) for one particular project. In doing so, it would provide an inequitable advantage to one project over others. Such separate treatment would set an undesirable precedent. Furthermore, by proposing to fund the soundwall from the Special Account for Capital Outlay, this augmentation ignores both the limited funding available in the account and the many other, high priority capital outlay needs of State programs which are funded from SAFCO.

Item 2660-492—Reappropriation, Department of Transportation. I am reducing expenditure authority in this item by revising the reappropriation language:

"046—Transportation Planning and Development Account

(1) Item 2660-001-046, Budget Act of 1987 60,600

(2) Item 2660-001-046, Budget Act of 1986 ..... ~~1,283,099~~ *1,222,000*

~~(3) Item 2660-001-046, Budget Act of 1985 ..... 1,040,000~~"

and by revising Provision 1.

I am revising the language of this item to eliminate the reappropriation from the Budget Act of 1985 and a portion of the reappropriation from the Budget Act of 1986. These reappropriations would have provided funds for improvements to the San Diegan rail service and for a study of the Auburn-to-San Jose rail corridor. I continue to support intercity rail passenger service, and the 1988–89 Budget includes $10 million for capital improvements to the San Diegan. I believe that any additional funding for intercity rail service should be specifically appropriated for high priority purposes after careful review by the Department of Transportation. I am retaining the reappropriation to fund the acquisition of rail cars and equipment for a third San Joaquin train because it is consistent with the authority granted the department by Chapter 1328, Statutes of 1987.

I am revising Provision 1 to conform with this action:

"1. The funds reappropriated from ~~Item 2660-001-046 of the Budget Act of 1985, and~~ Item 2660-001-046 of the Budget Act of 1986, shall be used for the following purposes:

(1) To acquire train cars and equipment necessary to establish the third San Joaquin train 1,222,000

~~(2) For expenditure on the Los Angeles Santa Barbara segment of the San Diego Los Angeles/Santa Barbara rail service ..... 1,020,000~~

~~(3) For the purpose of making a grant to the Metropolitan Transportation Commission and the Sacramento Area Council of Governments to conduct a rail corridor study for the Auburn to San Jose Rail Corridor, in accordance with Assembly Concurrent Resolution 132..... 90,000~~"

Item 2720-001-044—For support of Department of the California Highway Patrol. I reduce this item from $531,652,000 to $529,752,000 by reducing:

(a) 10-Traffic Management from $488,963,000 to $487,268,000,

(b) 20-Regulation and Inspection from $46,608,000 to $46,445,000,

(c) 30-Vehicle Ownership Security from $12,305,000 to $12,263,000,

and deleting Provision 2.

I am deleting the $1,900,000 legislative augmentation to bring the pay scale of management level officers up to parity with officers at comparable levels in other law enforcement agencies. Compensation for management level Highway Patrol officers is subject to salary setting by the Department of Personnel Administration. The legislative augmentation would undermine that process and thereby establish an undesirable precedent.

I am deleting Provision 2 to conform with this action.

Item 2740-001-044—For support of Department of Motor Vehicles. I revise this item by reducing:

(e) 35-New Motor Vehicle Board from $1,103,000 to $1,060,000 and

(j) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-054) from −$1,103,000 to −$1,060,000.

I am revising this item to conform to the action I have taken in Item 2740-001-054.

Item 2740-001-054—For support of Department of Motor Vehicles. I reduce this item from $1,103,000 to $1,060,000.

I am deleting the legislative augmentation of $43,000 and 1.0 position. This augmentation was made by the Legislature to support an additional staff counsel position in the New Motor Vehicle Board. I believe that there are better alternatives available to address the Board's legal workload.

Item 3340-001-001—For support of California Conservation Corps. I reduce this item from $42,471,000 to $40,912,000 by reducing:

(a) 10-Training and Work Program from $56;165,000 to $54,332,000,

(d) Reimbursements from −$7,488,000 to −$7,220,000, and

(e) Amount payable from the Energy Resources Programs Account, General Fund (Item 3340-001-465) from −$6,206,000 to −$5,787,000,

and by adding:

Unallocated Reduction −$413,000.

I am reducing the Training and Work Program, Homeless Component, in the amount of $1,833,000 and 14.3 personnel years. I am also reducing this item in the amount of $413,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians. Due to the recent unexpected General Fund revenue shortfall, this action is necessary to protect current, vital programs and provide for a prudent reserve for economic uncertainties. I am directing the Corps to prioritize within its existing resources to target homeless youth for inclusion in its program and to give high priority consideration to work projects which benefit homeless shelters and homeless service providers.

Item 3340-001-465—For support of California Conservation Corps. I reduce this item from $6,206,000 to $5,787,000.

I am reducing this item by $419,000 to conform to my actions on Item 3340-001-001.

Item 3340-495—Reversion, California Conservation Corps. I delete this item.

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I am deleting this item because the item is unnecessary since this appropriation reverted June 30, 1988, pursuant to Section 2 of the 1987 Budget Act.

Item 3360-021-465—For support of State Energy Resources Conservation and Development Commission. I delete this item.

I am deleting the transfer of $600,000 from the Energy Resources Programs Account fund balance to the General Fund. I believe the transfer would be an inappropriate use of electricity surcharge funds collected from electrical utility ratepayers. Since existing law (Revenue and Tax Code Section 40182) provides that these funds be used for energy programs and energy projects, including the activities of the Energy Commission. I believe it inappropriate to transfer Energy Resources Programs Account funds to the General Fund.

Item 3400-001-001—For support of the Air Resources Board. I reduce this item from $2,895,000 to $2,820,000 by reducing:

(a) 10-Air Pollution Control from $56,756,000 to $56,681,000,

and by deleting Provision 4.

I am reducing the $75,000 legislative augmentation and one position for oversight by the Air Resources Board (ARB) of local monitoring and enforcement activities. Experience to date does not demonstrate the need for additional oversight of local Air Board activities. Should the need arise, the ARB would be able to redirect resources for oversight of monitoring and enforcement activities by the local air pollution control districts with regard to the Safe Drinking Water and Toxic Enforcement Act of 1986.

I am also deleting Provision 4 to conform with this action.

Item 3480-001-001—For support of Department of Conservation I reduce this item from $14,873,000 to $14,796,000 by reducing:

(c) 30-Special Services for Resources Protection from $1,376,000 to $1,375,000,

and by increasing:

(ex) Unallocated Reduction from −$152,000 to −$228,000,

and by deleting Provision 1.

I am reducing this item by $1,000 to achieve the savings associated with not conducting a study of alternatives to the capitalization of income formula used to assess properties under Williamson Act contracts. A study of this nature and at this time is not of sufficient priority for the Department to conduct within its resources. My budget already provides $90,000 for the Department to contract for a study of the costs and benefits of the Williamson Act participation to local governments.

I am deleting Provision 1 to conform to this action.

I am also reducing this item in the amount of $76,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 3540-001-001—For support of Department of Forestry and Fire Protection. I reduce this item from $210,682,797 to $205,803,797 by reducing:

(a) 100000-Personal services from $201,014,018 to $199,790,018,

(b) 300000-Operating expenses and equipment from $92,668,779 to $90,292,779,

(i) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928) from −$4,213,000 to −$3,413,000,

and by adding:

Unallocated Reduction −$2,079,000.

I am deleting the $2,100,000 legislative augmentation to expand the restoration of forest lands and watersheds that burned during the 1987 fire season by reducing the main item (3540-001-001) by $1,300,000 and the amount payable from the Forest Resources Improvement Fund (3540-001-928) by $800,000. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current vital programs and provide for a prudent reserve for economic uncertainties. The 1988–89 Budget augments the existing level for reforestation by $1,000,000, which will be spent on the reforestation

of the 1987 burn areas.

I am reducing the Fire Protection Program in the amount of $1,500,000 and 54.2 personnel years because, due to more favorable weather conditions, the Department of Forestry and Fire Protection has revised its staffing pattern to meet the fire protection needs of the State. Under the revised plan, an increase of $3.7 million and 96.3 personnel years will be retained to permit the department to add one fire fighter per station rather than one fire fighter per fire engine to effectively enhance the initial attack fire suppression forces.

I am also reducing this item in the amount of $2,079,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 3540-001-928—For support of Department of Forestry and Fire Protection. I reduce this item from $4,213,000 to $3,413,000.

I am reducing this item by $800,000 to conform to the action I have taken in Item 3540-001-001.

Item 3560-001-001—For support of State Lands Commission. I reduce this item from $14,541,000 to $13,901,000 by reducing:

(a) 10-Extractive Development from $10,489,000 to $8,989,000,

(f) Amount payable from the California Environmental License Plate Fund (Item 3560-001-1140) from −$1,250,000 to −$250,000,

and by increasing:

(dx) Unallocated Reduction from −$287,000 to −$427,000,

and by deleting Provision 3.

I am deleting the legislative augmentation of $181,000 and 3.0 personnel years for the litigation work related to the Atlantic Richfield Company (ARCO) v. State Lands Commission, and the $1,319,000 legislative augmentation for a comprehensive offshore oil study. Before any further support is provided for litigation support or the study, the Legislature should consider carefully the need for and level of additional resources necessary and address this through legislation which provides funding in the State Lands Commission's budget.

I am deleting Provision 3 to conform to this action.

I am also reducing this item in the amount of $140,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 3560-001-140—For support of State Lands Commission. I reduce this item from $1,250,000 to $250,000.

I am reducing this item by $1,000,000 to conform to the action I have taken in Item 3560-001-001.

Item 3600-001-001—For support of Department of Fish and Game. I reduce this item from $8,867,000 to $8,778,000.

I am reducing this item in the amount of $89,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 3600-001-140—For support of Department of Fish and Game. I reduce this item from $11,882,000 to $11,672,000.

I am deleting $210,000 of the legislative augmentation and retaining $25,000 for a debris retention barrier to protect the Lake Merritt Wildlife Refuge. Funding levels for environmental education projects, financed by the California Environmental License Plate Fund this year, are adequate and it is more appropriate to use remaining

funds for projects which directly benefit wildlife, such as wetland rehabilitation and acquisition of critical habitat for endangered species. The environmental education aspects of this project can be considered for inclusion in the 1989–90 budget, along with other projects proposed from the California Environmental License Plate Fund.

Item 3600-001-200—For support of Department of Fish amd Game. I revise this item by reducing.

(b) 300000-Operating Expenses and Equipment from $53,737,000 to $53,527,000,

(d) Amount payable from the General Fund (Item 3600-001-001) from −$8,867,000 to −$8,778,000, and

(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) from −$11,882,000 to −$11,672,000,

and by adding:

Unallocated Reduction −$89,000.

I am revising this item to correspond to the actions taken in Items 3600-001-001 and 3600-001-140

Item 3600-301-200—For capital outlay, Department of Fish and Game. I reduce this item from $2,741,000 to $1,935,000 by deleting:

(8 5) 90.89.005—Healdsburg Dam Fish Ladder—Prelminary Plans, Working Drawings, and Construction ($806,000),

and by deleting Provision 1.

I am reducing this item by $806,000, to delete the Healdsburg Dam Fish Ladder project because the role and responsibility of the State has not been determined. In addition, this project should be submitted during the normal budget process for consideration for funding in the context of competing needs and priorities.

I am deleting Provision 1 to conform with this action

Item 3640-301-748—For capital outlay, Wildlife Conservation Board I reduce this item from $3,839,000 to $3,484,000 by deleting·

(5) 80.10.160—Van Arsdale Fish Screen and Bypass—Project Planning ($355,000), and by deleting Provisions 5 and 7.

I am deleting $355,000 for project planning for the Van Arsdale Fish Screen and Bypass. This project is more appropriately the responsibility of the Department of Fish and Game and should be submitted for consideration during the normal budget process

I am deleting Provision 5 to conform with this action

I am deleting Provision 7 because this restrictive language interferes with the ability of the Executive Branch to utilize these resources most effectively. The funds should be available to the Board for allocation to projects on a priority basis.

Item 3680-101-036—For local assistance, Department of Boating and Waterways. I delete this item and Provision 1

I am deleting the legislative augmentation of $2,000,000 for Phase II of the San Francisco Seawall Project because it is not of sufficient statewide priority to justify the use of the limited tidelands oil revenues. I am also deleting the legislative augmentation of $2,000,000 for the San Francisco Bay Dredging Project because funding for this project is not a State responsibility. This is a cost which should properly be borne by the Port of San Francisco.

I am also deleting Provision 1 to conform to my action on the San Francisco Bay Dredging Project.

Item 3720-001-001—For support of California Coastal Commission. I revise this item from $6,841,000 to $5,847,000 by reducing:

(a) 10-Coastal Management Program from $9,004,000 to $8,196,000,

and by adding·

Unallocated Reduction −$186,000.

I am deleting the $518,000 and 10.9 personnel years legislative augmentation to expand the Coastal Management Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting the $417,000 legislative augmentation for the Coastal Management

Program, which resulted from the rejection of the Finance Letter proposal to reduce the Commission. In accordance with that request, I am now reducing $127,000 to reflect a two percent unallocated reduction which is necessary to help adjust the recent revenue shortfall, and I am reducing $290,000 to eliminate the operational costs for the support of the Santa Barbara and Santa Cruz district offices. I eliminated funding for these two offices in my veto action on the 1987 Budget. The veto message stated that workloads from these two areas could be handled through the San Francisco and Los Angeles offices. However, the Commission has chosen to redirect funding from other areas to keep these offices open. This reduction will again capture savings from the elimination of these offices, and I again direct the Commission to conduct the activities for these areas from the San Francisco and Los Angeles offices.

I am also reducing this item in the amount of $59,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 3760-001-036—For support of State Coastal Conservancy. I delete this item.

I am deleting the legislative augmentation of $75,000 for the Orange County Resale Control Program because I do not believe that funding is a State responsibility. This program would require the Conservancy to contract with an entity to enforce resale restrictions for affordable housing units built in the coastal zone of Orange County pursuant to provisions that existed between 1976 and 1981 in the Coastal Act. These provisions were intended to assure the continued affordability of units subject to the development permits approved by the Coastal Commission for certain Orange County housing developments. I believe that the maintenance of affordable housing units in Orange County's coastal zone is properly a local responsibility. Additionally, current law does not provide appropriate authority to enable this program to be efficiently administered by the Conservancy.

Item 3760-001-565—For support of State Coastal Conservancy. I reduce this item from $380,000 to $290,000 by reducing:

(a) 100000-Personal Services from $2,047,000 to $1,958,000, and

(b) 300000-Operating Expenses and Equipment from $714,000 to $713,000.

I am deleting the legislative augmentation of $90,000 and 1.5 positions which was added to provide State support for the implementation, administration and litigation assistance for the Orange County Resale Control Program. This conforms to the action I have taken in Item 3760-001-036.

Item 3760-301-140—For capital outlay, State Coastal Conservancy. I delete this item and Provisions 1 and 2.

I am deleting this $400,000 legislative augmentation for the Mendocino Botanical Gardens acquisition. This project should be submitted for consideration during the normal budget process for consideration for funding in the context of statewide needs and priorities for the Conservancy.

I am deleting Provisions 1 and 2 to conform to this action.

Item 3760-301-748—For capital outlay, State Coastal Conservancy. I revise this item by deleting Provision 5.

I am deleting Provision 5 because it has been the Legislature's practice to grant the State Coastal Conservancy program budget flexibility to insure that high statewide priority projects may be effectively implemented as opportunities exist. This language would reduce that flexibility.

Item 3790-001-001—For support of Department of Parks and Recreation. I reduce this item from $78,692,000 to $77,905,000 by increasing:

(bzz) Unallocated Reduction from −$795,000 to −$1,582,000,

and by deleting Provision 9.

I am reducing this item by $787,000 which represents a one percent reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still

increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am deleting Provision 9 because the language represents a substantive change of law which can only be included in a single subject bill, not the Budget Act

Item 3790-101-001—For local assistance, Department of Parks and Recreation I delete this item. I am deleting this $20,000 legislative augmentation for the San Joaquin River Parkway and Conservation Trust. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Item 3790-101-036—For local assistance, Department of Parks and Recreation. I reduce this item from $2,743,000 to $1,163,000 by reducing·

(1) 50.20.036.800-City of San Diego-Balboa Park, rehabilitation projects, from $1,000,000 to $500,000,

and by deleting·

(2) 50.20.036.801-County of Sacramento-Sacramento-Multicultural Park ($300,000),

(7) 50.20.036.805-California Academy of Sciences, facilities renovation ($500,000),

(8) 50.20.036.807-Tulare County Fair, greenbelt buffer zone acquisition ($280,000),

and by deleting Provision 1.

I am retaining $1,163,000 in this item to provide $500,000 for City of San Diego—Balboa Park, rehabilitation projects; $150,000 for Midpeninsula Regional Open Space District-Alpine Pond Underpass; $213,000 for City of Oakland—William Knowland Zoo and $300,000 for Red Bluff-Tehama Community Center I am deleting $1,580,000 in legislative augmentations for three local assistance projects. While the three remaining legislative augmentations may be for meritorious projects, they are not of significant statewide priority to justify the use of limited tidelands oil revenues nor do they appear to be of a critical or urgent nature requiring immediate funding. The unfunded projects should be submitted through the normal budget process so that they may be reviewed and evaluated in the context of statewide priorities and available funding.

I am deleting Provision 1 to conform to this action.

Item 3790-101-140—For local assistance, Department of Parks and Recreation. I reduce this item from $1,850,000 to $100,000 by deleting:

(5) 50.20.140 801-City of San Diego—Mission Bay Park Shoreline Protection and Water Quality ($750,000),

(6) 50.20.140.802-City of San Diego—Famosa Slough Acquisition ($1,000,000)

I am deleting the legislative augmentation of $750,000 for City of San Diego—Mission Bay Park Shoreline Protection and Water Quality and of $1,000,000 for City of San Diego—Famosa Slough Acquisition because neither project completed the statutory review process for funding from the Environmental License Plate Fund.

These projects should be submitted for consideration during the normal budget process so that they may be reviewed and evaluated in the context of competing needs for this fund source.

Item 3790-101-463—For local assistance, Department of Parks and Recreation. I delete this item.

I am deleting the $200,000 legislative augmentation for the City of Los Angeles—Los Angeles City College Community Sports Complex This project is more appropriately funded from the Community Colleges Capital Outlay Program and should be considered for funding in the context of the competing needs of that program.

Item 3790-101-722—For local assistance, Department of Parks and Recreation I delete this item.

I am deleting the $165,000 legislative augmentation for the City of Vallejo, Vallejo Naval and Historical Museum: Repair and Restoration This project should be submitted for consideration during the normal budget process so that it may be considered in the context of competing needs for this fund source

Item 3790-101-733—For local assistance, Department of Parks and Recreation I delete this item.

I am deleting the $175,000 legislative augmentation for three local assistance grants

from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

These projects should be submitted for consideration during the normal budget process so that they may be reviewed and evaluated in the context of competing needs for this fund source.

Item 3790-101-742—For local assistance, Department of Parks and Recreation I delete this item.

I am deleting the legislative augmentations of $450,000 for City of Oxnard, Colonia Park Gymnasium, and $88,300 for Southgate Regional Park District, Countryside Park project.

These projects should be submitted for consideration during the normal budget process so that they may be reviewed and evaluated in the context of competing needs for this fund source.

Item 3790-101-786—For local assistance, Department of Parks and Recreation I delete this item and Provisions 1 and 2.

I am deleting the legislative augmentations of $200,000 for Ennis-Brown House and for $250,000 for City of Cudahay-Recreation Complex

Requests for funding of these projects from this source should be submitted in accordance with the application process established in the voter-approved bond act which created this fund

I am deleting Provisions 1 and 2 to conform to this action.

Item 3790-102-733—For local assistance, Department of Parks and Recreation I delete this item.

I am deleting the $14,000 legislative augmentation for City and County of Sacramento-Sacramento Sports Complex.

This project should be submitted for consideration during the normal budget process so that it may be reviewed and evaluated in the context of competing needs for this fund source

Item 3790-102-742—For local assistance, Department of Parks and Recreation I delete this item.

I am deleting the $27,000 legislative augmentation for the City and County of Sacramento-Sacramento Sports Complex

This project should be submitted for consideration during the normal budget process so that it may be reviewed and evaluated in the context of completing needs for this fund source.

Item 3790-301-721—For capital outlay, Department of Parks and Recreation I reduce this item from $814,000 to $339,000 by deleting·

(3) 90 5X.600-Marconi Conference Center: Planning, Surveys, and equipment ($300,000),

(4) 90.CN.100-Monterey SHP: Custom-house Plaza—Recreational trail and improvements ($110,000),

(5) 90 CN 101-Monterey SHP: First Brick House—Items to complete ($65,000)

I am deleting the legislative augmentations of $300,000 for Marconi Conference Center: Planning, Surveys, and equipment, $110,000 for Monterey SHP Custom-house Plaza—Recreational trail and improvements, and $65,000 for Monterey SHP First Brick House—Items to complete.

Requests for these projects should be submitted through the annual budget process so that the proper level of funding and a well-defined scope may be determined.

Item 3790-301-722—For capital outlay, Department of Parks and Recreation I reduce this item from $7,905,000 to $6,680,000 by deleting.

(0.5) 90 EC 100.880-Baldwin Hills SRA Ridge Site Development ($1,000,000),

(2.5) 90.FU.100.880-California Citrus SHP: Interpretive and preliminary planning, artifact acquisition ($225,000).

I am deleting the legislative augmentations of $1,000,000 for Baldwin Hills SRA. Ridge Site Development, and $225,000 for California Citrus SHP. Interpretive and preliminary planning, artifact acquisition

Funding requests for these projects should be submitted through the annual budget process so that the proper level of funding and a well-defined scope may be determined.

Item 3790-490—Reappropriation, Department of Parks and Recreation. I revise this item by deleting:

036—(1.5) Item 3790-301-036(7), Budget Act of 1984, East Bay Shoreline Project—acquisition and development,

722—(21.5) Item 3790-301-722(4), Budget Act of 1986, 90.EC.400.861, Baldwin Hills SRA—acquisition; providing that funds may be used for alternative sites (parcels),

733—State Beach, Park, Recreational, and Historical Facilities Bond Act of 1974. (1) Item 3790-301-721(ss), Budget Act of 1982, as reappropriated by Item 3790-490-721(13), Budget Act of 1983, as amended and reappropriated by Item 3790-490-721(q), Budget Act of 1984, by Item 3790-490-733(3), Budget Act of 1985, by Item 3790-490-733(1), Budget Act of 1986, and by Item 3790-490-733(1), Budget Act of 1987; and pursuant to Section 28 provisions. Item 3790-301-733(d), Fresno Agricultural Museum—development; provided that the funds reappropriated in this item shall be for a local assistance grant to the City of Fresno for the California Agricultural Museum and shall not be subject to the review of the Public Works Board.

I am deleting the reappropriation of Item 3790-301-036(7), Budget Act of 1984, East Bay Shoreline Project—acquisition and development, because of the availability of funds from other existing appropriations for the project and the reduced amount of revenues generally available for SAFCO.

I am deleting the reappropriation of Item 3790-301-722(4), Budget Act of 1986, 90.EC.400 861, Baldwin Hills SRA—acquisition, because the parcels proposed to be acquired with the reappropriated funds are not contiguous to the existing park and have not been identified as priority acquisitions by the Department.

I am deleting the reappropriation of Item 3790-301-721(ss), Budget Act of 1982, as reappropriated by Item 3790-490-721(13), Budget Act of 1983, as amended and reappropriated by Item 3790-490-733(1), Budget Act of 1987, and pursuant to Section 28 provisions; Item 3790-301-733(d), Fresno Agricultural Museum—development, because this project is no longer a State responsibility. Any request for this redefined project should be considered in the normal budget process in the context of competing needs for this fund source.

Item 3790-497—Reversion, Department of Parks and Recreation. I delete this item.

I am deleting this item to conform to the action I have taken in Item 3790-101-463.

Item 3810-001-001—For support of Santa Monica Mountains Conservancy. I revise this item by reducing:

(b) 300000-Operating Expenses and Equipment from $702,000 to $202,000,

and by deleting:

(e) Project Planning and Design (to be reimbursed from Item 3810-301-786) —$300,000, and

(f) Project Planning and Design (to be reimbursed from Item 3810-302-786) —$200,000,

and by deleting Provision 1.

I am deleting the capital outlay reimbursements to this item by $500,000 because the use of bonds authorized by Proposition 70 for support purposes as well as for capital outlay purposes should be reviewed during the normal budgetary process. This action is consistent with my action in Items 3810-301-786 and 3810-302-786.

I am deleting Provision 1 to conform with this action.

Item 3810-101-140—For local assistance, Santa Monica Mountains Conservancy. I delete this item and delete Provision 1.

I am deleting the legislative augmentation of $120,000 for the payment of interest on the City of Glendale's note for the Inter-Valley Ranch property. The use of scarce State funds to pay interest expenses incurred by a local government sets a fiscally unsound precedent.

I am deleting Provision 1 to conform to this action.

Item 3810-302-786—For Capital Outlay and grants, Santa Monica Mountains Conservancy. I delete this item and Provision 1, 2 and 3.

I am deleting this legislative augmentation of $10,000,000, for the Santa Susana

Mountain Project. Pursuant to Proposition 70, which was approved by the voters on June 7, 1988, funding for this acquisition project is directly appropriated to the Department of Parks and Recreation. Although Proposition 70 does contain a provision which allows the Legislature to "at any time allocate all or a portion of these funds to the Santa Monica Mountains Conservancy for the purposes for which the funds were originally allocated", it also provides the Department of Parks and Recreation until July 1, 1993 to expend the funds. Therefore, I believe that this reallocation is premature and that the responsibility for this project should appropriately remain with that Department at this time.

Item 3860-001-001—For support of Department of Water Resources I reduce this item from $28,910,000 to $28,881,000 by increasing:

(fx) Unallocated Reduction from −$859,000 to −$888,000.

I am reducing this item in the amount of $29,000, which represents the incremental amount necessary to achieve the equivalent of a one percent unallocated reduction after taking into account the previous unallocated reduction adopted by the Legislature. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 3860-001-140—For support of Department of Water Resources. I reduce this item from $849,000 to $749,000,

and delete Provision 2.

I am deleting the $100,000 legislative augmentation to conduct a field research project on gypsum block irrigation monitoring to determine soil moisture The Department of Water Resources currently determines soil moisture content through the use of 58 weather stations statewide which are monitoring devices that measure solar radiation, wind velocity, temperature, and rainfall. The current method is applicable statewide; whereas, gypsum block irrigation monitoring has limited application throughout the State because each soil type will have different moisture readings.

I am deleting Provision 2 to conform to this action.

Item 3860-301-036—For capital outlay, Department of Water Resources. I reduce this item from $8,440,000 to $8,439,000 by reducing:

(1) 30.95.010 Sacramento Riverbank Protection Project from $4,230,000 to $4,229,000,

and deleting Provision 6.

I am reducing this item by $1,000 and deleting Provision 6 which would require the development and implementation of mitigation work under a proposed assurance agreement. This language would require an assurance agreement between the State and the United States Army Corps of Engineers which is in addition to the requirements of the California Environmental Quality Act (CEQA). I believe that CEQA has established adequate safeguards to be met prior to the construction of this flood control project and any additional mitigation not required by CEQA could delay or possibly jeopardize federal funding for the Sacramento Riverbank Protection Project.

I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 6 of this item

Item 3940-001-001—For support of State Water Resources Control Board. I reduce this item from $41,270,000 to $37,329,000 by reducing:

(a) 10-Water Quality from $66,513,000 to $63,878,000,

(e) Reimbursements from −$6,151,000 to −$5,341,000,

and by increasing:

(ex) Unallocated Reduction from −$825,000 to −$3,466,000,

and by deleting:

(m) Amount payable from the California Environmental License Plate Fund (Item 3940-001-140) (−$525,000),

and by deleting Provision 3.

I am reducing this item by deleting the $810,000 legislative augmentation and seven positions to reimbursements scheduled from the Department of Health Services for hazardous waste site cleanup. This action conforms to my action in Item 4260-011-014. The funding which would have been provided through this item is premature, and the matter should be considered as part of the 1989–90 budget process.

I am deleting Provision 3 to conform with this action.

I am reducing this item by deleting the $100,000 legislative augmentation to expand the Water Quality program for toxic hot spots in bays and estuaries. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am reducing this item by deleting the $1,200,000 legislative augmentation to expand the Water Quality program for abatement of pollution in the New River. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties

I am reducing this item by deleting the $325,000 legislative augmentation, payable from Item 3940-001-140, to expand the Water Quality program for abatement of pollution in the New River. This Administration has consistently articulated a position that pollution emanating from Mexico is a complex international problem which demands an international solution and that the Federal Government must address this issue rather than the State.

I am reducing this item by deleting the $200,000 legislative augmentation, payable from Item 3940-001-140, to expand the Water Quality program for the San Francisco Bay-Delta Aquatic Habitat Institute. It is not clear that additional funding for the Institute would be cost effective.

I am reducing this item in the amount of $2,641,000. By making this an unallocated reduction, I am providing the State Water Resources Control Board with the maximum flexibility to efficiently use existing resources This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 3940-001-140—For support of State Water Resources Control Board. I delete this item.

I am deleting this item to conform to my actions in Item 3940-001-001. This action eliminates the amount payable from this item to Item 3940-001-001.

Item 3940-101-890—For local assistance, State Water Resources Control Board, Program 10, Water Quality, payable from the Federal Trust Fund. I reduce this item from $174,368,000 to $174,367,000 by reducing:

(a) Program 10-Water Quality from $182,076,185 to $182,075,185,

and deleting Provision 1.

I am reducing this item by $1,000. Provision 1 would prohibit use of the pilot program funds for the cleanup of nonfuel leaking tanks until the State Board provides a guidance document for overseeing the cleanup of nonfuel tanks. To develop such a document pertaining to all the potential nonfuel substances would cost at least $1,000 and would take resources away from the State Board's other more critical programs. 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.

It is not reasonable to prohibit action on dangerous leaks simply because guidelines have not been published by the State Board. Local agencies already respond to such situations and can ask for State Board assistance on more difficult cleanups

I am deleting Provision 1 to conform to this action.

Item 4170-001-001—For support of Department of Aging. I reduce this item from $4,686,000 to $4,685,000 by increasing:

(fx) Unallocated Reduction from −$47,000 to −$48,000,

and by deleting Provision 2.

I am reducing this item by $1,000 and deleting Provision 2 to eliminate unnecessary administrative costs. Provision 2 requires establishment of a Minority Advisory Committee. The committee would assist in improving hiring of Hispanic and other underrepresented minorities and work to improve services to minority elderly communities. I concur that improving underrepresentation of Hispanics and other minorities is an important goal, however, I believe there is a more productive way to accomplish the increased hiring of minorities and to address minority service needs in Health and Welfare programs. Therefore, I am directing the Health and Welfare Agency to designate a position to examine these issues on an Agency-wide basis, including the establishment of an advisory committee to assist the Agency with its efforts. Minority issues are better served by an Agency-wide process.

Item 4170-101-001—For local assistance, Department of Aging. I reduce this item from $34,090,000 to $32,020,000 by reducing:

(a) 10-Nutrition from $61,710,000 to $60,785,000,

(1) 10.10-Congregate nutrition from $44,930,500 to $44,468,000,

(2) 10.20-Home delivered nutrition from $16,779,500 to $16,317,000, and

(d) 40-Special Projects from $30,539,000 to $29,394,000

I am deleting the $925,000 legislative augmentation to provide a cost-of-living adjustment for the Nutrition programs. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current vital programs and provide for a prudent reserve for economic uncertainties. In light of the recent federal fund reduction in this program, I believe I have demonstrated my commitment to the nutrition program by offsetting this reduction with increased General Fund ($331,000) to maintain the existing level of services in 1988–89

I am also deleting the $1,145,000 legislative augmentations for Special Projects as follows:

I am deleting the $1,000,000 legislative augmentation to expand the Alzheimer's Day Car Resource Centers (ADCRC) This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. I have provided $1 1 million (General Fund) in 1988–89 for support of the 16 existing ADCRC's. This represents a 99 percent increase over the 1986–87 level of support, I, therefore, do not believe a further increase is supportable at this time.

I am deleting the $120,000 legislative augmentation to fund the Public Guardian Pilot Project. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting the $25,000 legislative augmentation to expand the Volunteer Service Credit Program. This augmentation was made by the Legislature despite the lower revenues available to the General Fund and is simply inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. I have provided $50,000 in the 1988–89 Budget for this project. Given the fact that this is the first year of this pilot program, I believe this level of funding is sufficient until data are available to document the program's cost effectiveness.

Item 4200-001-001—For support of Department of Alcohol and Drug Programs. I reduce this item from $6,941,000 to $5,882,000 by reducing:

(b) 20-Drug Program from $8,949,000 to $7,949,000,

and by adding.

Unallocated Reduction —$59,000,

and by deleting Provision 2.

I am deleting the $1,000,000 legislative augmentation to provide training to drug abuse treatment staff for AIDS related drug treatment programs. I believe the training of additional drug abuse staff can be accomplished within existing resources. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deletıng Provision 2 to conform with this action

I am reducıng this ıtem by $59,000 whıch represents a one percent unallocated reduction This reductıon is necessıtated by the unexpected revenue shortfall in the General Fund and the needs ın other hıgh priority programs. Although I am makıng thıs reduction in budget ıtems involving state admınıstration, the overall General Fund budget is still ıncreasing by 6 9 percent. I believe this remaining amount wıll continue to provıde essentıal servıces to Californians.

Item 4200-101-001—For local assistance, Department of Alcohol and Drug Programs I reduce thıs ıtem from $76,795,000 to $71,795,000 by reducing:

(b) 20-Drug Programm from $80,571,000 to $75,571,000,

and by deletıng Provısion 5

I am deletıng the $5,000,000 legislative augmentation to expand treatment prpgrams for ıntravenous drug users at risk of contracting or spreading HIV ınfection. This augmentation was made by the Legıslature despıte the lower revenue available to the General Fund, and simply is inconsistent wıth the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties The 1988–89 Budget contaıns $7,802,000 to combat the spread of AIDS by ıncreasing treatment programs for intravenous drug users Thıs reflects a 56 percent increase in funds over the amount budgeted ın 1987–88. Furthermore, an AIDS Leadership Committee was recently formed consıstıng of State and local agencies, health professionals, AIDS experts, ınsurance and publıc safety representatıves, and others. This committee will be providing me with advice and dırection concernıng AIDS ıssues and policies

I am deletıng Provısion 5 to conform wıth this actıon.

Item 4210-001-001—For support of the Governor's Polıcy Councıl on Drug and Alcohol Abuse I delete thıs ıtem and Provısions 1 and 2

I am deletıng the legislatıve augmentation of $1,000,000 for the Governor's Polıcy Council on Drug and Alcohol Abuse The Legislature transferred $1,000,000 from the Department of Alcohol and Drug Program's maın support item to the newly established Governor's Polıcy Council on Drug and Alcohol Abuse. I created the Governor's Policy Council on Drug and Alcohol Abuse through Executive Order D-70-88 Through that Executıve Order, I have dırected the Governor's Policy Council on Drug and Alcohol Abuse to develop an integrated plan on substance abuse enforcement, treatment and prevention programs and services. I believe that thıs plan wıll address the Legıslature's concerns as portrayed ın the Budget Act language in this ıtem. In addition, I am willıng to work with the Legislature, ıncluding gatherıng additional informatıon from the field, in order to develop the best strategies to address this serious societal problem In vetoing thıs item, I am setting asıde funds for the restoration of the Department's support budget to ensure the contınuation of vital programs.

I am deletıng Provisions 1 and 2 to conform to thıs action.

Item 4260-001-001—For support of Department of Health Services. I reduce thıs ıtem from $153,254,250 to $146,571,250 by reducıng

(a) 100000-Personal Servıces from $173,299,269 to $173,106,269

(b) 300000-Operating Expenses and Equipment from $138,711,981 to $133,700,981, and by increasıng

(c) Unallocated Reduction from −$1,500,000 to −$2,979,000

and by revising Provisions 3 and 13 and deletıng Provisions 5, 7, 9.1, 11 and 12

I am reducıng $330,000 of the $699,000 legislative augmentation to expand the McFarland Investigation of Childhood Cancer I am sustaining $233,000 pursuant to a request I made ın March 1988 for a followup review and investigation which would enable the Department to review the childhood cancer cases in McFarland and isolate the probable causes of cancer. According to the Department of Health Services, the $233,000 is sufficient to conduct an investigatıon in McFarland. In addition, I am sustaınıng $136,000 in thıs ıtem to be used for free medical screenings of all elementary school children ın McFarland I will be working wıth the Legislature to make the $136,000 available for this purpose

I am revising Provision 13 to conform wıth thıs actıon

"13. Of the funds appropriated in this ıtem, ~~$699,000~~ *$233,000* shall be for the McFarland Childhood Cancer study and used for the following purposes:

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(a) San Joaquin Valley Cancer Investigation 213,000
~~(b) Environmental Exposure Monitoring in McFarland 301,000~~
(c) Followup and Independent Review of McFarland Studies of 1981–83 ~~95,000~~ *20,000.*"

I am deletmg the $4,000,000 legislative augmentation for the establishment of the AIDS Drug Development Program. This augmentation would fund a program proposed in AB 3281 to assist California-based corporations in vaccine and drug development. I am opposed to both AB 3281 and this legislative augmentation because research grants for the development of an AIDS vaccine are already being provided by both the National Institutes of Health and the State through both the University of California's budget and a reappropriation of $2 million in vaccine development monies made available by Chapter 1463, Statutes of 1986. While I recognize the importance of developing an AIDS vaccine, I believe that it is inappropriate for California to fund clinical trials in foreign countries. In addition, under my Administration, the AIDS budget has experienced significant growth. Statewide, the AIDS General Fund budget is increasing from $52.7 million in 1987–88 to $67.3 million in 1988–89, or by $14.6 million. This represents a 27.7 percent increase in the AIDS General Fund budget between 1987–88 and 1988–89. Furthermore, an AIDS Leadership Committee was recently formed consisting of State and local agencies, health professionals, AIDS experts, insurance and public safety representatives, and others. This committee will be providing me with advice and direction concerning AIDS issues and policies.

I am deleting Provision 9.1 to conform with this action.

I am reducing the Department of Health Services budget by $522,000 and 9.5 positions to reflect the elimination of the proposed survey of imported processed foods authorized by Chapter 1244, Statutes of 1987 (AB 78). Although I signed AB 78, this reduction from my original proposed fundmg level is necessitated by the unexpected revenue shortfall in the General Fund and the critical needs in other higher priority programs. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am reducing the drinking water Maximum Contaminant Level (MCL) program in the amount of $350,000. The 1985 Budget Act required the Department to develop MCLs for 30 chemicals. In May, I proposed an increase of $500,000 to enable the Department to fund staff needed to defend the 30 MCLs through the regulatory process ($150,000), and to complete risk assessments for additional chemicals for which MCLs are not required ($350,000). I am now proposing that funding for risk assessments for additional MCLs be delayed at this time. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am deleting Provision 5 which requires the Rural and Community Health Division to remain in its current location. I believe that this language conflicts with the Executive Branch's authority to manage its programs in the best interest of the State.

I am reducing $1,000 from this item and deleting Provision 7 to eliminate unnecessary administrative costs. This provision requires specific duties to be performed by the Department's Equal Employment Opportunity Committee and, additionally, establishes a Special Advisor on minority employment initiatives. I concur that improving underrepresentation of minorities is an important goal, however, I believe there is a more productive way to accomplish the increased hiring of minorities and to address minority service needs in Health and Welfare programs. Therefore, I am directing the Health and Welfare Agency to designate a position to examine these issues on an Agency-wide basis, including the establishment of an advisory committee to assist the Agency with its efforts. Minority issues are better served by an Agency-wide process.

I am reducing this item by $1,000 and deleting Provision 11 to eliminate unnecessary costs. Provision 11 requires the Department of Health Services to establish a position of State Transportation Coordinator, and specifies the responsibilities of that position. While this position was proposed in a Department of Finance Letter, Provision 11 would commit the State and local agencies to activities such as performing surveys on a prescribed schedule and providing case by case assistance to beneficiaries. Although no augmentations are associated with these requirements, there would be costs of at least $1,000 incurred by the Department of Health Services to comply with them. I am reducing $1,000 from this item, which represents the savings that will be achieved based on vetoing the language contained in this provision.

I am deleting Provision 12 which would require the Department to include a proposal in the 1989-90 budget to fully fund the Contract Counties program based upon a workload analysis of the current level of services. This language is an infringement on the Executive Branch's budget development process and restricts my authority to prepare a budget which reflects my spending priorities within available fiscal resources. I have no problem making the Department's workload study of the Contract Counties program available to the Legislature.

I am reducing the Department of Health Services' 1988-89 support budget by $1,479,000 to reflect a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6 9 percent I believe this remaining amount will continue to provide essential services to Californians

I am revising Provision 3 regarding the Department of Health Services' fees. Health and Safety Code Section 115 authorizes the Department to collect fees to cover costs associated with the Licensing and Certification Division. I am reducing the Legislature's proposed fee increase from 42.1 percent to 41.6 percent to correct a technical error in the calculation of the fee. Health and Safety Code Section 116 provides for an adjustment of fees associated with the issuance or renewal of licenses for laboratory services. I am reducing the laboratory fee from 8.2 percent to 8.1 percent to correct an error in the calculation of that fee. In addition, I am revising the Public Health fee increases subject to Health and Safety Code Sections 113 and 114. The Legislature adopted a fee increase of 2.7 percent plus 0.5 percent for each 1 percent increase in employee compensation granted in the 1988-89 budget. Consistent with my overall veto action regarding the Department's Public Health budget, I am revising the fee increase to 2.11 percent plus 0.5 percent for each 1 percent increase in employee compensation granted in the 1988-89 budget

"3. Effective July 1, 1988, 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 $18.55 per bed. Effective July 1, 1988, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $83 64 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 ~~42.1~~ *41 6* percent effective July 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 ~~8.2~~ *8.1* percent effective January 1, 1989.

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 ~~2.7~~ *2.11* percent plus 0.5 percent for each 1 percent increase in employee compensation granted in the 1988 Budget Act.

The Director of Finance shall propose language to implement fee adjustments in the 1989 Budget Bill."

Item 4260-011-014—For support of Department of Health Services (Toxic

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Substances Control Division). I revise this item by reducing·

(a) 12 10-Site Mitigation from $58,789,000 to $57,406,000,

(h) Amount payable from Hazardous Substance Account (Item 4260-011-455) from −$7,980,000 to −$7,407,000,

(i) Amount payable from Hazardous Substance Cleanup Fund (Item 4260-011-710) from −$19,591,000 to −$18,781,000,

and deleting Provisions 6 and 7.

I am deleting the $573,000 legislative augmentation, payable from Item 4260-011-455, for Attorney General cost recovery activity as there is not adequate workload justification to support this augmentation AB 4373, currently pending before the Legislature, would extend the statute of limitations such that a previously anticipated workload increase may not materialize in 1988–89. If, in fact, an increase does occur, then the $1 7 million currently budgeted for Attorney General support to the Toxics program should be prioritized and used for this purpose, as warranted.

I am deleting Provision 6 to conform with this action

I am deleting the $810,000 legislative augmentation, payable from Item 4260-011-710, to provide additional hazardous waste site cleanup funding for the State Water Resources Control Board and regional boards. The need for additional funding for this purpose should be identified as part of the normal budgetary process The cleanups at these sites will average 20 years in duration and work has not yet progressed to the point that additional resources are needed in 1988–89 Moreover, use of these bond funds as a funding source would force the regional boards to adopt a different and more costly cleanup process than required by the bond act, effectively negating much of the effort made to date at these sites and imposing administrative delays on the important cleanup efforts now underway.

I am deleting Provision 7 to conform with this action.

Item 4260-011-455—For support of Department of Health Services (Toxic Substances Control Division). I reduce this item from $7,980,000 to $7,407,000

I am reducing this item to conform to the action I have taken in Item 4260-011-014

Item 4260-011-710—For support of Department of Health Services (Toxic Substances Control Division) I reduce this item from $19,591,000 to $18,781,000

I am reducing this item to conform to the action I have taken in Item 4260-011-014

Item 4260-101-001—For local assistance, Department of Health Services, Medical Assistance Program. I reduce this item from $2,985,831,000 to $2,910,934,000 by reducing:

(a) 50.11-Benefits (Medical Care and Services) from $5,973,732,000 to $5,779,731,000,

(b) 50.10-Eligibility (County Administration) from $170,883,000 to $166,668,000,

(c) 50.50-Fiscal Intermediary Management from $53,804,000 to $53,560,000,

(d) Reimbursements from −$71,272,000 to 0,

(e) Amount Payable from the Federal Trust Fund (Item 4260-101-890) from −$3,119,838,000 to −$3,067,547,000,

and by deleting Provisions 15.5, 18, 22, 23, 25, 26, and 27

I am reducing this item by $3,291,000 and taking a corresponding action in Item 4260-101-890 by reducing $3,291,000 in federal funds to reflect deletion of the legislative augmentation to increase perinatal services rates by 18 8 percent in the Medi-Cal program This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

To conform with this action I am deleting Provision 22 which requires the Department of Health Services to increase the Medi-Cal reimbursement rates for obstetricians performing normal deliveries by 18 8 percent above the rates paid on June 1, 1988

The 1988–89 Budget contains funds for adequate increases in Medi-Cal rates for maternity services in order to expand access to medical care for pregnant women This includes a 16 percent increase in physician rates for obstetric services and a 10.45 percent increase in clinic rates, as well as an additional $150 payment for those participating in the comprehensive perinatal services program who provide nine or

more office visits beginning in the first trimester of pregnancy. This follows an increase in physician reimbursement rates for maternity services of 26.5 percent in 1986–87.

I am reducing this item by $4,000,000 and taking a corresponding action in Item 4260-101-890 by reducing $4,000,000 in federal funds to reflect deletion of the legislative augmentation to expand Medi-Cal eligibility for prenatal care to 185 percent of the federal poverty level. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

To conform with this action I am eliminating Provision 27 which states that the Department shall amend the state Medicaid plan to provide for implementation of the federal Medicaid option for extending eligibility for prenatal care to pregnant women whose incomes are between 100 percent and 185 percent of the federal poverty level, and eliminate the resource (asset) test when assessing Medi-Cal eligibility for pregnant women.

The current standard of eligibility for a two-person family unit is 111 percent of the federal poverty level. I believe that funding the continuation of services to current Medi-Cal eligibles (those at or below 111 percent of the federal poverty level) is a higher priority for available resources than expanding eligibility levels to higher income groups. The 1988–89 Budget contains funds to increase rates for maternity services in order to expand access to medical care for current eligibles.

I am reducing this item by $5,000,000 and taking a corresponding action in Item 4260-101-890 by reducing $5,000,000 in federal funds to reflect the deletion of the legislative augmentation for Medi-Cal rate increases for hospitals designated as trauma centers or hospitals providing complex emergency Medi-Cal services. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

To conform with this action, I am deleting Provision 23 which requires the Department of Health Services to allocate $10,000,000 to the contracting pool for disproportionate share hospitals operating trauma centers or complex emergency Medi-Cal services.

The Budget Act of 1987 appropriated $25,000,000 to the Department of Health Services for negotiated rate increases for disproportionate hospitals contracting to provide Medi-Cal services. These funds currently are being allocated by the California Medical Assistance Commission for rate increases which are effective in 1987–88 and 1988–89.

I am reducing this item by $10,000,000 and taking a corresponding action in Item 4260-101-890 by reducing $10,000,000 in federal funds to reflect deletion of the legislative augmentation to increase rates for disproportionate share providers of hospital outpatient services This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

To conform with this action, I am deleting Provision 15.5 which requires the Department of Health Services to allocate $20,000,000 to increase rates for outpatient services provided by disproportionate share hospitals.

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.

The 1988–89 Budget contains funds for rate increases for which all outpatient providers may qualify. This includes a 10 percent rate increase for comprehensive children's office visits and a 10 percent rate increase for well child examinations. In addition, this budget contains a 16 percent increase for physicians providing maternity care and a 10.45 percent increase for maternity care provided in clinics to cover

inpatient delivery services as well as outpatient perinatal care.

I am reducing this item by $1,000 and deleting Provisions 18 and 25 to eliminate unnecessary costs. Provision 25 requires the Department of Health Services to study access to dental care, and to report to the Legislature no later than January 1, 1989. I believe that the dental access study is not necessary since the Department of Health Services completed a study of access to dental care in 1987 which was subsequently released to the Legislature. Provision 18 requires the Department of Health Services to amend the State Medicaid plan to implement targeted case management for pregnant women, and provide status reports to the Legislature on a quarterly basis beginning October 1, 1988 The budget I have proposed contains rate increases to expand maternity care for Medi-Cal eligibles In addition, I have retained a legislative augmentation of $500,000 in Item 4260-111-001 to provide State matching funds for federal funds to be used for the case management of perinatal services. Consistent with this policy, the Department of Health Services will take the steps necessary to obtain federal Medicaid funds. However, Provision 18, which would require the Department of Health Services to submit quarterly status reports to the Legislature, creates a new and unfunded cost in the Department which is unnecessary in view of other alternatives available. Although no augmentations are associated with Provisions 25 and 18, there would be costs of at least $1,000 incurred by the Department of Health Services to comply with their requirements. I am reducing $1,000 from this item, which represents the savings that will be achieved based on vetoing the language contained in these provisions.

In addition, I am making the following reductions to appropriations originally proposed in my budget.

I am reducing this item by $22,605,000 to reflect deletion of funds for the repayment of the federal portion of Medi-Cal overpayments, as required by the Consolidated Omnibus Budget Reconciliation Act of 1985. The schedule for implementation of these requirements is indeterminate at this time and it is not certain that the federal government will claim these funds in 1988–89 Therefore, I will request these funds when the State receives claims for repayment from the federal government

I am reducing this item by $30,000,000 and taking a corresponding action in Item 4260-101-890 by reducing $30,000,000 in federal funds to reflect a revision of the Medi-Cal checkwrite schedule for 1988–89 The revised schedule includes 47 checkwrites, rather than the 48 listed in Medical Services Bulletin number 155. These funds will be paid to providers as part of the regularly scheduled checkwrites in 1989–90

This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am deleting Provision 26 which requires the Department of Health Services to eliminate the rate differential for Caesarean sections and instead establish a rate of reimbursement for vaginal and Caesarean births which is a weighted average of the existing two Medi-Cal rates.

The Medi-Cal program is intended to be operated in conformity with State and/or Federal laws. The calculation of reimbursement rates for providers reflects an analysis of provider costs This Provision would have impermissibly substituted an arbitrary formula for the required rate calculation and, therefore, jeopardizes federal funds. Since 1983–84, Medi-Cal program expenditures have increased by $2 2 billion or 55.3 percent. In preparing the 1988–89 Medi-Cal budget, the Department has made improving access to maternity care its highest priority. The 1988–89 Budget contains funds to increase rates for maternity services in order to expand access to medical care for pregnant women. This includes a 16 percent increase in physician rates for obstetric services and a 10.45 percent increase in clinic rates, as well as an additional $150 payment for those participating in the comprehensive perinatal program who provide nine or more office visits beginning in the first trimester of pregnancy. This follows an increase in physician reimbursement rates for maternity services of 26.5 percent in 1986–87.

Finally, I am deleting $71,272,000 in reimbursements contained in this item. These funds were originally added to support Medi-Cal expenditures for refugees and eligible legalized aliens However, later action by the Legislature provided the necessary expenditure authority for refugee services in Item 4260-103-890, and for eligible legalized aliens in Section 23.50 of the Budget Act. Therefore, reimbursement expenditure authority is no longer needed for these purposes.

Item 4260-101-890—For local assistance, Department of Health Services, for transfer to Item 4260-101-001. I reduce this item from $3,119,838,000 to $3,067,547,000.

I am deleting the $3,291,000 legislative augmentation to increase the Medi-Cal perinatal services rate by 18 8 percent. This corresponds to my action on this issue in Item 4260-101-001

I am deleting the $4,000,000 legislative augmentation to expand Medi-Cal eligibility for prenatal care to 185 percent of the federal poverty level This corresponds to my action on this issue in Item 4260-101-001.

I am deleting the $5,000,000 legislative augmentation to be allocated to hospitals designated as trauma centers or to hospitals providing complex emergency Medi-Cal services. This corresponds to my action on this issue in Item 4260-101-001

I am deleting the $10,000,000 legislative augmentation to increase rates for disproportionate outpatient services. This corresponds to my action on this issue in Item 4260-101-001

I am reducing this item by $30,000,000 to reflect the revision of the Medi-Cal checkwrite schedule for 1988–89 This corresponds to my action on this issue in Item 4260-101-001

Item 4260-106-001—For local assistance, Department of Health Services, for cost-of-living increases. I reduce this item from $53,072,000 to $52,493,000 by reducing:

(a) 50.11-Benefits (Medical Care and Services) (for transfer to Item 4260-101-001) from $53,672,000 to $52,493,000,

and by deleting Provisions 1 and 2

I am reducing the legislative augmentation for implementation of the new minimum wage requirement by $579,000, from $14,400,000 to $13,821,000, in this item and by reducing $589,000 in federal funds, from $14,300,000 to 13,711,000, in Item 4260-106-890 The amounts I have retained in this item and in federal funds are consistent with the most recent minimum wage rate study completed by the Department of Health Services and will allow the Department to increase rates sufficiently to fully fund the cost of California's new minimum wage.

I am deleting Provision 1 which requires the Department of Health Services to adopt regulations to increase the reimbursement rate for long-term care providers to reflect the impact of the minimum wage. This provision is unnecessary because the State Medi-Cal Plan requires the Department prospectively to adjust reimbursement rates for long-term care providers when State or federal laws or regulations impose additional costs on long-term care providers Furthermore, federal regulations specify that rates must be adequate to meet costs which must be incurred by efficiently and economically operated facilities.

In addition, this provision requires the Department of Health Services to increase long-term care rates by a specific weighted average for each patient day in order to implement minimum wage requirements. The weighted average rate increase required by this provision is inconsistent with the most recent minimum wage rate study completed by the Department and would result in additional Medi-Cal costs of $1,168,000 ($579,000 General Fund). Moreover, even the current weighted average is an estimate which is subject to change in 1988–89, depending on the patterns of utilization within each of the peer groupings which have different rates. Therefore, because of the differences in rates among peer groups, establishing a specific weighted average rate adjustment in statute could require the Department to spend more than is necessary to fund the cost of the minimum wage.

I am deleting Provision 2 which establishes a wage pass through requirement for long-term care provider reimbursement rates. This requirement is unnecessary since Title 8, California Administrative Code, Section 11000 (Order No. MW-88) implements the recent order of the Industrial Welfare Commission to increase the minimum wage to $4.25 per hour, effective July 1, 1988. This order, which is

enforceable by the Labor Commissioner, applies generally throughout California and includes work performed in long-term care facilities. Therefore, a statute which requires this wage increase to be made would be redundant. In addition, the auditing requirement contained in this provision for the purpose of monitoring wage pass through compliance would increase costs by $644,000 ($322,000 General Fund) and 12 positions beginning in 1989-90.

With these actions, my budget contains $27,532,000 for implementation of the minimum wage and $67,361,000 for a cost-of-living adjustment for the long-term care reimbursement rate Approximately two-thirds of the cost-of-living adjustment represents funds to be used for wages and benefits for non-administrative employees.

Finally, I am reducing the Benefits category in this item by $600,000 to correct an error in the enrolled budget bill. This bill schedules $53,672,000 in category (a) 50.11-Benefits (Medical Case and Services) (for transfer to Item 4260-101-001), while appropriating only $53,072,000 in this item and not scheduling any other funds.

Item 4260-106-890—For local assistance, Department of Health Services, for cost-of-living increases I reduce this item from $52,820,000 to $52,231,000 by reducing:

(a) 50 11-Benefits (Medical Care and Services) (for transfer to Item 4260-101-890) from $52,820,000 to $52,231,000.

I am reducing the $14,300,000 legislative augmentation for the minimum wage rate increase for long-term care providers in this item by $589,000. This corresponds to my action on this issue in Item 4260-106-001.

Item 4260-111-001—For local assistance, Department of Health Services. I reduce this item from $1,188,605,200 to $1,164,623,000 by reducing·

(a) 11-Preventive Medical Services from $8,086,200 to $7,816,000

(b) 15-AIDS from $49,549,000 to $37,199,000

(c) 20-Family Health Services from $144,210,000 to $133,048,000

(d) 40-Rural and Community Health from $986,760,000 to $986,560,000,

and by deleting Provisions 1(c), 1(e), 2(b), 2(i), 2(j), 2(k), 2(o), 2(p), 2(q), 2(r), 3(f), 3(h), 3(i), 3(j), and 4(e).

I am deleting the legislative augmentation of $170,200 to expand the State's groundwater testing program. Chapter 818, Statutes of 1985, requires the Department of Health Services to assist local health officers in evaluating small public water systems for organic chemical contamination. A total of $4,538,000 has been appropriated since 1985-86 for this purpose. According to the Department, the appropriation is sufficient to carry out the evaluation of small water systems required by Chapter 818. In addition, this augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 1(c) to conform to this action.

I am deleting the $100,000 legislative augmentation to expand the Dental Disease Prevention Program. Chapter 1134, Statutes of 1979, established the Dental Disease Prevention Program which authorizes the Department to contract with county health departments and school districts to provide dental education and prevention services to children. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 1(e) to conform to this action.

I am deleting the $500,000 legislative augmentation which would fund local comprehensive AIDS plans. Many of the counties which receive various sources of funding for AIDS programs, including from the State AIDS Community Block Grant program, already have developed comprehensive AIDS plans and other counties are now in the process of developing them In addition, the Department of Health Services holds an annual statewide AIDS conference for the purpose of providing updates on AIDS information and issues to assist in coordination and planning and to provide contractors with a forum to exchange program experiences. I believe that it is appropriate for the State to continue to provide this technical assistance and for counties to use their AIDS Block Grant monies for planning purposes if they so choose.

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However, I do not support providing additional State funding for local planning on the basis that development of local plans is a local responsibility.

I am deleting Provision 2(b) to conform with this action.

I am deleting the $2,000,000 legislative augmentation for AIDS home health care, attendant care, and hospice projects. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties The 1988–89 Budget already provides for a substantial increase for these treatment pilot projects Funding for 1988–89 is proposed at $4.1 million compared to $1.5 million for 1986–87, a $2.6 million or 173.3 percent increase In addition, I am supporting language added by the Legislature in Provisions 2(l) and 2(n) of this item which would provide additional funding for these projects to the extent there are savings associated with the AIDS Home and Community Based Waiver and AIDS Pediatric programs. Furthermore, I am supporting the Legislature's reappropriation language in Item 4260-490(3) which would make savings in 1987–88 AIDS programs available for three AIDS activities during 1988–89, including home and community-based services.

I am deleting the $4,000,000 legislative augmentation for the establishment of health screening and outpatient treatment programs for asymptomatic HIV-infected people The Office of AIDS is currently funding two pilot projects to provide these services The projects began operation in March, 1988 in Long Beach and Santa Clara at a cost of $200,000 per center The Legislature's augmentation would provide startup funding for 20 additional centers at a cost of $200,000 per center While outpatient treatment services are a priority of this Administration, given the unexpected revenue shortfall in the General Fund and the need to ensure that a prudent reserve for economic uncertainties will be maintained, I am unable to provide any additional funding for this purpose In addition, because the two existing pilot projects just began operation, I believe that this augmentation is premature

I am deleting Provision 2(o) to conform to this action

I am deleting the $100,000 legislative augmentation to assess the feasibility of serving persons with AIDS in an adult day health care setting. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. Under my Administration, the AIDS budget has also experienced significant growth. Statewide, the AIDS General Fund budget is increasing from $52 7 million in 1987–88 to $67.3 million in 1988–89, or by $14.6 million. This represents a 27 7 percent increase in the General Fund budget since I became Governor and State funding for AIDS was first provided. In addition, an AIDS Leadership Committee was recently formed consisting of State and local agencies, health professionals, AIDS experts, insurance and public safety representatives, and others This committee will be providing me with advice and direction concerning AIDS issues and policies

I am deleting Provision 2(p) to conform to this action.

I am deleting the $225,000 legislative augmentation for the Barlow Hospice Center in Los Angeles. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting the $1,500,000 legislative augmentation for early AIDS intervention for intravenous drug users (IVDUs). This augmentation proposes to expand outreach programs aimed at the IVDUs I have proposed that the Office of AIDS' information and education budget increase from $11 1 million in 1987–88 to $15.1 million in 1988–89, or by $4 million This represents an increase of 36 percent over the 1987–88 budget These funds are available for use by programs directed at IVDUs, including outreach activities. In addition, I am supporting the Legislature's reappropriation language in Item 4260-490(3) which would make savings in 1987–88 AIDS programs available for three AIDS activities during 1988–89, including outreach to IVDUs

I am deleting Provision 2(r) to conform to this action.

I am deleting the $500,000 legislative augmentation for the establishment of

resource centers for AIDS prevention and education contractors to provide technical assistance on training of health professionals and on management and programmatic issues. This augmentation would provide additional funding for the existing San Francisco center and for the establishment of a new center in Southern California. The 1988–89 Budget for AIDS information and education grants has increased from $11.1 million in 1987–88 to $15.1 million in 1988–89, or by $4 million, and is available for programs including training of health care professionals and health care workers. These funds are allocated by the Office of AIDS based upon need. These funds should continue to be allocated based upon the Department's review of the competing contracts and available resources and not arbitrarily augmented for specific contractors

I am deleting Provision 2(i) to conform to this action.

I am deleting the $250,000 legislative augmentation which would provide increased funding for an evaluation of AIDS information and education activities. The 1988–89 Budget already includes $500,000 for an evaluation of the various information and education activities administered by the Office of AIDS. The funding provided in the base budget is sufficient for completion of the evaluation. Therefore, this augmentation is unnecessary.

I am deleting Provision 2(k) to conform to this action.

I am deleting the $2,000,000 legislative augmentation for additional AIDS education contracts for publicly funded clinics. This augmentation would add funding for education contracts for family planning, maternal and child health, primary care, and sexually transmitted disease clinics. The 1988–89 Budget for the Office of AIDS includes $15.1 million for information and education grants, or $4 million (36 percent) more than the 1987–88 budget of $11.1 million. These grant funds are available on a competitive basis to various contractors throughout the State and publicly funded clinics are eligible to compete for these information and education grants. My 1988–89 General Fund budget for AIDS also includes $2,571,000 for confidential testing in publicly funded clinics. The clinics which provide confidential testing also receive education funding for clients as part of the reimbursement process for HIV testing. In addition, I am supporting the Legislature's reappropriation language in Item 4260-490(3) which would make savings in 1987–88 AIDS programs available for three AIDS activities during 1988–89, including education of high-risk people served in publicly funded clinics

I am deleting Provision 2(j) to conform to this action.

I am deleting the $125,000 legislative augmentation to provide additional training funds for the California Nurses Association (CNA) contract with the Office of AIDS. The Office of AIDS receives requests from many different organizations for funding to train health care professionals. Not only has the CNA requested funding, but there are various professional organizations which have requested funding to obtain training from organizations other than the CNA Therefore, the Office of AIDS has attempted to distribute available funds in an equitable manner to organizations competing for health care training monies. Contract funds for training of health care workers and professionals total $1,011,000 in 1988–89 compared to $734,000 in 1987–88, an increase of $277,000 (37.7 percent increase). Of the total, the CNA contract is budgeted at $225,000 for 1988–89 with the remaining budget provided to other organizations based on the Department's review of total training needs. I also cannot support an augmentation for additional training funds due to the unexpected revenue shortfall in the General Fund and the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting the $150,000 legislative augmentation to fund two demonstration projects to assess the need to provide funding to lawyers who provide services to indigent people with AIDS or HIV infection. Currently, legal services to county indigents are the responsibility of the counties, with the exception of major criminal cases in which the State may provide assistance. I believe that the counties should continue to be responsible for funding these legal services.

I am deleting Provision 2(q) to conform to this action.

I am reducing the Alternative Test Site (ATS) program in the amount of $1,000,000. My January budget proposed to increase the ATS program budget from $5.4 million

to $6.4 million to fund an anticipated increase in the number of tests per month from 11,000 to 13,000. The most recent utilization data indicates, however, that monthly testing has not exceeded 11,000 tests.

I am reducing this item by $5,112,000 to reflect a shift in funding from the General Fund to federal funds for the Maternal and Child Health (MCH) program. Subsequent to the development of my 1988–89 Budget, the Department of Health Services learned that $5,612,000 in additional federal funds would be available in 1988–89 for MCH services. I am reducing the MCH General Fund budget by $5,112,000 to reflect these additional federal funds and retaining $500,000 to be used for case management services which will help ensure that low-income pregnant women and their children receive essential MCH services. This fund shift is necessitated by the unexpected revenue shortfall in the General Fund and the need to ensure that a prudent reserve for economic uncertainties will be maintained. Even with this fund shift, the MCH budget has doubled under my Administration from $15.3 million in 1982–83 to $30.7 million in 1988–89. In addition, I am retaining language added in Provision 3(d) which would require contractors to bill the Medi-Cal program for services provided to Medi-Cal eligibles. This language will allow for an expansion of MCH services by maximizing the use of federal funds and freeing up General Fund monies which can be redirected to fund additional services.

I am reducing the $500,000 legislative augmentation to this item which, when combined with a like augmentation to Control Section 23.50, would provide a total of $1,000,000 for prenatal care to high-risk pregnant women, of which $500,000 would be targeted for outreach services to eligible legalized aliens (ELAs). I have provided $500,000 in federal funds in Control Section 23.50 for outreach services to ELAs and, additionally, am sustaining the $500,000 federal fund augmentation to the same Control Section for this purpose My action will allow outreach services to be provided on a coordinated basis by the Health and Welfare Agency.

I am deletng Provision 3(i) to conform with my action.

I am deleting the $1,000,000 legislative augmentation to expand the Community-Based Perinatal Services program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. The 1988–89 Budget contains $30.7 million for Maternal and Child Health services. This represents a 101 percent increase over the 1982–83 budget of $15.3 million for this program.

I am deleting the $2,000,000 legislative augmentation to expand the Child Health and Disability Prevention Program (CHDP) to provide three health screens for children age 13–29 months. Currently, only one health screen is provided for this age group. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. The 1988–89 Budget includes $22.8 million for the CHDP program. This amount represents an increase of $2 9 million (14.6 percent) over the 1987–88 budget of $19.9 million.

I am deleting Provision 3(j) to conform to this action.

I am deleting the $50,000 legislative augmentation to provide funding for the Edward R. Roybal dental clinic in Los Angeles County. The Department had funded this clinic in previous years utilizing discretionary federal MCH funds. I believe that it is inappropriate to use General Fund monies for this clinic when other dental programs serving low-income children are funded either through Medi-Cal or the county in which the clinic is located. To make an exception for the Roybal dental clinic could set an undesireable precedent for the use of State General Fund monies to support other county dental programs.

I am deleting the $1,500,000 legislative augmentation to expand the Adolescent Family Life program. The program is currently budgeted at $5 million and this augmentation would represent a 30 percent increase in funding. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 3(f) which would authorize the Department to allocate up to $425,000 of the funds in this item to support school-based health clinics in California. This language would have allowed the Department to spend up to $425,000 in the public health local assistance item for the operation of school-based health clinics. This Provision constitutes an item of appropriation which I cannot support because it would be at the expense of ongoing AIDS, Maternal and Child Health, California Children's Services, and other public health programs. In addition, school districts are provided with over $12 billion in general purpose and categorical funds that can be used for school-based health clinics. The Department of Education also has budgeted $574,000 in 1988–89 to develop curriculum as well as pamphlets and flyers regarding available health services.

I am deleting the $1,000,000 legislative augmentation to expand Chlamydia testing and treatment services. My budget for the Office of Family Planning includes $34 2 million for contracts with various agencies to provide family planning services. These funds are available for various services, including testing and treatment of sexually transmitted diseases such as Chlamydia.

I am deleting Provision 3(h) to conform to this action

I am deleting the $200,000 legislative augmentation to provide technical assistance and fiscal support to county hospitals which are threatened with closure due to financial problems This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 4(e) to conform to this action

Item 4260-116-001—For cost-of-living increases, Department of Health Services I reduce this item from $31,829,000 to $21,829,000.

I am deleting the $10,000,000 legislative augmentation to fund a cost-of-living adjustment for the Medically Indigent Services Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties

Item 4260-121-001—For local assistance, Department of Health Services, (Alzheimer's Disease Program). I reduce this item from $9,964,250 to $2,214,250.

I am reducing $7,750,000 of the $9,964,250 legislative augmentation to expand the Department of Health Services' Alzheimer's Disease program. This augmentation consists of a redirection of $2,214,250 in existing funds from Item 4260-001-001 ($465,250) and Item 4260-111-001 ($1,749,000) as well as an augmentation of $7,750,000 for a program expansion I am retaining the $2,214,250 needed to continue current Alzheimer's Disease activities. I am deleting the additional $7,750,000 for research and diagnostic and treatment centers because this augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Item 4260-495—Reversion, Department of Health Services. I revise the language in this item.

I am revising the language in this item to conform to the action I have taken in Item 4260-011-014.

"Item 4260-495—Reversion, Department of Health Services

As of June 30, 1988, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.

710—Hazardous Substance Cleanup Fund

(1) Chapter 1439, Statutes of 1985, ~~$31,355,000~~ *$30,545,000* appropriated for site cleanup."

Item 4300-001-001—For support of Department of Developmental Services. I reduce this item from $13,422,000 to $13,287,000 by reducing·

(a) 10-Community Services Program from $10,313,000 to $10,312,000,

and by adding:

Unallocated Reduction —$134,000,

and by revising Provisions 4 and 5, and deleting Provisions 6 and 7.

I am deleting $1,000, revising Provisions 4 and 5 and deleting Provisions 6 and 7 to eliminate unnecessary administrative costs. Although no augmentations are associated with these provisions, there will be administrative costs incurred to comply with the requirements of these provisions. I am reducing $1,000 to reflect savings that will be achieved based on vetoing language contained in these provisions.

I am revising Provisions 4 and 5 regarding the P.L. 99-457 Early Intervention Program to remove the portion that requires 30-day legislative notification and consideration before the Department of Developmental Services may apply for third year federal grant funds. Currently, the Legislature is notified after grant funds are received but before the funds are spent. I believe that this language would establish a precedent in requiring legislative notification prior to the application for federal funds, thereby adding to the bureaucracy unnecessarily.

"4. ~~The Department of Developmental Services shall not apply for third year funding for the Early Intervention Program under Public Law 99-457, without 30-day notification of and consideration by the Joint Legislative Budget Committee. Upon approval from the Director of the Department of Finance, the department may submit a letter of intent for third year federal funding, if required by the federal government.~~ By April 1, 1989, the Department of Developmental Services shall report to the Joint Legislative Budget Committee, the fiscal, and the relevant policy committees of the Assembly and Senate on the status of: ~~(a)~~ the ~~objectives as defined in the approved~~ federal grant under Public Law 99-457; ~~and (b) the Department's activities and timelines~~ for ~~addressing~~ the federal ~~requirements pursuant to Section 676(b) of P.L. 99-457.~~

5. ~~The department shall report to the Joint Legislative Budget Committee and the fiscal and policy committees on~~ all of the following:

(1) The administration's recommended options for defining "developmental delay."

(2) The estimated cost of implementing the federally mandated program for Early Intervention Services utilizing these definitions.

(3) The administration's recommendation on whether or not to apply for third-year funding.

(4) The aspects of the proposal which require legislative action.

(5) The department shall only submit this report if the federal government requires states to submit a comprehensive application for third-year funds during the 1988–89 fiscal year."

I am deleting Provisions 6 and 7 which require establishment of a Hispanic Advisory Committee and a series of evaluations to assist in meeting minority employment parity goals and applying these goals to Developmental Center staffing plans as well as contracted services. I concur that improving underrepresentation of Hispanics is an important goal. However, I believe there is a more productive way to accomplish the increased hiring of Hispanics in Health and Welfare programs. Therefore, I am directing the Health and Welfare Agency to designate a position to examine these issues on an Agency-wide basis, including the establishment of an advisory committee to assist the Agency with its efforts. Minority issues are better served by an Agency-wide process.

I am reducing this item by $134,000 for a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 4300-002-001—For the purpose of a report to the Legislature which shall include written notification of approval of the State Plan and written assurances of eligibility for federal reimbursement for case management services under the Medicaid/Case Management Program (Title XIX) as allowed under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 or approval of a request

pursuant to Section 27.00 of this act. I reduce this item from $6,795,000 to $6,727,000 by adding:

Unallocated Reduction −$68,000.

I am reducing this item by $68,000 for a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers. I reduce this item from $428,857,000 to $426,533,000 by reducing·

10.10-Regional Centers

(a) 10.10 010-Operations from $133,098,000 to $131,045,000,

(c) 10 20.010-Program Development from $3,774,000 to $3,503,000,

and by deleting Provision 8.

I am deleting Provision 8 which specifies that the amount of prior year federal reimbursement to be received for case management services provided by regional centers be made available to regional center operations. This language which constitutes an item of appropriation, is contrary to my belief that any excess reimbursements should revert to the General Fund in order to compete for expenditure for high priority programs. In addition, Provision 8 specifies that of the funds appropriated in this item, $1,100,000 General Fund shall be made available to regional centers for costs associated with rent increases. Regional centers are currently reimbursed for all allowable operation costs through appropriations contained in the Budget Act so this allocation is an unwarranted restriction on the Executive Branch's authority to manage the programs.

I am deleting the $271,000 to expand the pilot regional resource development project to include Agnews State Developmental Center. These funds were proposed for reduction as part of the May Revision; however, the Legislature failed to adopt this reduction.

Further, I am reducing the regional center employee compensation adjustment in the amount of $2,053,000. I am retaining $625,000 which will provide up to a 6 percent salary and a 1 percent benefit increase package effective June 1, 1989. This conforms with my action on Item 9800-001-001. It has been the Administration's policy to tie the employee compensation increase for regional centers with that of State employees.

These reductions are necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs Although I am making these reductions in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 4300-111-001—For local assistance, Department of Developmental Services, for Developmental Centers. I reduce this item from $39,397,000 to $36,627,000 by reducing:

(a) 20-Developmental Centers Program from $493,591,000 to $490,653,000,

(b) Reimbursements from −$453,338,000 to −$453,170,000,

and by deleting Provision 4.

I am reducing this item by $1,770,000, the scheduled reimbursements in this item by $168,000 and 54.6 personnel years for Developmental Center salary savings.

In addition, I am reducing this item by $1,000,000 for Developmental Center recurring maintenance.

These reductions are necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making these reductions in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am deleting Provision 4 to conform with this action.

Item 4440-001-001—For support of Department of Mental Health I reduce this item from $23,594,000 to $23,210,000 by reducing:

(a) 10-Community Services from $17,898,000 to $17,748,000,

and by adding:

Unallocated Reduction —$234,000.

I am deleting the $150,000 legislative augmentation to fund support activities for AIDS programs. Specifically, this augmentation consists of $75,000 to provide technical assistance to local programs and $75,000 for AIDS related administrative costs within the Department of Mental Health. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and is simply inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties

I am reducing this item by $234,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 4440-011-001—For support of the State Hospitals, Department of Mental Health. I reduce this item from $313,648,000 to $313,466,000 by reducing.

(a) 20.10-Lanterman-Petris-Short Act from $190,711,000 to $190,697,000 and

(b) 20.20-Penal Code and Judicially Committed from $122,937,000 to $122,769,000,

I am deleting the $14,000 legislative augmentation for the continuation of the Arts Program at Napa State Hospital. The Department expects to receive continued funding from the California Arts Council for this program in 1988–89. However, even if this funding is not continued, the Department of Mental Health plans to continue this program within existing resources.

Additionally, I am reducing the State Hospital program by $168,000 to conform with an action in the Department of Developmental Services, Item 4300-111-001. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 4440-016-001—For support, Department of Mental Health, for Conditional Release Services. I reduce this item from $18,091,000 to $17,910,000.

I am reducing this item by $181,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 4440-101-001—For local assistance, Department of Mental Health. I reduce this item from $524,934,000 to $493,574,000 by reducing.

(b) 10.25-Community Services—other treatment from $547,702,000 to $522,702,000,

(e) 10.65-Residential Care Services from $16,057,000 to $14,057,000,

(g) 10.85-AIDS from $5,060,000 to $700,000,

and by deleting Provision 12.

I am deleting the $100,000 legislative augmentation to provide additional funding for the Hemophilia Council to provide an expansion of services for hemophiliacs with AIDS and their families

I am deleting the $4,260,000 legislative augmentation to expand AIDS related mental health programs. This augmentation includes $2,510,000 for community mental health programs; $350,000 for four demonstration projects for mental health day treatment programs for persons who are HIV positive but who do not have severe medical complications; $950,000 for one psychiatric/medical unit to serve Medi-Cal eligible patients who require acute or subacute care in a distinct part of a medical facility; and $450,000 for a demonstration project of two locked facilities for Medi-Cal eligible persons who require lower than an acute level of care but whose behavior poses a danger to themselves or to others.

Furthermore, an AIDS Leadership Committee was recently formed consisting of State and local agencies, health professionals, AIDS experts, insurance and public

safety representatives, and others. This committee will be providing me with advice and direction concerning AIDS issues and policies.

I am deleting the $2,000,000 legislative augmentation to expand the residential care rate supplement program.

I am also deleting the $25,000,000 legislative augmentation for the community mental health services.

These augmentations were made by the Legislature despite the lower revenue available to the General Fund, and simply are inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 12 to conform with this action.

Item 4440-111-001—For local assistance, Department of Mental Health, for services to brain damaged adults. I reduce this item from $5,357,000 to $4,357,000, and delete Provisions 1 and 2.

I am deleting the legislative augmentation of $1,000,000 to expand the brain damaged adults program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. The 1988–89 Budget provides $4,357,000 for this program which reflects a 33.8 percent growth over the 1987–88 budgeted level.

I am also deleting Provisions 1 and 2 to conform with my actions.

Item 4440-141-001—For local assistance, Department of Mental Health, for services provided in institutions for mental diseases. I delete Provision 12.5.

Provision 12 5 provides that any excess reimbursements collected in this item would revert to the Department of Mental Health for reallocation to the Community Services Program. This provision constitutes an item of appropriation which I cannot support. I believe that any excess reimbursements from this program should revert to the General Fund in order to compete for expenditure for high priority programs.

Item 5100-001-001—For support of Employment Development Department, for transfer to Item 5100-001-870. I reduce this item from $29,753,000 to $29,456,000.

I am reducing this item by $297,000 for an unallocated General Fund reduction to conform with my action in Item 5100-001-870.

Item 5100-001-870—For support of Employment Development Department. I reduce this item from $342,690,000 to $342,196,000 by reducing:

(a) 10-Employment and Employment Related Services from $149,558,000 to $149,064,000.

(g) Amount payable from the General Fund (Item 5100-001-001) from −$29,753,000 to −$29,456,000,

and by increasing.

(ex) Unallocated Reduction from −$300,000 to −$597,000.

I am deleting the legislative augmentation of $50,000 that would have provided funding for the California Council for Veterans' Affairs' job training project as the 1988–89 Budget contains $1.6 million in Job Training Partnership Act Title IV-C funds for veterans' job training projects to be awarded on a competitive basis to applicants. I have been informed that the Council has submitted a grant proposal for these Federal funds. The Council's training project should compete on merit for the available Title IV-C funds.

I am deleting the legislative augmentation of $444,000 and 2 positions that would have provided additional funding for the IMPACT project. This project provides job training, continuing education or military enlistment opportunities for minority inner-city youth. The IMPACT project is currently being funded by a disproportionately large percentage of the Wagner-Peyser discretionary funds available for such innovative training projects. There is no basis for committing more of the available funds for further program expansion.

I am reducing this item by $297,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will

continue to provide essential services to Californians.

Item 5100-011-890—For support of Employment Development Department, for transfer to the Unemployment Administration Fund. I reduce this item from ($342,690,000) to ($342,196,000)

I am reducing this item by $494,000 to conform with my actions in Item 5100-001-870 as follows:

I am deleting a $444,000 legislative augmentation that would have provided additional funding for Project IMPACT.

I am also deleting a $50,000 legislative augmentation that would have provided funding for a California Council for Veterans' Affairs' job training project.

Item 5160-001-001—For support of Department of Rehabilitation. I reduce this item from $22,562,000 to $20,770,000 by reducing.

(a) 10-Vocational Rehabilitation Services from $148,849,000 to $147,268,000,

(c) 30-Support of Community Facilities from $5,332,000 to $5,331,000,

and by increasing:

(ex) Unallocated Reduction from —$228,000 to —$438,000,

and by deleting Provision 4

I am reducing $1,000 and deleting Provision 4 which would require the Department of Rehabilitation to report to the Legislature on a variety of issues regarding Independent Living Centers and provide written assurances from the federal government on the approval status of California's plan This language is unnecessarily restrictive since the Department has no control over the federal government's provision of written assurances. This report would cost at least $1,000 to prepare Although reporting costs have not been budgeted in 1988–89, I am reducing $1,000 to reflect savings that will be achieved based on vetoing the language contained in Provision 4 of this item.

I am reducing this item by $1,581,000 for the basic Vocational Rehabilitation Program. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6 9 percent. I believe this remaining amount will continue to provide essential services to Californians. I am not reducing the amount of matching Federal Funds or the 199 positions budgeted at this time I am directing the Department of Rehabilitation to pursue, to the extent possible, other third-party matching funds. The Department of Rehabilitation shall not expend any of these federal funds or establish any of the 199 positions until it has notified and received approval by the Department of Finance of the Department's plans for expenditure of these funds and identified the other matching funds This will allow the Department the flexibility of maintaining these funds should other matching funds become available.

I am reducing this item by $210,000 for a one percent unallocated reduction This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 5160-101-001—For local assistance, Department of Rehabilitation. I reduce this item from $77,936,000 to $77,570,000 by reducing:

(a) 10-Vocational Rehabilitation Services from $532,000 to $507,000,

(c) 30-Support of Community Facilities from $5,465,000 to $5,124,000,

and by deleting Provision 3.

I am deleting the legislative augmentations of $25,000 for the Center for the Partially Sighted in Santa Monica and $341,000 for the Independent Living Center Program These augmentations were made by the Legislature despite the lower revenue available to the General Fund, and simply are inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 3 to conform with this action.

Item 5180-001-001—For support of Department of Social Services. I reduce this item

from $80,230,000 to $79,426,000 by reducing:

(b) 20-Social Services Programs from $27,413,000 to $27,412,000,

(f) 60.01-Administration from $73,967,000 to $73,966,000,

and increasing:

(gx) Unallocated Reduction from −$800,000 to −$1,602,000,

and deleting Provisions 7 and 8.

I am reducing this item by $802,000 for a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians Furthermore, an AIDS Leadership Committee was recently formed consisting of State and local agencies, health professionals, AIDS experts, insurance and public safety representatives, and others. This committee will be providing me with advice and direction concerning AIDS issues and policies.

I am also reducing this item by $1,000 and deleting Provision 7. Provision 7 would require the Department to develop a book on Mexican sign language by January 1, 1989. Although book development costs have not been budgeted in 1988–89, I am reducing $1,000 to reflect savings that will be achieved based on vetoing language contained in provision 7 of this item.

I am further reducing this item by $1,000 and deleting Provision 8 to eliminate unnecessary administrative costs. Provision 8 requires establishment of a Hispanic Advisory Committee to assess bilingual service needs and Affirmative Action practices to eliminate unnecessary administrative costs. I concur that improving under-representation of Hispanics and other minorities is an important goal. However, I believe there is a more productive way to accomplish the increased hiring of minorities and to address minority service needs in Health and Welfare programs Therefore, I am directing the Health and Welfare Agency to designate a position to examine these issues on an Agency-wide basis, including the establishment of an advisory committee to assist the Agency with its efforts. Minority issues are better served by an Agency-wide process.

Item 5180-141-001—For local assistance, Department of Social Services. I revise Provision 8.

I am revising Provision 8. It is my understanding that the Department of Social Services is required to allocate federal funds appropriated for administration of the Refugee Program on a priority basis for Cash Assistance. I am, therefore, revising this provision to be consistent with this requirement.

"8. Notwithstanding any other provision of law, if federal administrative funds budgeted in Item 5180-141-890 are inadequate to fund costs incurred in the administration of the Refugee ~~Cash Assistance~~ Program provided to time eligible refugees, the department shall share those costs ~~equally~~ with each affected county."

Item 5180-151-001—For local assistance, Department of Social Services. I reduce this item from $775,398,000 to $765,798,000 by reducing:

(a) 20.30-Other County Social Services from $390,240,000 to $389,240,000,

(2) 20.30.030-County Services Block Grant from $68,825,000 to $67,825,000,

(b) 20.35-Specialized Adult Services from $566,939,000 to $558,339,000,

(1) 20.35.220-In-Home Supportive Services from $561,243,000 to $552,743,000, and

(2) 20.35.240-Maternity Care from $2,254,000 to $2,154,000,

and deleting Provisions 17 and 18.

I am deleting the $1,000,000 legislative augmentation to expand the Adult Protective Services Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. Even with this reduction the final budget will provide $1.2 million for the extension of five county pilot projects which represents an increase of $800,000 over the 1987–88 funding level.

I am also reducing the In-Home Supportive Services (IHSS) Program in the amount of $8,500,000 to reflect a reduced level of average service hours over the level

estimated in the May Revision. The Department of Social Services indicates that the IHSS program continues to experience a reduced level of service hours since the May Revision. Consequently, I believe it is reasonable to assume that while hours of service will continue to increase they will not increase at the 3 percent rate estimated but at a more moderate rate of 1.5 percent

I am reducing the Maternity Care program in the amount of $100,000 and deleting Provision 18. Provision 18 specifies how the funds for this program shall be allocated in 1988–89. The effect of this language is to provide a discretionary cost-of-living adjustment (COLA) for this program. This action would create inequities among other equally critical programs that are not being provided COLAs due to the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am deleting Provision 17 because it prohibits counties from contracting out discretionary functions of the Greater Avenues for Independence (GAIN) program and would restrict a county's authority to consider operational alternatives which may prove to be beneficial and less costly to the State. Therefore, I believe this Provision interferes with the Administration's ability to manage its programs and would invariably result in increased costs to the state

Item 5180-181-001—For local assistance, Department of Social Services. I reduce this item from $228,534,000 to $221,954,000 by reducing:

(a) 10.04.005-Aid to Families with Dependent Children (for transfer to Item 5180-101-001) from $213,237,000 to $203,242,000,

(f) Amount payable from the Federal Trust Fund (Item 5180-181-890) from −$133,713,000 to −$130,298,000,

and deleting Provision 1.

I am deleting $6,580,000 from this item and $3,415,000 in the Federal Trust Fund Item (5180-181-890) which the Legislature augmented to provide for a 4.7 percent cost-of-living adjustment for foster family homes. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am also deleting Provision 1 to conform to this action.

Item 5180-181-890—For local assistance, Department of Social Services. I reduce this item from $133,713,000 to $130,298,000.

I am reducing this item by $3,415,000 which the Legislature augmented to provide for a 4.7 percent cost-of-living adjustment for foster family homes. This action reduces the amount payable from this item to 5180-181-001. This action corresponds to the action taken in Item 5180-181-001.

Item 5240-001-001—For support of Department of Corrections. I reduce this item from $1,414,178,000 to $1,413,980,000 by reducing:

(a) 21-Institution Program from $1,423,106,160 to $1,422,888,160,

and deleting Provision 9.

I am deleting the legislative augmentation of $18,000 to purchase handheld radios at Mule Creek State Prison. The Mule Creek facility was allocated the standard complement of equipment for new prisons which included the necessary telecommunications equipment.

I am deleting the legislative augmentation of one position to support additional AIDS education and training, as well as the $200,000 which the Legislature redirected from increased salary savings to fund this augmentation. The budget already provides an increase of one position and $300,000 for AIDS education and training for staff and inmates, which is adequate for this purpose.

I am deleting Provision 9 to allow the Department of Corrections to use cost savings that may accrue from the contract for the psychiatric beds. In the event that the Department is unable to obtain these services from the Department of Mental Health,

this language would preclude using these funds to provide alternative inmate treatment and housing services, thereby, potentially causing a funding deficiency during 1988–89 Also, this language unnecessarily restricts the Department's administrative flexibility to achieve the budgeted unallocated reduction while providing critical inmate services and assuring the safety of staff.

Item 5440-001-001—For support of Board of Prison Terms, Program 10. I reduce this item from $10,038,000 to $9,938,000 by increasing:

(b) Unallocated Reduction from −$205,000 to −$305,000.

I am reducing this item in the amount of $100,000, which represents a one percent unallocated reduction This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 5460-001-001—For support of Department of the Youth Authority. I reduce this item from $257,198,000 to $257,054,000 by reducing:

(b) 20-Institutions and Camps from $266,754,700 to $266,610,700.

I am deleting the $49,000 and 0.9 personnel year legislative augmentation for special counseling services for female wards, and the $95,000 legislative augmentation for the diet and crime research project. These augmentations were made by the Legislature despite the lower revenue available to the General Fund, and are simply inconsistent with the need to protect current, vital programs and to provide for a prudent reserve for economic uncertainties.

Item 5460-001-814—For support of Department of the Youth Authority, Program 20. I reduce this item from $674,000 to $534,000.

I am deleting the legislative augmentation of $140,000 for an Arts-in-Youth Authority program. The Department of the Youth Authority budget already includes approximately $1.3 million and 23 instructor positions to provide 31 different arts and crafts courses. These resources are adequate to meet the needs during 1988–89. Also, the Budget Act provides the authorization to use additional lottery funds, if available.

Item 5460-101-001—For local assistance, Department of the Youth Authority. I reduce this item from $74,855,000 to $74,705,000 by reducing:

(a) 10-Prevention and Community Corrections from $70,255,000 to $70,105,000.

I am deleting the $150,000 legislative augmentation for the environmentally-based nonresidential treatment program in Monterey County This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and to provide for a prudent reserve for economic uncertainties.

Item 6110-001-001—For support of Department of Education. I reduce this item from $42,163,000 to $41,355,000 by reducing:

(a) 10-Instruction from $32,118,000 to $31,848,000

(b) 20-Instructional Support from $32,572,000 to $32,326,000

(h) Amount payable from Federal Trust Fund (Item 6100-001-890) from −$38,518,000 to −$38,383,000

and by increasing:

(fx) Unallocated reduction from −$1,160,000 to −$1,587,000

I am deleting the $135,000 legislative augmentation and 3.0 positions to expand the Vocational Education programs and $120,000 legislative transfer of funding and 2.0 positions for intersegmental relations programs. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital progams and provide for a prudent reserve for economic uncertainties. Consistent with this action and my action on Item 6110-001-890, I am reducing the amount of federal funds for transfer to this Item by $135,000.

I am deleting the $126,000 legislative augmentation to continue the work experience quality review staff development activities completed pursuant to Chapter 964, Statutes of 1985 The Department of Education has completed the intended project and continued funding is not needed.

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I am reducing this item in the amount of $427,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 6110-001-344—For support of Department of Education. I reduce this item from $1,204,000 to $1,109,000.

I am deleting the legislative augmentation of $95,000 and one position for a Year-Round School coordinator. Since the workload associated with this new position will not exist until July 1, 1989, I believe that the appropriate time to review the need for this position is during the annual budget preparation process for 1989–90.

Item 6110-001-890—For support of Department of Education. I reduce this item from $38,518,000 to $38,383,000.

Consistent with my action in 6110-001-001 I am deleting the $135,000 legislative augmentation to expand the Vocational Education program.

Item 6110-161-890—For local assistance, Department of Education. I reduce this item from $164,548,000 to $163,473,000 by reducing:

(b) 10.60.050.020-PL94-142, direct and indirect instructional services from $14,271,000 to $13,196,000,

and by revising Provisions 1 and 4,

and deleting Provision 14.

I am deleting the $1,075,000 legislative augmentation from the Special Education Federal Programs. The augmentation was made by the Legislature despite the fact that the federal grant will not be sufficient to support this augmentation.

I am revising Provisions 1 and 4 to conform with this action.

"1. If the funds for Part B of the Education for All Handicapped Act that are actually received by the state exceed ~~$140,260,000~~ *$139,185,000,* at least 95 percent of the funds received in excess of ~~$140,260,000~~ *$139,185,000* shall be allocated for local entitlements. Five percent (5%) of the amount received in excess of ~~$140,260,000~~ *$139,185,000* may be used for state administrative expenses.

If the funds for Part B of the Education for All Handicapped Act that are actually received by the state are below ~~$140,260,000~~ *$139,185,000,* the reduction shall be taken in direct and indirect instructional services in the following order:

~~(a) Assembly Bill 529 of the 1987-88 Regular Session..... 75,000~~
(b) Project WorkAbility ..... ~~1,500,000~~ *500,000*
(c) LCI Impaction Growth Units..... 500,000
(d) Statewide teacher training needs assessment 50,000
(e) Program effectiveness/special studies 200,000
(ex) Comprehensive Personnel Development 1,072,000
(f) Extended Year, State Special Schools..... 1,050,000
(g) Awareness Program 400,000
(h) Assessment Centers 350,000
(i) Timpany Center 300,000
(j) Comprehensive Personnel Development 3,000,000
(k) Low incidence specialized services 1,700,000
(l) Project WorkAbility..... 1,750,000
(m) LCI Impacted Growth Units 1,000,000
(n) Infant Programs..... 2,324,000"

"4. Subject to the availability of funds in Schedule (b) of this item, up to ~~$3,250,000~~ *$2,250,000* shall be allocated to local education agencies for the purposes of Project WorkAbility I."

I am also deleting provision 14 to conform with this action.

Item 6110-166-001—For local assistance, Department of Education. I reduce this item from $8,153,000 to $8,108,000 by reducing:

(a) 10.70 Vocational Education from $24,177,000 to $24,132,000,
and by revising Provision 2
and deleting Provision 8.

I am deleting the $45,000 legislative augmentation to expand the Partnership Academies program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am revising Provision 2 to conform to this action.

"2. ~~$953,000~~ *$908,000* of the funds appropriated in this item are for the purpose of Article 5 of Chapter 9 of Part 29 of the Education Code, Partnership Academies Program."

I am also deleting Provision 8 to conform to the action I have taken in Item 6110-490.

Item 6110-196-001—For local assistance, Department of Education. I reduce this item from $319,840,000 to $317,340,000 by reducing:

(b) 30.10.020-Child Care Services from $284,023,000 to $281,523,000,
by deleting:

(b) (10.5) 30.10.020.014 Job Training Partnership Act ($2,500,000),
and deleting Provision 15.5.

I am deleting the $2,500,000 legislative augmentation to fund the Job Training Partnership Act child care program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Even with this reduction, funding for child care has increased 45 percent since the 1982–83 fiscal year.

I am deleting Provision 15 5 to conform to this action

Item 6110-226-001—For local assistance, Department of Education. I reduce this item from $14,683,000 to $14,088,000 by reducing:

(j) 30.20-Child Nutrition,

(1) 30.20.010-Child Nutrition from $1,670,000 to $1,079,000,

(2) 30 20.020-Child Nutrition, Pregnant/Lactating Minors from $13,000 to $9,000.

I am deleting the legislative augmentation to increase the cost-of-living adjustment for the Child Nutrition program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Even after these reductions, the budget provides cost-of-living adjustments of 2.65 percent for Child Nutrition, which is the same funding level required by statute.

Item 610-490—Reappropriation, Department of Education.

I delete the reappropriation made in Schedule 2 of this item for the purpose of matching Job Training Partnership Act funds. This action is necessary to achieve savings in the current year and other funding sources are available to provide sufficient matching funds for the budget year.

"(2) Item 6100-166-001, Provision 5, Budget Act of 1987, for the purpose of matching Job Training Partnership Act funds."

Item 6120-011-001—For support of Department of Education, California State Library. I reduce this item from $11,637,000 to $11,291,000 by reducing:

(a) 50-Library Services from $13,360,000 to $13,014,000.

I am deleting the $232,000 legislative augmentation and further reducing the amount of $114,000 which represents a one percent unallocated reduction for support of the California State Library. The augmentation was made by the Legislature despite the lower revenue available to the General Fund, and thus is simply inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. The further reduction is necessitated by the same consideration of General Fund revenue. This action is necessary to insure that high priority programs will continue to function and that a prudent reserve for economic uncertainties will be maintained.

Item 6120-211-001—For local assistance, Department of Education, California State Library. I reduce this item from $13,606,000 to $13,304,000,
and revise Provision 2.

I am deleting the $302,000 legislative augmentation for the Transaction Based Reimbursement Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. Even with this reduction, the budget provides sufficient funding for increased workload.

I am also revising Provision 2 relating to the amount to be expended for the Transaction Based Reimbursement Program.

"2. Of the funds appropriated in this item, ~~$1.387~~ *$4.085* million shall be expended for the Transaction Based Reimbursement (TBR) Program of the California Library Services Act."

Item 6120-221-001—For local assistance, Department of Education, California State Library. I reduce this item from $21,100,000 to $20,600,000.

I am deleting the $500,000 legislative augmentation from the Public Library Foundation Program. The augmentation was made by the Legislature despite the lower revenue available to the General Fund, and thus is simply inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Item 6255-001-001—For state operations, California State Summer School for the Arts. I reduce this item from $642,000 to $412,000.

I am deleting the $230,000 legislative augmentation to expand the California State Summer School for the Arts (CSSSA). This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. The 1988–89 Budget already includes an increase of $12,000 over the amount specified by the Legislature in legislation creating the program. The trustees of CSSSA, who have been successful in obtaining private support for the program, should continue these efforts with the objective of reducing or eliminating the need for General Fund support.

Item 6300-111-001—For transfer to the Retirees' Purchasing Power Protection Account, State Teachers' Retirement System. I reduce this item from $142,626,000 to $132,626,000.

I am reducing this item by $10,000,000 as a reestimate of resources required for this program due to the historically high savings reported in this item. Even with this reduction, I believe this appropriation will provide an average purchasing power level of 68.2 percent, and it is my intent to provide that level with additional resources if necessary.

Item 6440-001-001—For support of University of California. I reduce this item from $1,940,021,000 to $1,935,485,000 by reducing:

(a) Support from $1,916,693,000 to $1,916,674,000,

(b) Charles Drew Medical Program from $6,713,000 to $6,213,000,

(c) Podiatry Program from $1,263,000 to $849,000, and

(f) Acquired Immune Deficiency Syndrome (AIDS) Research from $10,850,000 to $9,200,000,

and by deleting:

(h) Animal Use Alternatives ($50,000),

(i) Forestry and Range Watershed ($400,000),

(j) Alzheimer and Geriatrics ($500,000),

(k) Janitor Staffing ($1,000,000).

I am deleting the following legislative augmentations: $22,000 for the California Science Project; $500,000 for the Charles Drew Medical Program; $414,000 for the School of Podiatry Program; $1,650,000 for the Acquired Immune Deficiency Syndrome (AIDS) Research Program; $50,000 for the Alternative Use of Animals Project; $400,000 for the Forestry and Range Watershed Research Project; $500,000 for the Alzheimer and Geriatrics Research Programs; and $1,000,000 for janitor staffing.

These augmentations were made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Item 6440-011-001—For support of University of California. I reduce this item from $44,249,000 to $24,221,000 by revising Provisions 3 and 4.

I am reducing the amount available for employee compensation in the amount of $20,028,000. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Even with this reduction, I have provided sufficient funds to provide faculty with an average 3.0 percent salary increase effective June 1, 1989. This funding will enable UC to recruit and retain qualified faculty, as well as provide salaries that are at parity with the comparison institutions reviewed to arrive at appropriate salary increases for UC faculty. I have also provided $3,357,000 for nonfaculty salary increases. It is my intent to provide, subject to collective bargaining, up to a 6 percent salary increase commencing June 1, 1989. Furthermore, I have provided funding for estimated health, dental, and vision care benefits.

I am revising Provisions 3 and 4 to conform with my actions.

"3. Of the funds appropriated in this item, ~~$13,299,339~~ *$6,600,000* shall be for faculty salaries.

"4. Of the funds appropriated in this item, ~~$16,785,000~~ *$3,357,000* shall be for salary increases and special salary adjustments."

It is my intent that any balances remaining in Provision 3 shall be used for the purposes of Provision 6(b) of this item.

Even with these reductions, the University of California's (UC) budget exceeds their 1987–88 General Fund appropriation of $1,896,685,000 by a total of $57,782,000 which is a 3.0 percent increase in the UC's level of funding.

Item 6440-301-785—For capital outlay, University of California. I reduce this item from $122,200,000 to $121,350,000 by deleting:

(13.1) 99.03.085.880—Davis: AIDS Research Center—Preliminary plans, working drawings, and construction ($850,000).

I am deleting this legislative augmentation because adequate information on this project is not available to assess its merit or the appropriateness of the requested level of funding. This request should be submitted through the normal budget process for review against competing needs for this fund source.

Item 6600-011-001—For support of Hastings College of the Law. I reduce this item from $286,000 to $136,000 by revising Provisions 3 and 4.

I am reducing the amount available for employee compensation in the amount of $150,000. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Even with this reduction, I have provided sufficient funds to provide faculty with an average 3.0 percent salary increase effective June 1, 1989. This funding will enable Hastings College of the Law to recruit and retain qualified faculty. I have also provided $27,000 for nonfaculty salary increases. It is my intent to provide, subject to collective bargaining, up to a 6 percent salary increase commencing June 1, 1989. Furthermore, I have provided funding for estimated health, dental, and vision care benefits.

I am revising Provisions 3 and 4 to conform with my actions.

"3. Of the funds appropriated in this item, ~~$77,000~~ *$38,000* shall be for faculty salary increase.

"4. Of the funds appropriated in this item, ~~$138,000~~ *$27,000* shall be for salary increases and special salary adjustments."

It is my intent that, any balances remaining in Provision 3 shall be used for the purposes of Provision 6(b) of this item.

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Item 6610-001-001—For support of Trustees of the California State University and the California State University. I reduce this item from $1,482,068,000 to $1,479,590,000 by reducing:

(a) 01-Instruction from $1,070,182,000 to $1,069,960,000,

(c) 04-Academic Support from $190,700,444 to $189,416,000,

(d) 05-Student Service from $149,448,000 to $148,397,000,

(e) 06-Institutional Support from $369,074,000 to $369,059,000,

(g) 11-Provisions for Allocation from −$9,992,444 to −$9,982,000, and

(i) Amounts payable from the General Fund (Item 6610-010-001) from −$326,632,000 to −$326,548,000.

I am reducing by $412,000 and 12.1 personnel years the $1,100,000 legislative augmentation to expand the CSU San Diego off-campus center. In recognition of the cost increases this center has experienced due to increased enrollment pressures, I am retaining $688,000 to enable CSU to rent additional space and meet the other expenses until such time as the new permanent off-campus center is completed

I am deleting the legislative augmentation of $587,000 and 5 0 personnel years to establish a new off-campus center as an extension of the CSU Fullerton campus. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting the legislative augmentation of $184,000 and 8.0 personnel years to provide for the enrollment of 100 FTE students at the Fullerton off-campus center. Since funding has not been provided to establish the Fullerton off-campus center, enrollment related expenses associated with the 100 FTE students estimated to attend the center will not materialize. This conforms to action taken in Item 6610-010-001

I am also deleting the $45,000 legislative augmentation for the Chicano and Latino Youth Leadership conference, which should be funded by the sponsoring organizations

I am deleting the $1,000,000 legislative augmentation to expand the Educational Opportunity Program (EOP). This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. The 1988–89 Budget includes an augmentation over the 1987–88 Budget of $620,000 to fund an additional 824 EOP grants. In addition, $684,000 was provided to increase support services for disadvantaged students.

I am deleting the $250,000 legislative augmentation to implement a joint research project between CSU Fresno and the Ben Gurion University of the Negev in Israel. This project is designed to conduct applied research into water quality and agricultural management. At present, a significant amount of research is conducted in this area at the State and Federal levels. Further, there already exists a $110 million binational endowment fund which supports joint research projects between the United States and Israel and to which CSU Fresno and Ben Gurion University could apply for funding. In addition, the 1988–89 Budget provides, for the first time, new State funds of $2,502,000 for faculty research. CSU can use some of these funds for this purpose, if such research is a priority.

In addition, I have proposed legislation which would allow an augmentation of $19,710,000 to reduce the 3.3 percent unallocated reduction passed by the Legislature to 2 percent

As a result of my actions and my proposal to reduce the unallocated reduction, the total General Fund budget for the California State University will be $49.4 million higher than the 1987–88 fiscal year, which is a 2.8 percent increase.

Item 6610-002-001—For support of Trustees of the California State University and the California State University. I reduce this item from $1,461,000 to $836,000 by reducing:

(a) Assembly Fellows from $484,000 to $279,000,

(b) Senate Fellows from $484,000 to $279,000,

(c) Executive Fellows from $358,000 to $278,000,

and by deleting

(d) CSU administrative costs ($135,000).

I am deleting the $625,000 legislative augmentation to expand the CSU Fellows Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. Moreover, since 1985–86 when this program was first established, I have provided CSU with an additional $426,000 to expand the Fellows program and fund a total of 36 fellowships for the Assembly, Senate and Executive Fellows programs.

Item 6610-010-001—For support of Trustees of the California State University and the California State University. I reduce this item from $326,632,000 to $326,548,000.

I am reducing this item by $84,000 to conform to the action I have taken in Item 6610-001-001 regarding the Fullerton Off-Campus Center.

Item 6610-031-001—For support of Trustees of the California State University and the California State University. I reduce this item from $43,778,000 to $22,406,000 by reducing:

(a) 97.20-Faculty Salary Increase from $19,868,000 to $9,934,000,

(b) 97.20-Nonfaculty Salary Increase from $11,438,000 to $2,859,000

and by deleting

(c) 97.20-Nonfaculty Special Salary and Other Adjustments ($2,859,000),

and by deleting Provisions 3, 4 and 5.

I am reducing the amount available for employee compensation in the amount of $21,372,000. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Even with this reduction, I have provided sufficient funds to provide faculty with an average 4.7 percent salary increase effective June 1, 1989. 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. It is my intent that any balances remaining in Schedule (a) shall be used for the purposes of Provision 8(b) of this item.

I have also provided $2,859,000 for nonfaculty salary increase It is my intent to provide, subject to collective bargaining, up to a six percent general compensation increase commencing June 1, 1989. Furthermore, I have provided funding for health, dental and vision care benefits.

I am deleting Provisions 3, 4 and 5 to conform to this action.

Item 6870-001-001—For support of Board of Governors of the California Community Colleges. I reduce this item from $10,622,000 to $10,529,000 by reducing:

(b) 20-Special Services and Operations from $11,448,000 to $11,355,000.

I am deleting the $93,000 legislative augmentation for program development for students with psychological disabilities. There is insufficient documentation regarding the unmet need for services for students with psychological disabilities and such disabilities have not been defined. Furthermore, Chapter 829/87 (AB 746) established a review procedure to be followed by higher education segments seeking funds for services to disabled students and this augmentation proposal has not received the required review.

Item 6870-101-001—For local assistance, Board of Governors of the California Community Colleges. I reduce this item from $1,375,662,000 to $1,364,233,000 by reducing:

(a) 10-Apportionments from $1,251,843,000 to $1,244,843,000,

(b) 20.10.010-Extended Opportunity Programs and Services and Special Services from $47,322,000 to $45,022,000,

(c) 20.10.020-Disabled Students from $31,039,000 to $28,964,000,

(e) 20.10.060-Foster Parent Training from $947,000 to $900,000,

(g) 20.20.020-Partial Financing of the Academic Senate for the Community Colleges from $117,000 to $110,000,

by revising Provision 8,

and by deleting Provisions 20, 21, 23, 25, and 26.

I am deleting the $2,000,000 legislative augmentation to partially implement a statewide Management Information System. This augmentation was made by the Legislature despite the lower revenue available to the General Fund and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting Provision 25 to conform to this action.

I am deleting the $5,000,000 legislative augmentation for "stability" funding for districts with declines in average daily attendance (ADA) during 1987–88. It is only natural that there will be annual fluctuations in ADA and current law already allows for the impact of ADA declines to be postponed until the following year Districts should be aware of ADA declines early enough in the school year to be able to prepare their budgets and plan accordingly for the following year when the fiscal impact of such declines will occur.

I am deleting Provision 21 to conform to this action

I am deleting the $2,300,000 legislative augmentation for additional staff in community college financial aid offices. It is unclear whether there is sufficient workload to justify the augmentation due to the fact that: 1) the completion rate of financial aid forms has been stable; 2) according to the latest data, there was no increase in the number of applicants for financial aid between 1982–83 and 1985–86; and 3) many districts are experiencing ADA declines. Furthermore, districts have the discretion to increase resources for financial aid offices based upon their local priorities.

I am deleting Provision 26 to conform to this action.

I am deleting the $1,900,000 legislative augmentation for additional services to brain injured students. There was an apparent decrease in the total number of disabled students from 1985–86 to 1986–87 and no estimate of total caseload for 1987–88 or 1988–89 has been provided by the Chancellor's Office. Thus, it is not clear why 1988–89 needs cannot be met within existing resources. Furthermore, Chapter 829, Statutes of 1987 (AB 746) established a specified review procedure to be followed by higher education segments seeking funds for services to disabled persons and this augmentation proposal has not received the required review.

I am deleting Provision 23 to conform to this action.

I am deleting the $175,000 legislative augmentation to provide a grant for the private, non-profit agency "Recording for the Blind." While recognizing the worthwhile efforts of this agency throughout the United States, no assurance has been given that the augmentation would increase agency services to students in California public schools, colleges and universities.

I am deleting Provision 20 to conform to this action.

I am deleting the $47,000 legislative augmentation to provide a cost-of-living adjustment (COLA) for the Foster Parent Training Program and the $7,000 legislative augmentation to provide a COLA for the Academic Senate. I did provide COLAs to four categorical programs without statutory COLAs which provide direct student services. However, the Foster Parent Training Program and the Academic Senate Program do not provide direct student services.

I am revising Provision 8 to conform to this action.

"8. (a) 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.

(b) 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 ~~$1,047,000~~ *$1,000,000* shall be transferred from the Foster Children and Parent Training Fund to 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."

Even with these reductions, local assistance funds appropriated in this item exceed the 1987–88 appropriation by a total of $84,196,000 which is a 6.6 percent increase in the level of General Funds provided to the California Community Colleges.

Item 6870-301-785—For capital outlay, Board of Governors of the California Community Colleges. I reduce this item from $74,320,000 to $70,430,000 by reducing:

(67) 40.44.202-Riverside Community College District, Moreno Valley Center, Working Drawings, construct On-site Development from $3,606,000 to $359,000,

and by deleting:

(84) 40.26.602-Los Angeles Community College District, Southwest College—Gymnasium, Working drawings ($414,000),

(86) 40.65.203-Ventura Community College District, Oxnard College—Gymnasium, Working drawings, ($229,000).

I am reducing this item to defer the construction phase of on-site development at the Moreno Valley Center in the Riverside Community College District. Subsequent to this reduction, the Riverside Community College District will still receive $9,029,000, the largest single district allocation in this item Working drawing funds of $359,000 are still available to continue the on-site development at the Moreno Valley Center

I am also deleting the legislative augmentation for working drawings for the Southwest College Gymnasium and Oxnard College Gymnasium because these two projects are too low on the community colleges priority list to warrant inclusion in this year's budget.

Item 7980-121-001—For local assistance, Student Aid Commission. I reduce this item from $6,347,000 to $1,588,000 and I delete Provision 4.

I am deleting the $4,759,000 legislative augmentation to expand by 3,000 new awards the Cal Grant (b) Student Financial Aid Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Even with this reduction, the remaining funds will provide for a 4.5 percent cost-of-living adjustment for subsistence allowance.

I am deleting Provision 4 to conform with this action.

Item 8100-011-425—For transfer to the General Fund, payable from the Victim/Witness Assistance Fund. I delete this item.

I am deleting this item because it is inappropriate to transfer Victim/Witness Assistance Funds to the General Fund. Consistent with the intent of existing law, the Victim/Witness Assistance Fund, which derives its revenues from money collected from fines and penalties, is available specifically to support local assistance centers for victims and witnesses of criminal acts.

Item 8100-101-001—For local assistance, Office of Criminal Justice Planning. I reduce this item from $27,446,000 to $26,106,000 by reducing:

(b) 50.21.050-Victims Legal Resources Center from $380,000 to $180,000,

(i) 50.51.030-Child Sexual Assault Prosecution Program from $1,498,000 to $1,358,000,

(n) 50.71.055-Campaign Against Marijuana Planting from $3,500,000 to $2,750,000,

and by deleting·

(fy) 50.41.060-North East Youth Athletic League ($100,000),

(ox) 50.71.110-Targeted Urban Crime Narcotics Task Force ($150,000),

and by revising Provision 4.5

I am deleting $1,340,000 in legislative augmentations from this item. These augmentations, as specified below, were made by the Legislature despite the lower revenue available to the General Fund, and are simply inconsistent with the need to protect current, vital programs, such as implementation of my antidrug initiatives, and provide for a prudent reserve for economic uncertainties. In making these reductions, it should be noted that the 1988–89 Budget already provides over $2.2 million in increased State funding over the 1987–88 level to expand my fight against drug abuse and drug trafficking in California. This funding will provide for the expansion of the Office of Criminal Justice Planning's major narcotic vendors prosecution and gang violence suppression programs, as well as for a statewide computer information system on gang members.

Specifically, I am deleting the $150,000 legislative augmentation to continue the Targeted Urban Crime Narcotics Task Force, a one-time pilot project established by

Chapter 423/85, and which has since been completed. The final report for the pilot project indicates the large backlog of drug-related cases in the Alameda County courts has been eliminated, thus the backlog reduction purposes of the original legislation have been largely achieved.

I am deleting the $200,000 legislative augmentation to expand the services of the Victims' Legal Resource Center. Forty-four statewide Victims Assistance Centers already provide assistance to crime victims in completing applications for compensation through the Board of Control Victims of Crime Program. Assistance from the Victims' Legal Resource Center, other than the legal referral service it currently provides to Victim/Witness Centers, is not required to aid victims in these claims.

I am deleting the $140,000 legislative augmentation to continue State support of the Monterey County Child Abuse Vertical Prosecution Program. In 1987–88, Monterey County received State funding on a one-time basis to implement this program with the intent that the program be continued with local funds.

I am deleting the $100,000 legislative augmentation for the North East Youth Athletic League in Los Angeles because there is inadequate information to support funding for this project.

I am deleting the $750,000 legislative augmentation to expand the Campaign Against Marijuana Planting (CAMP) Program to six various Sierra Nevada Counties. Available information indicates that the four counties which currently receive CAMP funding continue to experience the most extensive marijuana cultivation problem in the State despite successful year around eradication and prosecution efforts funded through CAMP. Further, the Office of Criminal Justice Planning will be reviewing the distribution of local assistance funds for 1989–90 in order to maximize the impact of the State's contribution to this activity.

Conforming with the above reduction to the CAMP program, I am revising Provision 4.5 relating to the allocation of funds for CAMP.

"4.5. ~~$3,583,339~~ *$2,750,000* of the amount appropriated in Schedule (n) is for local assistance to ~~Amador, Calaveras, Tuolumne, Tulare,~~ Humboldt, Mendocino, Trinity, ~~Kern, Mariposa,~~ 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) ~~Amador/$56,250; Calaveras/$56,250; Tuolumne/$56,250; Tulare/$56,250; Kern/$56,250; Mariposa/$56,250;~~ Humboldt-$425,000; Mendocino-$425,000; Trinity-$150,000; Butte-$250,000.

(b) For the sheriff's department in each of those counties as follows: ~~Amador/$69,000; Calaveras/$69,000; Tuolumne/$69,000; Tulare/$69,000; Kern/$69,250; Mariposa/$69,250;~~ Humboldt-$500,000; Mendocino-$500,000; Trinity-$250,000; Butte-$250,000."

Item 8100-101-890—For local assistance, Office of Criminal Justice Planning. I delete Provision 2.

I am deleting Provision 2 of this item, which was added by the Legislature, because it would require the expenditure of $200,000 for a lower priority than that proposed in my original budget. These funds were initially proposed in the 1988–89 Budget to meet funding commitments to maintain current levels of service provided by over 180 existing victim/witness assistance programs statewide. This provision mandates expenditures at the expense of existing, higher priority programs and will result in reduction in essential services provided by those local assistance programs.

Item 8140-001-001—For support of State Public Defender. I reduce this item from $7,060,000 to $6,989,000 by increasing:

(ax) Unallocated Reduction from −$144,000 to −$215,000.

I am reducing this item in the amount of $71,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

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Item 8260-001-001—For support of California Arts Council. I reduce this item from $2,674,000 to $2,604,000 by deleting:

(e) 45-California Challenge Program ($70,000).

I am eliminating support for the California Challenge Program in the amount of $70,000 and .9 personnel years. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians. This conforms to the action I have taken on the grants portion of the program in Item 8260-111-001.

Item 8260-101-001—For local assistance, California Arts Council for grants and subventions. I reduce this item from $15,081,000 to $11,000,000 by reducing:

(a) 10-Artists in Residence from $2,068,000 to $1,827,000,

(b) 20-Organizational Grants from $9,277,500 to $6,880,000,

(c) 25-Performing Arts Touring/Presenting Program from $690,500 to $597,000, and

(d) 40-Statewide Projects from $3,045,000 to $1,696,000.

I am deleting the $3,924,000 legislative augmentation to expand various local arts programs. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

I am deleting the $157,000 legislative augmentation to expand the Multi-Cultural Arts Development Program. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Item 8260-111-001—For local assistance, California Arts Council for California Challenge Program Grants. I delete this item and Provision 1.

I am deleting the California Challenge Program of matching grants in the amount of $930,000. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians. This conforms to the action I have taken in Item 8260-001-001.

I am deleting Provision 1 to conform to this action.

Item 8320-001-001—For support of Public Employment Relations Board. I reduce this item from $6,025,000 to $5,965,000 by increasing:

(e) Unallocated Reduction from −$123,000 to −$183,000.

I am reducing this item in the amount of $60,000, which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 8350-001-001—For support of Department of Industrial Relations. I reduce this item from $94,669,000 to $88,279,000 by reducing:

(ax) Program operations from $160,176,000 to $120,478,000,

(kx) Unallocated Reduction from −$23,667,000 to −$1,892,000, and

(u) Amount payable from the Federal Trust Fund (Item 8350-001-890) from −$16,026,000 to −$4,493,000,

and by deleting Provisions 3, 4 and 6.

I am taking the following actions to address the action of the Legislature to provide augmentations totalling $28,165,000 and to provide an unallocated reduction of $23,667,000:

I am directing $11,533,000 of the legislative unallocated reduction to eliminate the legislative augmentation of $11,533,000 and 353.4 personnel years to restore funding for the Occupational Safety and Health private sector field enforcement program.

This augmentation would constitute a program duplication as the Department of Labor enforces federal job safety and health standards at private sector worksites. I am reducing the amount payable to this item from the Federal Trust Fund item by $11,533,000 to correspond to my action taken in Item 8350-001-890.

I am directing $10,493,000 of the legislative unallocated reduction to eliminate the legislative augmentation of $10,493,000 and 197.6 personnel years to add 52 judge teams to the Workers' Compensation Appeals Board. This augmentation was made to address a backlog in case processing. I believe the most effective way to improve case processing is through standardization, automation, and training. The Governor's budget as proposed includes funding for these actions. A major computerized case processing system is currently in development.

I am directing $540,000 of the legislative unallocated reduction to eliminate the legislative augmentation of $540,000 and 8.5 personnel years for conducting wage claims hearings. The backlog in wage claims hearings can best be addressed through the standardization and automation processes currently being implemented in the Division of Labor Standards Enforcement.

I am directing $611,000 of the legislative unallocated reduction to eliminate the legislative augmentation of $611,000 and 15.2 personnel years to expand the Uninsured Employers' Fund Claims Bureau. This program is currently being reviewed to determine areas where better, standard processing techniques can reduce claims processing time. Any need for added staff cannot be determined until these standards are in place.

I am retaining the remaining $490,000 of the legislative unallocated reduction and am reducing this item an additional $510,000 to achieve an unallocated reduction in Personal Services of $1,000,000 and 29.3 personnel years I proposed in May because of the revenue shortfall.

I am deleting the legislative augmentation of $4,988,000 and 175.7 personnel years to add additional clerical support to each judge team of the Workers' Compensation Appeals Board. The current clerical backlog for the judge teams will be resolved when the computerized case processing system is implemented.

I am reducing this item in the amount of $892,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

I am deleting Provision 3 which would prohibit expenditure of funds for the director's salary. The language violates the separation of powers provision concerning the Executive Branch authority.

I am deleting Provision 4 which would withhold the salary of a Workers' Compensation Judge with any case still pending or undetermined 90 days after submittal. Withholding of earned compensation is contrary to longstanding state policy and conflicts with existing memorandums of understandings.

I am deleting Provision 6 which would require the department to have specific statutory authority to utilize volunteers. I believe this language in unnecessarily restrictive and inconsistent with existing law and State policy. Government Code Section 3119 provides general statutory authority for departments to utilize the services of volunteers.

In taking the above actions, it is my intention to return the General Fund budgetary authority and spending to the plan presented in my budget as proposed in January, adjusted by unallocated reductions due to the revenue shortfall.

Item 8350-001-890—For support of Department of Industrial Relations. I reduce this item from $16,026,000 to $4,493,000.

I am deleting the $11,533,000 legislative augmentation to restore funding for the Occupational Safety and Health private sector field enforcement program. This conforms to the action I have taken in Item 8350-001-001.

Item 8380-001-001—For support of the Department of Personnel Administration. I reduce this item from $7,287,000 to $7,211,000 by increasing:

(cx) Unallocated Reduction from −$149,000 to −$225,000,

and deleting Provision 1.

I am reducing this item by $1,000. Provision 1 would suspend both pre- and post-employment drug testing by certain law enforcement and other State agencies and would require notice to the Legislature prior to implementing regulations authorizing such testing. Although notice preparation costs have not been budgeted in 1988–89, 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 also reducing this item by $75,000 which represents a one percent reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 8570-001-001—For support of the Department of Food and Agriculture. I reduce this item from $70,563,000 to $69,857,000 by increasing:

(kx) Unallocated Reduction from −$3,746,000 to −$4,452,000.

I am reducing this item in the amount of $706,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 8570-101-001—For local assistance, Department of Food and Agriculture. I reduce this item from $11,042,000 to $10,942,000 by reducing:

(b) 20-Plant Pest and Disease Prevention from $7,686,000 to $7,586,000.

I am deleting the $100,000 legislative augmentation for carcinogenic and teratogenic research in Kern County This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties.

Item 8570-101-191—For local assistance, Department of Food and Agriculture. I reduce this item from $4,890,000 to $4,690,000 by revising Provision 1:

1. The funds appropriated in this item are for the following:

(a) Unemployment insurance at local fairs ~~1,150,000.~~ *950,000*

(b) Health and safety improvements 3,000,000

(c) Other local fair projects 740,000

I am deleting the $200,000 legislative augmentation to increase the funds available for unemployment costs at fairs. There is no evidence such an increase is necessary, and any increases in this area result in a decrease of General Fund revenues.

Item 8660-001-412—For support of Public Utilities Commission. I delete Provision 1.

I am deleting the language in Provision 1 because it requires legislative approval prior to any significant permanent or temporary redirection of Public Utilities Commission Transportation Division staff to other program activities. This language violates the separation of powers provision of the Constitution and conflicts with existing law allowing the Commission the authority to set rates.

Item 8780-001-001—For support of Commission on California State Government Organization and Economy. I reduce this item from $553,000 to $511,000 by reducing:

(a) 10-Commission on California State Government Organization and Economy from $555,000 to $513,000

I am reducing the $42,000 legislative augmentation to refer public complaints and inquiries to the appropriate state agency. This augmentation was made by the Legislature despite the lower revenue available to the General Fund, and simply is inconsistent with the need to protect current, vital programs and provide for a prudent reserve for economic uncertainties. I would point out that, even with this action, the Commission's budget for 1988–89 will still be $513,000 which is an increase of $224,000 or seventy-eight percent over its 1982–83 funding level.

0 17 50 0

Item 8860-001-001—For support of Department of Finance. I reduce this item from $25,582,000 to $25,326,000 by increasing.

(ex) Unallocated Reduction from —$522,000 to —$778,000

I am reducing this item by $256,000 which represents a one percent reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6 9 percent I believe this remaining amount will continue to provide essential services to Californians.

Item 8885-101-001—For local assistance, Commission on State Mandates I reduce this item from $118,799,000 to $113,908,000 by reducing:

(1) 02 50 135.576-Justice court judges from $27,000 to $14,500

(3) 02 50.074.378-Judicial arbitration from $5,401,000 to $2,738,000

(6) 02.50.158.084-Judges' per diem from $196,000 to $98,500

(10) 02.50.101.879-San Francisco Superior Court Judgeship from $71,000 to $36,000

(11.3) 02.50 108.882-Juvenile felony arrests from $4,802,000 to $2,719,000

I am reducing this item by $4,891,000, half of the $9,782,000 amount augmented by the Legislature. When the Legislature eliminated funding for the Trial Court Funding Program, it was necessary for them to make this augmentation. Since I am urging the Legislature to send me the necessary clean-up legislation for the Trial Court Program and use funding available from my reductions to the 1988–89 Budget Bill to finance the Trial Court Funding Program on a half-year basis commencing January 1, 1989, one-half of the Legislature's augmentation is unnecessary

Item 8915-101-890—For local assistance, Department of Economic Opportunity. I reduce this item from $105,251,000 to $105,152,000 by reducing:

(b) 40-Community Services from $31,356,000 to $31,257,000.

I am reducing a $1,850,000 legislative augmentation by $99,000 to conform with the Department of Economic Opportunity's proposed grant application to the federal Department of Health and Human Services for the 1988 allocation of Emergency Community Services Homeless Grant Program funds. This action would make budgeted State expenditure authority consistent with federal grant funds available to California pursuant to the Stewart B. McKinney Homeless Assistance Act.

Item 8940-001-001—For support of Military Department. I reduce this item from $20,417,000 to $20,213,000 by reducing.

(j) 71-California Innovative Military Projects and Career Training from $1,937,000 to $1,567,000,

(k) Reimbursements from —$2,094,000 to —$1,724,000,

and increasing

(jx) Unallocated Reduction from —$417,000 to —$621,000

I am deleting the legislative reimbursement augmentation of $370,000 and 6 personnel years for the expansion of the California Innovative Military Projects and Career Training program. While I am supportive of efforts in this area, the need to expand the current program has not been justified This conforms to the action I have taken in Item 5100-001-870.

I am reducing this item in the amount of $204,000 which represents a one percent unallocated reduction. This reduction is necessitated by the unexpected revenue shortfall in the General Fund and the needs in other high priority programs. Although I am making this reduction in budget items involving state administration, the overall General Fund budget is still increasing by 6.9 percent. I believe this remaining amount will continue to provide essential services to Californians.

Item 9800-001-001—For augmentation for Employee Compensation I reduce this item from $105,579,000 to $52,599,000 by reducing:

(a) 10.01-Civil Service Employees-Represented from $81,497,000 to $41,348,000

(b) 10.02-Civil Service Employees-Nonrepresented from $17,778,000 to $9,020,000

(c) 10.03-Exempt/Excluded and Other Employees from $2,407,000 to $1,221,000

(d) 10.05-Judiciary from $1,342,000 to $499,000 and

(e) 10.06-Legislative Employees from $2,555,000 to $511,000

I am reducing the amount available for employee compensation increases in the

amount of $52,980,000. Even with this reduction, it is my intent to provide, subject to collective bargaining, up to a six percent general compensation increase commencing June 1, 1989. In addition, I have provided funding for health, dental, and vision care benefits.

Item 9800-001-494—For augmentation for Employee Compensation. I reduce this item from $51,164,000 to $25,960,000 by reducing·

(a) 10.01-Civil Service Employees-Represented from $41,007,000 to $20,806,000

(b) 10.02-Civil Service Employees-Nonrepresented from $8,946,000 to $4,539,000; and

(c) 10.03-Exempt/Excluded and Other Employees from $1,211,000 to $615,000

I am reducing this item by $25,204,000 to conform with the action I have taken in Item 9800-001-001.

Item 9800-001-988—For augmentation for Employee Compensation. I reduce this item from $37,371,000 to $18,607,000 by reducing:

(a) 10.01-Civil Service Employees-Represented from $29,951,000 to $14,913,000

(b) 10.02-Civil Service Employees-Nonrepresented from $6,534,000 to $3,253,000 and

(c) 10.03-Exempt/Excluded and Other Employees from $886,000 to $441,000

I am reducing this item by $18,764,000 to conform with the action I have taken in Item 9800-001-001.

SEC. 11.50—Distribution of Tidelands Oil Revenues. I revise this control section. I am reducing the allocation to the California Housing Trust Fund by revising paragraph (f) as follows:

"(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 six million dollars ~~($6,000,000)~~ *($4,000,000)* for the 1988-89 fiscal year."

This reduction conforms to the action taken in Item 2240-101-843.

Control Section 23.50-Immigration Reform and Control Act. I delete Provisions wx and wy.

Provision wx of Control Section 23.50 requires the Health and Welfare Agency to allocate $75,000 from the Immigration Reform Control Act Subvention for a local coordination pilot project designed to develop multiprogram data collection systems, coordinate outreach and coordinate service delivery among affected service agencies and educational services.

The expenditures contained in the implementation plan for the IRCA already assume local administrative costs. It would be entirely appropriate for any local agency to use its State Legalization Impact Assistance Grant (SLIAG) administrative funds for the most efficient delivery of services. There is no compelling reason why funds should be reallocated from local agencies to one specific pilot project. Each local entity should determine its method of administration and coordination of services and use the resources already allocated for that purpose. This provision constitutes an item of appropriation which is unnecessary as described above.

Provision wy of Control Section 23.50 places a condition on the State and counties for receipt of SLIAG funds. The language specifically requires the State and counties to maintain their 1987-88 level of funding for the county health services and Short-Doyle programs in order to receive any SLIAG funds. I believe it is inappropriate to mandate that any entity of government maintain a specified level of funding for a discretionary activity. This restricts the flexibility that a local entity needs to be able to respond to needs and priorities with its discretionary funds and violates the Executive Branch's authority to effectively manage its resources programs. I am concerned that this language restricts the receipt of any SLIAG funds unless these levels of funding are maintained. This is particularly punitive given that these funds are essential if the State and counties are to provide critical health and human services to those Eligible Legalized Aliens desirous of becoming California citizens.

With the above deletions and reductions, I hereby approve Assembly Bill No. 224.

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 1988."

SEC. 1.30. The Legislature finds and declares that General Fund revenues for the 1988–89 fiscal year as determined by the Commission on State Finance and deemed reasonable by the Legislative Analyst are at least $36,100,000,000, not counting the enactment of any legislation which would increase General Fund revenues. It is the intent of the Legislature to construct this budget on that premise.

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. 1.70. It is the intent of the Legislature that funding for essential state programs not funded in the Budget Act of 1988 on account of the projected revenue shortfall and the withdrawal of the tax-correcting proposal shall be provided for in separate legislation.

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 1988–89 fiscal year beginning July 1, 1988, and ending June 30, 1989. Appropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1988–89, 1989–90 and 1990–91 fiscal years, except that appropriations for studies, planning, working drawings, or minor capital outlay, except as provided herein, shall be available for expenditure only during the 1988–89 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, 1989, except as provided herein, shall 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		$63,645,000
Schedule:		
(a) 101001-Salaries of Senators	1,854,000	
(b) 317295-Mileage	4,000	
(c) 317292-Expenses	791,000	
(d) 500000-Contingent Expenses	56,037,000	
(e) 317296-Automotive Expenses	827,000	
(f) Joint Expenses	5,431,000	
(fx) Unallocated Reduction	−1,299,000	

Provisions:

1. The funds appropriated in Schedule (d) are for contingent expenses of the Senate, including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, and for support of joint services and joint house operations as provided in Part 2 (commencing with Section 10200) of Division 2 of Title 2 of the Government Code, to be transferred by the State Controller to the Senate Contingent Fund.
2. The funds appropriated in Schedule (e) are for contingent expenses of the Senate relating to the 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 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.
4. 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	96,139,000

Item		Amount
Schedule:		
(a) 101001-Salaries of Assemblymembers	3,748,000	
(b) 317295-Mileage	7,000	
(c) 317292-Expenses	1,560,000	
(d) 500000-Contingent Expenses	71,693,000	
(e) 317296-Automotive Expenses	1,057,000	
(f) Joint Expenses	20,036,000	
(fx) Unallocated Reduction	−1,962,000	

Provisions:

1. The funds appropriated in Schedule (d) are for contingent expenses of the Assembly including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, and for support of joint services and joint house operations as provided in Part 2 (commencing with Section 10200) of Division 2 of Title 2 of the Government Code, to be transferred by the State Controller to the Assembly Contingent Fund.
2. The funds appropriated in Schedule (e) are for contingent expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund.
3. The funds appropriated in Schedule (f) may be transferred in support of Item 0160-001-001 by 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	6,780,000	

Item Amount

(b) Transferred from Item 0110-001-001 ..... −3,390,000
(c) Transferred from Item 0120-011-001 ..... −3,390,000

Provisions:

1. The funds appropriated in category (a) are for the expenses of joint committees and their members and for any charges, expenses, or claims they may incur, available without regard to fiscal years, to be paid on certification of chairpersons of the committees to which allocations have been made by statute or concurrent resolution or by resolution of the Joint Rules Committee.
2. Funds shown in 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 9,668,000

Schedule:

(a) Support 9,865,000
(ax) Unallocated Reduction ..... −197,000

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.

0160-001-001—For support of Legislative Counsel Bureau 17,797,000

Schedule:

(a) Support 29,644,000
(ax) Unallocated Reduction ..... −363,000
(b) Reimbursements ..... −637,000
(c) Reimbursements from Assembly Contingent Fund ..... −10,847,000

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.

Item		Amount
Judicial		
0250-001-001—For support of Judiciary		107,862,000
Schedule:		
(a) 10-Supreme Court	13,058,000	
(b) 20-Courts of Appeal	74,761,000	
(c) 30-Judicial Council	21,406,000	
(d) 40-Commission on Judicial Performance	1,057,000	
(e) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-044)	−60,000	
(f) Reimbursements	−146,000	
(fx) Unallocated Reduction	−2,214,000	
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.		
2. Of the amount appropriated in this item, up to $1,953,000 is provided for expansion of facilities for the Judicial Council, the Commission on Judicial Performance, the Supreme Court, and the Courts of Appeal in Fresno, San Diego, San Francisco, San Jose, and Santa Ana. Funds not used for this specific purpose shall revert to the General Fund.		
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		

Item	Amount
a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time its municipal court judge serves on assignment on an appellate court; and for payment to any county of the transportation expenses of a judge assigned to sit on a municipal court to replace an absent municipal court judge who has been assigned to sit on a superior court or an appellate court, Program 30, Judicial Council, for payment by the State Controller	243,000
0390-001-001—For support, for transfer by the State Controller to the Judges' Retirement Fund, for Supreme Court and appellate court justices	1,323,000
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.	
0390-101-001—For local assistance, for transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges	15,542,000
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 the state's share of salaries and health, dental and vision benefits of judges of superior courts, as provided by Section 68206 of the Government Code	56,243,000
Schedule:	
(a) State share and advances per Section 68206 of the Government Code for Superior Court judges .. 57,598,000	
(b) Reimbursements ..... −1,355,000	
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

Item		Amount
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 upon its elimination pursuant to Chapter 1520, Statutes of 1986.		
2. None of the funds appropriated by this item shall be disbursed as block grants for any judgeship in a county which opts to participate in the Trial Court Funding Program authorized in Chapter 13, Title 8 of the Government Code beginning with Section 77000.		
0460-001-001—For support, for state's share of cost for membership in National Center for State Courts, Judicial Council of California		226,000
Executive.		
0500-001-001—For support of Governor and of Governor's office		7,471,000
Schedule:		
(a) Support	6,038,000	
(b) Governor's Residence (Support)	25,000	
(c) Special Contingent Expenses	30,000	
(d) Overseas Offices	1,500,000	
(dx) Unallocated Reduction	−122,000	
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		773,000
Schedule:		
(a) Support	783,000	
(b) Reimbursements	−10,000	
0520-001-001—For support of Secretary for Business, Transportation and Housing, for transfer to Item 0520-001-044		406,000

Item		Amount
0520-001-044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund ..		639,000
Schedule:		
(a) 10-Administration of Business, Transportation and Housing Agency	1,479,000	
(b) Reimbursements	−434,000	
(c) Amount payable from the General Fund (Item 0520-001-001)	−406,000	
0530-001-001—For support of Secretary for Health and Welfare		1,750,000
Schedule:		
(a) Support	2,168,000	
(ax) Unallocated Reduction	−36,000	
(b) Reimbursements	−382,000	

Provisions:

1. The implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 shall be consistent with the following priorities:
   (a) Priority 1: Policies and Guidelines. The first priority under this subdivison shall be for the State 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.
   (b) 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

Item		Amount
for the purpose of listing chemicals subject to the prohibitions of the Safe Drinking Water and Toxic Enforcement Act of 1986.		
(c) Priority 3: Health Hazard Assessment. The third priority under this subdivision shall be for the State 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.		
(d) 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.		
(e) 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.		
0530-490—Reappropriation, Secretary for Health and Welfare. Notwithstanding any other provision of law, the unencumbered balance, as of June 30, 1988, of the appropriation made by Item 0530-001-001, Budget Act of 1987, for the Study of Long-Term Health Care Financing Options is hereby reappropriated and shall be available for encumbrance until June 30, 1989.		
0540-001-001—For support of Secretary for Resources Schedule:		605,360
(a) 10-Administration of Resources Agency	790,640	
(ax) Unallocated Reduction	−77,280	

Item		Amount
(b) Reimbursements	−33,000	
(c) Amount payable from the California Environmental License Plate Fund (Item 0540-001-140)	−75,000	
0540-001-140—For support of Secretary for Resources, for transfer to Item 0540-001-001, payable from the California Environmental License Plate Fund		75,000
0550-001-001—For support of Secretary for Youth and Adult Correctional Agency, Program 10—Correctional Programs		889,000
0580-001-001—For support of Office of California/Mexico Affairs, Program 10		273,000
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		1,827,000
0585-001-981—For support of the California State World Trade Commission, payable from the California State World Trade Commission Fund		1,847,000
Schedule:		
(a) 100000-Personal Services	743,000	
(b) 300000-Operating Expenses and Equipment	1,104,000	
0585-011-001—For transfer by the State Controller from the General Fund to the California Export Finance Fund for support of the California State World Trade Commission		1,000,000
0585-011-981—For transfer by the State Controller, notwithstanding any other provisions of law, from the California State World Trade Commission Fund to the California Export Promotion Account		(25,000)
Provisions:		
1. The Department of Finance may adjust the amount to be transferred to reflect the actual revenues available.		
0585-495—Reversion, California State World Trade Commission after June 30, 1988, the unencumbered balance of the appropriation provided in Chapter 1151, Statutes of 1986, shall revert to the fund balance of the General Fund.		
0650-001-001—For support of Office of Planning and Research		3,855,000
Schedule:		
(a) 11-State Planning and Policy Development	4,195,000	
(ax) Unallocated Reduction	−76,000	
(b) Reimbursements	−64,000	

Item		Amount
(c) Amount payable from the Federal Trust Fund (Item 0650-001-890) ..	−200,000	
0650-001-890—For support, Office of Planning and Research, for transfer to Item 0650-001-001, payable from the Federal Trust Fund		200,000
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		10,146,000
Schedule:		
(a) 15-Mutual Aid Response	6,094,000	
(b) 35-Plans and Preparedness	10,756,000	
(c) 45-Disaster Assistance	765,000	
(d) 55.01-Administration and Executive	1,687,000	
(e) 55.02-Distributed Administration and Executive	−1,687,000	
(ex) Unallocated Reduction	−314,000	
(f) Reimbursements	−692,000	
(g) Amount payable from the Hazardous Waste Control Account, General Fund (Item 0690-001-014)	−1,404,000	
(h) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-029)	−500,000	
(i) Amount payable from the Federal Trust Fund (Item 0690-001-890) ..	−4,559,000	
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.		

Item	Amount
3. The funds deposited in the Hazardous Waste Control Account may be expended by the Department of Health Services, upon appropriation by the Legislature, for the purposes listed in Section 25174 of the Health and Safety Code as added by Chapter 1506 of the Statutes of 1986, and for the Office of Emergency Services for support of the state's program to implement the Emergency Planning and Community Right-to-Know Act of 1986 (U.S.C. Sec. 11001 et seq.).	
0690-001-014—For support of the Office of Emergency Services, California Emergency Council and Advisory Committee and for support of the Superfund Reauthorization Act, Title III Emergency Planning and Community Right-to-Know, for transfer to Item 0690-001-001, payable from the Hazardous Waste Control Account, General Fund	1,404,000
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	500,000
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	4,559,000
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.	

Item		Amount
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.		
0690-301-036—For capital outlay, Office of Emergency Services, payable from the Special Account for Capital Outlay		94,000
Schedule:		
75.10.001—Minor Projects	94,000	
0750-001-001—For support of Office of the Lieutenant Governor		1,467,000
Schedule:		
(a) 10-General Activities	1,567,000	
(b) Reimbursements	−70,000	
(bx) Unallocated Reduction	−30,000	
0820-001-001—For support of Department of Justice		159,760,000
Schedule:		
(a) 11.01-Executive-Administration	46,009,000	
(b) 11.02-Distributed Executive-Administration	−45,810,000	
(c) 25-Executive Programs	4,231,000	
(d) 30-Civil Law	37,125,000	
(e) 40-Criminal Law	43,111,000	
(f) 45-Public Rights	23,379,000	
(g) 50-Law Enforcement	129,532,000	
(gx) Unallocated Reduction	−2,191,000	
(h) Reimbursements	−35,892,000	
(i) Amount payable from the Attorney General's Antitrust Account, General Fund (Item 0820-001-012)	−429,000	
(j) Amount payable from the Hazardous Waste Control Account, General Fund (Item 0820-001-014)	−969,000	
(k) Amount payable from the Fingerprint Fees Account, General Fund (Item 0820-001-017)	−12,102,000	
(m) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-044)	−14,643,000	

Item		Amount
(n)	Amount payable from the Hazardous Substance Account, General Fund (Item 0820-001-455)	−723,000
(o)	Amount payable from the Dealers' Record of Sale Special Account, General Fund (Item 0820-001-460)	−901,000
(p)	Amount payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO) (Item 0820-001-469)	−482,000
(q)	Amount payable from the Gaming Registration Account, General Fund (Item 0820-001-477)	−286,000
(r)	Amount payable from the Federal Trust Fund (Item 0820-001-890)	−8,540,000
(s)	Amount payable from the Federal Forfeiture Account, Special Deposit Fund (Item 0820-001-942)	−659,000

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.
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 $20,744,000, and by the Public Rights Program in excess of $3,232,000, 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.

Item	Amount
4. The $2,104,000 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 1988–89 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.	
5. Of the amount appropriated in this item, up to $2,276,000 is provided for the litigation work in the case of Atlantic Richfield Company (ARCO) v. State Lands Commission, et al. Funds not used for this specific purpose shall 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	429,000
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, General Fund	969,000
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	12,102,000
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 ..	14,643,000
0820-001-455—For support of the Department of Justice, for transfer to Item 0820-001-001, payable from the Hazardous Substance Account, General Fund	723,000
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	901,000
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), General Fund	482,000
0820-001-477—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Gaming Registration Account, General Fund	286,000

Item	Amount
0820-001-890—For support of Department of Justice for transfer to Item 0820-001-001, payable from the Federal Trust Fund	8,540,000
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	659,000
0820-011-017—For transfer to the General Fund, payable from the Fingerprint Fees Accounts	(1,000,000)
0820-101-001—For local assistance, Department of Justice, Program 50, Law Enforcement, for allocation by the Controller to counties with a population under 1,250,000 to reimburse specified costs associated with the Clandestine Laboratory Enforcement Program	1,310,000
0820-101-469—For local assistance, Department of Justice, for support of general narcotic law enforcement efforts, payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO), General Fund	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.	
0820-301-036—For capital outlay, Department of Justice, payable from the Special Account for Capital Outlay	76,000
Schedule: (3) 80.01.020—Minor Projects 76,000	
0820-490—Reappropriation, Department of Justice. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is, on the effective date of this act, reappropriated for the purpose specified in the appropriation and shall be available for expenditure until June 30, 1989: 036—Special Account for Capital Outlay (1) Item 0820-301-036(1), Budget Act of 1987, 85.50.030-Redding-Forensic Services Laboratory—Preliminary plans and working drawings.	

Item		Amount
0820-495—Reversion, Department of Justice. After June 30, 1988, the unencumbered balance of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made.		
001—General Fund		
(1) Chapter 580, Statutes of 1978, as amended by Chapter 476, Statutes of 1982		
(2) Chapter 1609, Statutes of 1984		
(3) Chapter 1613, Statutes of 1984		
(4) Chapter 1396, Statutes of 1985		
(5) Chapter 1028, Statutes of 1986		
(6) Chapter 1039, Statutes of 1986, General Fund loan.		
0840-001-001—For support of State Controller		61,841,000
Schedule:		
(a) 100000-Personal Services	54,966,000	
(b) 300000-Operating Expenses and Equipment	33,938,000	
(c) Refunds of Taxes, Licenses and other Fees	30,000	
(d) Reimbursements	−19,133,000	
(dy) Unallocated Reduction	−1,378,000	
(e) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-344)	−168,000	
(f) Amount payable from the Aeronautics Account, State Transportation Fund (Item 0840-001-041)	−206,000	
(g) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-061)	−2,365,000	
(h) Amount payable from the State School Building Aid Fund (Item 0840-001-739)	−364,000	
(hx) Amount payable from Public Employees' Health Care Fund (Item 0840-001-822)	−779,000	
(i) Amount payable from the Federal Trust Fund (Item 0840-001-890)	−1,463,000	
(j) Amount payable from the Assessment Fund (Item 0840-001-903)	−136,000	
(k) Amount payable from the Bank of America Litigation Fund (Item 0840-001-942)	−950,000	

Item Amount

(*l*) Amount payable from nongovernmental cost funds, Retail Sales Tax Fund (Item 0840-001-988) ..... —151,000

Provisions:

1. The appropriation made by this item shall be in lieu of any allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1988–89 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1988–89 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

Item	Amount
because of the use of these federal funds shall not be expended by the State Controller.	
5. 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, 1988, are completed on schedule.	
6. The 1.9 personnel years established on a two-year limited-term basis for the Mandate Claims Unit may only be used to develop criteria to automate the mandated claims process.	
0840-001-041—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Aeronautics Account, State Transportation Fund..	206,000
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	2,365,000
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	168,000
0840-001-739—For support of State Controller, to be transferred to Item 0840-001-001, payable from the State School Building Aid Fund	364,000
0840-001-822—For support of State Controller, to be transferred to Item 0840-001-001, payable from nongovernmental cost funds (Public Employees' Health Care Fund)	779,000
0840-001-890—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Federal Trust Fund	1,463,000
0840-001-903—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Assessment Fund	136,000
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	950,000
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)	151,000

Item	Amount
0840-490—Reappropriation, State Controller's Office. 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, 1989:	
942—Bank of America Unclaimed Property Litigation Fund, Special Deposit Fund:	
(1) Item 0840-001-942, Budget Act of 1987.	
0860-001-001—For support of State Board of Equalization	103,007,000
Schedule:	
(a) 100000-Personal Services	124,249,000
(b) 300000-Operating Expenses and Equipment	31,907,000
(bx) Unallocated Reduction	−1,000,000
(c) Reimbursements	−43,337,000
(d) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022)	−370,000
(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061)	−4,682,000
(f) Amount payable from the Cigarette Tax Fund (Item 0860-001-086)	−1,658,000
(g) Amount payable from the Energy Resources Programs Account, General Fund (Item 0860-001-465)	−80,000
(h) Amount payable from the Timber Tax Fund (Item 0860-001-965)	−2,022,000
Provisions:	
1. The $1,658,000 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 $26,834,000 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 $14,264,000.		
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		370,000
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		4,682,000
0860-001-086—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Cigarette Tax Fund		1,658,000
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		80,000
0860-001-965—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Timber Tax Fund		2,022,000
0860-301-036—For capital outlay, Board of Equalization, payable from the Special Account for Capital Outlay		190,000
Schedule:		
(1) 99.10.001—Minor Projects	190,000	
0890-001-001—For support of Secretary of State		22,298,000
Schedule:		
(a) 100000-Personal Services	11,476,000	
(b) 300000-Operating Expenses and Equipment	8,388,000	
(c) Special Item of Expense Election Related Costs	4,923,000	
(cx) Unallocated Reduction	−458,000	
(d) Reimbursements	−2,031,000	

Item		Amount
Provisions:		
1. Of the funds appropriated in category (b), $1,200,000 for increased utilization of the Teale Data Center shall not be available for encumbrance until a Special Project Report for the Corporate Filing Automation Project has been approved by the Department of Finance.		
0950-001-001—For support of State Treasurer		6,083,000
Schedule:		
(a) 100000-Personal Services	7,653,000	
(b) 300000-Operating Expenses and Equipment	4,425,000	
(bx) Unallocated Reduction	−124,000	
(c) Reimbursements	−5,871,000	
Provisions:		
1. The Treasurer's office shall select banking firms and bond counsel based on a review process that allows all banking firms and bond counsels to participate. No firm shall be precluded from being awarded a contract on the basis that it has not previously participated in a bond issue in California. The state's contract bidding procedure, as it relates to the issuance of the state's bonds and notes, shall take into consideration equitable treatment of all bidders as well as minimizing the overall cost to the state of issuing the bond. The Treasurer's office shall report to the chairpersons of the fiscal committees of each house by February 1, 1989, with respect to the firms which have been awarded contracts related to the issuance of the state's bonds and notes during 1988.		
2. The State Treasurer's office shall conduct two seminars for, but not limited to, minority-and women-owned investment banking firms and bond counsel to explain the state's contract bidding procedure as it relates to the issuance of the state's bonds and notes. Specifically, the Treasurer should explain to these firms the policies utilized by the state to select financial institutions and legal firms that provide bond underwriting and counsel services. These seminars should be conducted between October 1 and December 1, 1988, with one held in San Francisco County and the other in Los Angeles County. The Treasurer's office should		

Item		Amount

consult the Office of Small and Minority Businesses to assist with the notification of minority and women business enterprises.

The State Treasurer's office shall report to the Chairpersons of the fiscal committees of each house by February 1, 1989, on the conduct of the seminars. This report shall document the number of financial institutions and legal firms attending the seminars, as well as provide a summary of the material presented.

0956-001-171—For support of California Debt Advisory Commission, payable from the California Debt Advisory Commission Fund 1,080,000

Schedule:

(a) 100000-Personal Services	586,000	
(b) 300000-Operating Expenses and Equipment	494,000	

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt Advisory Commission 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.

0959-001-169—For support of California Debt Limit Allocation Committee payable from the California Debt Limit Allocation Committee Fund 222,000

Schedule:

(a) 100000-Personal Services	104,000	
(b) 300000-Operating Expenses and Equipment	118,000	

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt Limit Allocation Committee 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

Item		Amount
her designee, may in each instance determine.		
0965-001-215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund ..		362,000
Schedule:		
(a) 100000—Personal Services	194,000	
(b) 300000—Operating Expenses and Equipment	168,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Industrial Development Financing Advisory Commission 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.		
0968-001-457—For support of California Mortgage Bond and Tax Credit Allocation Committee, payable from the Mortgage Bond and Tax Credit Allocation Fee Account, General Fund		120,000
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Mortgage Bond and Tax Credit Allocation Committee 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.		
0971-001-731—For support of California Alternative Energy Source Financing Authority, payable from the California Alternative Energy Authority Fund		149,000
Schedule:		
(a) 100000—Personal Services	99,000	
(b) 300000—Operating Expenses and Equipment	50,000	

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Alternative Energy Source Financing Authority 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.	
0977-101-001—For local assistance, California Health Facilities Financing Authority	100,000
Provisions:	
1. The California Health Facilities Financing Authority shall allocate the funds appropriated in this item through its Small Grant Program to the Los Angeles Free Clinic.	
0994-001-001—For support of California Task Force to Promote Self-Esteem, and Personal and Social Responsibility	252,000
STATE AND CONSUMER SERVICES	
1100-001-001—For support of Museum of Science and Industry	8,787,000
Schedule:	
(a) 100000-Personal Services 4,658,000	
(b) 300000-Operating Expenses and Equipment 4,428,000	
(bx) Unallocated Reduction −182,000	
(c) Reimbursements −117,000	
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.	

Item	Amount
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. Of the funds appropriated in this item, $1,296,000 shall be made available to support the California Afro-American Museum.	
4. No money shall be expended from this item for a contract for fundraising activities until at least a net amount equal to the amount proposed to be expended for these purposes has been raised in cash or pledges for museum exhibits or the education program pursuant to such contract. Claims for interim payments of the fundraising contract may not exceed the amount of cash or pledges raised by the contractor up to the amount of the contract.	
1100-301-036—For capital outlay, California Museum of Science and Industry, payable from the Special Account for Capital Outlay	120,000
Schedule:	
(1) 90.10.010—Minor Projects 120,000	
1100-490—Reappropriation, Museum of Science and Industry. Notwithstanding any other provision of law, on the effective date of this act, of the balance, as of June 30, 1987, of the $150,000 appropriation provided in Item 1100-001-001 Budget Act of 1987, for the development of a master capital outlay plan for Exposition Park and, where appropriate, the surrounding area, not more than $120,000 is hereby reappropriated for the same purpose and shall be available for expenditure until June 30, 1989.	
Provisions:	

Item		Amount
1. The funds reappropriated in this item shall be expended solely for the purpose of developing a master capital outlay plan for Exposition Park and, where appropriate, the surrounding area. Any portion of the reappropriated funds not expended for this purpose shall revert to the General Fund. The master plan shall include, but not be limited to: (a) a clear statement of 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 objective; and (d) an implementation schedule for proposed projects which reflects the California Museum of Science and Industry's capital outlay priorities.		
1120-001-704—For support of Board of Accountancy, payable from the Accountancy Fund		5,132,000
Schedule:		
(a) 3-Board of Accountancy	5,151,000	
(b) Reimbursements	−19,000	
1130-004-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund		3,430,000
Schedule:		
(a) 6-Board of Architectural Examiners	3,435,000	
(b) Reimbursements	−5,000	
Provisions:		
1. In order to avoid a potential fund deficit, $239,000 of the funds appropriated in this item shall only be expended in the event that legislation authorizing the board to increase fees is enacted and is operative before June 30, 1989.		
1140-006-001—For support of State Athletic Commission		738,000
Schedule:		
(a) 9-State Athletic Commission	908,000	
(b) Amount payable from the Boxers Neurological Examination Account (Item 1140-006-492)	−170,000	
1140-006-492—For support of the Athletic Commission, for transfer to Item 1140-006-001, payable from the Boxers Neurological Examination Account		170,000

Item		Amount
1150-008-128—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Automotive Repair Fund		7,792,000
Schedule:		
(a) 12-Bureau of Automotive Repair..	41,847,000	
(b) Reimbursements	−118,000	
(c) Amount payable from the Vehicle Inspection Fund (Item 1150-008-420)	−33,937,000	
1150-008-420—For support of Bureau of Automotive Repair, Department of Consumer Affairs, for transfer to Item 1150-008-128, payable from the Vehicle Inspection Fund		33,937,000
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 the State Controller shall transfer $13,000,000 of reserve funds from the Vehicle Inspection Fund to the unappropriated surplus of the General Fund as of June 30, 1988.		
3. Notwithstanding Section 44061 of the Health and Safety Code, the Office of the State Controller shall transfer $8,000,000 of reserve funds from the Vehicle Inspection Fund to the unappropriated surplus of the General Fund as of June 30, 1988.		
1160-010-713—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund		846,000
Schedule:		
(a) 15-State Board of Barber Examiners	847,000	
(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		1,592,000

Item		Amount
Schedule:		
(a) 18-Board of Behavioral Science Examiners	1,618,000	
(b) Reimbursements	−26,000	
1180-014-717—For support of Cemetery Board, Program 21, payable from the Cemetery Fund		322,000
1200-016-157—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund		792,000
Schedule:		
(a) 24.10.010-Collection Agencies	799,000	
(b) 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		3,052,000
Schedule:		
(a) 24.20-Private Investigators	4,175,000	
(b) 24.20.020-Distributed Private Investigators	−28,000	
(c) Reimbursements	−1,095,000	
1230-020-735—For support of Contractors' State License Board, payable from the Contractors' License Fund		25,877,000
Schedule:		
(a) 30-Contractors' State License Board	25,929,000	
(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

Item		Amount
	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, 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.	
1240-022-738—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund		3,305,000
Schedule:		
(a) 33-State Board of Cosmetology	3,326,000	
(b) Reimbursements	−21,000	
1260-024-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund		2,714,000

Item		Amount
Schedule:		
(a) 36-Board of Dental Examiners.....	2,777,000	
(b) Reimbursements	−63,000	
1270-026-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund		717,000
Schedule:		
(a) 36-Board of Dental Examiners.....	721,000	
(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		1,158,000
1300-030-180—For support of Bureau of Personnel Services, Department of Consumer Affairs, payable from the Bureau of Personnel Services Fund		547,000
1330-036-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		539,000
Schedule:		
(a) 48-State Board of Funeral Directors and Embalmers	543,000	
(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..		236,000
1350-040-001—For support of State Board of Guide Dogs for the Blind, Program 54		41,000
1360-042-752—For support of Bureau of Home Furnishings, Department of Consumer Affairs, Program 57, payable from the Bureau of Home Furnishings Fund		2,164,000
1360-042-753—For support of Bureau of Home Furnishings, Department of Consumer Affairs, payable from the Dry Cleaning Account, Bureau of Home Furnishing Fund		76,000
1370-044-757—For support of California State Board of Landscape Architects, Program 60, payable from the State Board of Landscape Architects Fund		468,000
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		15,099,000
Schedule:		
(a) 63.10.010-Board of Medical Quality Assurance.....	15,988,000	

Item		Amount
(b) 63.15-Registered Dispensing Opticians	167,000	
(c) 63.10.020-Distributed Board of Medical Quality Assurance	−710,000	
(d) Reimbursements	−179,000	
(e) Amount payable from the Dispensing Optician's Fund (Item 1390-047-175)	−167,000	
1390-047-175—For support of Board of Medical Quality Assurance of the State of California, for transfer to Item 1390-046-758, payable from the Dispensing Optician's Fund		167,000
1400-048-108—For support of Board of Medical Quality Assurance of the State of California, payable from the Acupuncturists Fund		520,000
Schedule:		
(a) 63.20-Acupuncture Examining Committee	527,000	
(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		290,000
Schedule:		
(a) 63.30-Hearing Aid Dispensers Examining Committee	294,000	
(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		379,000
Schedule:		
(a) 63.40-Physical Therapy Examining Committee	399,000	
(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		346,000
Schedule:		
(a) 63.50-Physician's Assistant Examining Committee	349,000	
(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		695,000
Schedule:		
(a) 63.60-Podiatry Examining Committee	699,000	
(b) Reimbursements	−4,000	

Item		Amount
1450-058-310—For support of the Board of Medical Quality Assurance of the State of California, payable from the Psychology Fund		1,148,000
Schedule:		
(a) 63.70-Psychology Examining Committee	1,165,000	
(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		574,000
Schedule:		
(a) 63.75-Respiratory Care Examining Committee	600,000	
(b) Reimbursements	−26,000	
1460-060-376—For support of Board of Medical Quality Assurance of the State of California, payable from the Speech Pathology and Audiology Examining Committee Fund		239,000
Schedule:		
(a) 63.80-Speech Pathology and Audiology Committee	251,000	
(b) Reimbursements	−12,000	
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		370,000
Schedule:		
(a) 66-State Board of Examiners of Nursing Home Administrators	371,000	
(b) Reimbursements	−1,000	
1480-064-763—For support of State Board of Optometry, payable from the State Optometry Fund		378,000
Schedule:		
(a) 69-Board of Optometry	384,000	
(b) Reimbursements	−6,000	
1490-066-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund		3,030,000
Schedule:		
(a) 72-Board of Pharmacy	3,074,000	
(b) Reimbursements	−44,000	
1495-067-297—For support of Polygraph Examiners Board, Program 74, payable from the Polygraph Examiners Fund		108,000

Item		Amount
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		3,540,000
Schedule:		
(a) 75-State Board of Registration for Professional Engineers and Land Surveyors	3,544,000	
(b) Reimbursements	−4,000	
1510-070-761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund		6,146,000
Schedule:		
(a) 78-Board of Registered Nursing	6,229,000	
(b) Reimbursements	−83,000	
1520-072-771—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund		284,000
Schedule:		
(a) 81-Certified Shorthand Reporters Board	285,000	
(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		99,000
1530-074-775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		1,978,000
Schedule:		
(a) 84-Structural Pest Control Board	2,079,000	
(b) Reimbursement	−2,000	
(c) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1530-074-399)	−99,000	
1540-076-406—For support of Tax Preparers Program, payable from the Tax Preparers Fund		834,000
Schedule:		
(a) 87-Tax Preparers Program	849,000	
(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		643,000
Schedule:		
(a) 90.10.010-Board of Examiners in Veterinary Medicine	669,000	

Item		Amount
(b) Reimbursements	−26,000	
1570-080-118—For support of Board of Examiners in Veterinary Medicine, Program 90, payable from the Animal Health Technician Examining Committee Fund		106,000
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		2,605,000
Schedule:		
(a) 91-Vocational Nurses	2,657,000	
(b) Reimbursements	−52,000	
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		676,000
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		1,444,000
Schedule:		
(a) 93-Division of Consumer Services	1,470,000	
(b) Reimbursements	−26,000	
1655-090-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund		2,041,000
Schedule:		
(a) 93.01-Division of Consumer Services	1,089,000	
(b) 94.01.010-Division of Administration	6,773,000	
(c) 94.01.020-Division of Investigation	3,412,000	
(d) 94.01.030-Building Maintenance and Operation	2,041,000	
(e) 93.02-Distributed Division of Consumer Services	−1,089,000	
(f) Division of Technology	2,917,000	
(g) 94.02-Distributed Administration	−9,973,000	
(h) Distributed Division of Technology	−2,898,000	
(i) Reimbursements	−231,000	
1700-001-001—For support of Department of Fair Employment and Housing		9,466,000

Item		Amount
Schedule:		
(a) 50-Administration of Civil Rights Law	11,761,000	
(ax) Unallocated Reduction	−216,000	
(b) Reimbursements	−13,000	
(c) 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 the Department of Fair Employment and Housing, Los Angeles Legal Office		593,000
Provisions:		
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 the support of the Department of Fair Employment and Housing, San Francisco Legal Office		437,000
Provisions:		
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 the support of the Department of Fair Employment and Housing, Boalt Hall Employment Discrimination Clinic		72,000
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		854,000
1710-001-001—For support of State Fire Marshal		4,337,000
Schedule:		
(a) 100000-Personal Services	7,427,000	
(b) 300000-Operating Expenses and Equipment	3,531,000	
(bx) Unallocated Reduction	−89,000	
(c) Reimbursements	−3,584,000	

Item		Amount
(d) Amount payable from the California Fire and Arson Training Fund (Item 1710-001-198)	−1,414,000	
(e) Amount payable from the California Fireworks Licensing Fund (Item 1710-001-199)	−304,000	
(f) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 1710-001-209)	−1,060,000	
(g) Amount payable from the Federal Trust Fund (Item 1710-001-890) ..	−120,000	
(h) Amount payable from General Fund (Chapter 345, Statutes of 1987)	−50,000	
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		1,414,000
1710-001-199—For support of the State Fire Marshal, for transfer to Item 1710-001-001, payable from the California Fireworks Licensing Fund		304,000
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		1,060,000
1710-001-890—For support of the State Fire Marshal, for transfer to Item 1710-001-001, payable from the Federal Trust Fund		120,000
1730-001-001—For support of Franchise Tax Board		153,216,000
Schedule:		
(a) 100000-Personal Services	117,264,000	
(b) 300000-Operating Expenses and Equipment	39,241,000	
(c) 800000-Capital Costs (Building Lease/Purchase)	4,482,000	
(d) Reimbursements	−2,402,000	
(e) Amount payable from the Delinquent Tax Collection Fund (Revenue and Taxation Code Sections 18839 and 26256)	−5,228,000	
(f) Amount payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund (Item 1730-001-200)	−19,000	
(g) Amount payable from the U.S. Olympic Committee Fund (Item 1730-001-800)	−18,000	

Item		Amount
(h) Amount payable from the State Children's Trust Fund (Item 1730-001-803)	−19,000	
(i) Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 1730-001-823)	−26,000	
(j) Amount payable from the California Election Campaign Fund (Item 1730-001-905)	−16,000	
(k) Amount payable from the California Seniors Fund (Item 1730-001-983)	−17,000	
(*l*) Amount payable from the Vietnam Veterans Memorial Account (Military and Veterans Code Section 1306)	−26,000	
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		19,000
1730-001-800—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the U.S. Olympic Committee Fund		18,000
1730-001-803—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the State Children's Trust Fund		19,000
1730-001-823—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the California Alzheimer's Disease and Related Disorders Research Fund		26,000
1730-001-905—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the California Election Campaign Fund		16,000
1730-001-983—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the California Seniors Fund		17,000
1760-001-001—For support of the Department of General Services, for transfer to Item 1760-001-666		10,533,000
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.		

Item	Amount
2. Notwithstanding any other provision of law, the Director of Finance may authorize transfers, not to exceed $928,000, between Items 1760-001-001, 1760-012-001, 1760-017-001, and 1760-022-001 for the purpose of reflecting the savings achieved to meet the unallocated General Fund reduction of $928,000 in the Department of General Services included in the May Revision of the 1988–89 Budget.	
1760-001-002—For support of the Department of General Services, for transfer to Item 1760-001-666, payable from the Property Acquisition Law Account, General Fund	1,721,000
1760-001-003—For support of Department of General Services, for transfer to Item 1760-001-666, payable from Motor Vehicle Parking Facilities Moneys Account, General Fund	2,846,000
1760-001-006—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the Access for Handicapped Account, General Fund	790,000
1760-001-022—For support of Department of General Services, for transfer to Item 1760-001-666, payable from State Emergency Telephone Number Account, General Fund	886,000
1760-001-026—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the State Motor Vehicle Insurance Account, General Fund	1,877,000
Provisions:	
1. Notwithstanding any other provision of law, funds available for the payment of claims are continuously appropriated without regard to fiscal year.	
1760-001-120—For support of Department of General Services, for transfer to Item 1760-001-666, payable from School Building Program Account, Architecture Public Building Fund	6,534,000
1760-001-122—For support of Department of General Services, for transfer to Item 1760-001-666, payable from Hospital Plan Checking Account, Architecture Public Building Fund	3,489,000
1760-001-344—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the State School Building Lease-Purchase Fund	7,613,000

Item	Amount
1760-001-397—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the California State Police Fund	41,000
1760-001-450—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the Seismic Gas Valve Certification Fund	79,000
1760-001-465—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the Energy Resources Programs Account, General Fund	1,226,000

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 transfer to Item 1760-001-666, payable from the Architecture Revolving Fund	12,360,000

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 1988–89 fiscal year, in accordance with the September 1987 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	288,359,000

Schedule:

(a) 100000—Personal Services	169,514,000
(b) 300000—Operating Expenses and Equipment	229,315,000
(c) Distributed services	−56,287,000
(cx) Unallocated Reduction	−928,000

Item		Amount
(d)	Amount payable from the General Fund (Item 1760-001-001)	−10,533,000
(e)	Amount payable from the Property Acquisition Law Account, General Fund (Item 1760-001-002)	−1,721,000
(f)	Amount payable from the Motor Vehicle Parking Facilities Moneys Account, General Fund (Item 1760-001-003)	−2,846,000
(g)	Amount payable from the Access for Handicapped Account, General Fund (Item 1760-001-006)	−790,000
(h)	Amount payable from the State Emergency Telephone Number Account, General Fund (Item 1760-001-022)	−886,000
(i)	Amount payable from the State Motor Vehicle Insurance Account, General Fund (Item 1760-001-026)	−1,877,000
(k)	Amount payable from the School Building Program Account, Architecture Public Building Fund (Item 1760-001-120)	−6,534,000
(*l*)	Amount payable from the Hospital Plan Checking Account, Architecture Public Building Fund (Item 1760-001-122)	−3,489,000
(m)	Amount payable from the State School Lease-Purchase Fund (Item 1760-001-344)	−7,613,000
(n)	Amount payable from the California State Police Fund (Item 1760-001-397)	−41,000
(o)	Amount payable from the Seismic Gas Valve Certification Fund (Item 1760-001-450)	−79,000
(p)	Amount payable from the Energy Resources Programs Account, General Fund (Item 1760-001-465)	−1,226,000
(q)	Amount payable from the Architecture Revolving Fund (Item 1760-001-602)	−12,360,000
(r)	Amount payable from the Surplus Personal Property Revolving Fund (Item 1760-001-688)	−1,235,000

Item		Amount
(s)	Amount payable from Architectural Examiners Fund (Item 1760-001-706)	−17,000
(t)	Amount payable from Contractors License Fund (Item 1760-001-735)	−17,000
(u)	Amount payable from the State School Building Aid Fund (Item 1760-001-739)	−453,000
(v)	Amount payable from Professional Engineers and Land Surveyors Fund (Item 1760-001-770)	−16,000
(w)	Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-961)	−316,000
(x)	Amount payable from the Architecture Revolving Fund (Item 1760-011-602)	−1,206,000

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. 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
4. (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, 1988, after accounting for all receipts and the fiscal year 1987–88 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, 1988.	
(b) On or before September 30, 1988, the State Controller shall transfer to the General Fund any amount of accumulated surplus in the Service Revolving Fund computed as of June 30, 1988, and any net amount of the Building Rental Account in excess of $71,130,000.	
5. 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 transfer to Item 1760-001-666, payable from the Surplus Personal Property Revolving Fund	1,235,000
1760-001-706—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the Architectural Examiners Funds	17,000

Item	Amount
Provisions:	
1. Notwithstanding the provisions of Business and Professions Code Section 5602, the amount appropriated in this item shall be available to support the Construction Policy Task Force.	
1760-001-735—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the Contractors License Fund	17,000
Provisions:	
1. Notwithstanding the provisions of Business and Professions Code Section 7135, the amount appropriated in this item shall be available to support the Construction Policy Task Force.	
1760-001-739—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the State School Building Aid Fund	453,000
1760-001-770—For support of Department of General Services, for transfer to Item 1760-001-666, payable from the Professional Engineers and Land Surveyors Fund	16,000
Provisions:	
1. Notwithstanding the provisions of Business and Professions Code Section 6797, the amount appropriated in this item shall be available to support the Construction Policy Task Force.	
1760-001-961—For support of Department of General Services for transfer to Item 1760-001-666, payable from the State School Deferred Maintenance Fund	316,000
1760-011-602—For support of the Department of General Services, for activities other than the Office of State Architect, for transfer to Item 1760-001-666, payable from the Architecture Revolving Fund	1,206,000
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 Re-	

Item		Amount
volving Fund over the remaining depreciation period.		
1760-012-001—For the support of the Department of General Services		9,548,000
Schedule:		
(a) Personal Services	457,000	
(b) Operating Expenses and Equipment	9,091,000	
Provisions:		
1. All projects to remedy 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, 1989, 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.		
3. Notwithstanding any other provision of law, the Director of Finance may authorize transfers, not to exceed $928,000, between Items 1760-001-001, 1760-012-001, 1760-017-001, and 1760-022-001 for the purpose of reflecting the savings achieved to meet the unallocated General Fund reduction of $928,000 in the Department of General Services included in the May Revision of the 1988–89 Budget.		
1760-017-001—For support of the Department of General Services		627,000
Schedule:		
(a) Personal Services	395,000	
(b) Operating Expenses and Equipment	232,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize transfers, not to exceed $928,000, between Items 1760-001-001, 1760-012-001, 1760-017-001, and 1760-022-001 for the purpose of reflecting the savings achieved to meet the unallocated General Fund reduction of $928,000 in the Department of General Services included in the May Revision of the 1988–89 Budget.		

Item		Amount
1760-022-001—For support of Department of General Services, for activities other than the Office of State Printing, payable from the Special Account for Capital Outlay		9,508,000
Schedule:		
(a) Personal Services	319,000	
(b) Operating Expenses and Equipment	9,189,000	
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 remedy 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, 1989, 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 1988–89 to be reverted to the General Fund prior to June 30, 1989		(25,936,000)
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,		

Item		Amount
General Fund		57,085,000
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, 1989, as needed, to eliminate a negative year-end balance in the State Emergency Telephone Number Account		(11,316,000)
1760-301-033—For capital outlay, Department of General Services, payable from the Energy Conservation Assistance Account, General Fund		428,000
Schedule:		
(1) 50.25.002—Van Nuys State Office Building—Space Frame Roof Covering for existing structure	428,000	
Provisions:		
(1) Notwithstanding any other provision of law, the funds appropriated in this item shall be used for the purposes stated in the above schedule.		
1760-301-036—For capital outlay, Department of General Services, payable from the Special Account for Capital Outlay		2,381,000
Schedule:		
(2) 50.10.041—Site 7 Complex—Preliminary Plans	1,700,000	
(6) 50.40.016—San Francisco State Office Building, Ceiling and Light Fixture Seismic Repair—Preliminary Plans	70,000	
(9) 50.95.000—Minor Projects	611,000	
1760-301-465—For capital outlay, Department of General Services, payable from the Energy Resources Program Account, General Fund		1,011,000
Schedule:		
(1) 50.10.001—Site 1B, Atrium Roof—Working Drawings and Construction	1,011,000	
1760-490—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated for the purposes provided in that appropriation, and shall be available for expenditure until June 30, 1989.		
036-Special Account for Capital Outlay:		
(1) Item 1760-017-036, Budget Act of 1987, Underground Storage Tank Program.		

Item		Amount
	(2) Item 1760-022-036, Budget Act of 1987, Asbestos Removal Program.	
1880-001-001—For support of State Personnel Board....		21,476,000
Schedule:		
(a) 10-Merit System Administration ..	24,633,000	
(b) 40-Local Government Services	881,000	
(c) 50.01-Administrative Services.....	4,778,000	
(d) 50.02-Distributed Administrative Services	−4,561,000	
(dx) Unallocated Reduction	−431,000	
(e) Reimbursements	−3,824,000	

Provisions:

1. None of the funds specified in Program 10 for the jobs program, exclusive of COD participants who are clients of the Department of Rehabilitation, shall be used for defraying the payroll cost of a participant unless the employer of the participant pays at least 20 percent of such payroll cost.
2. To maximize the use of federal funds in the state, the State Personnel Board shall enter into an agreement with the Department of Rehabilitation for transfer of $2,099,000 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 $2,099,000, to be paid from these matched funds, and to provide the State Personnel Board $472,000 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 1988–89 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

Item		Amount
for which funding originates from nonstate sources.		
5. No funds appropriated by this act may be expended to support any activity related to drug testing of individuals except in accordance with approved regulation. The department shall provide 30-day written notice to the appropriate policy and fiscal committees in each house prior to implementation of regulations authorizing drug testing of individuals. The notice shall summarize: (a) the criteria for testing, (b) the classifications and/or individuals subject to testing, (c) provisions for protection of the constitutional, confidentiality and privacy rights of individuals tested, (d) provisions for counseling and rehabilitation treatment for employees with drug problems, and (e) the fiscal impact of the drug testing program.		
1900-001-001—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830		61,000
1900-001-815—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830, payable from the Judges' Retirement Fund		235,000
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		38,663,500
Schedule:		
(a) 10-Retirement	38,707,500	
(b) 20-Social Security	598,000	
(c) 30-Health Benefits	3,571,000	
(d) 40-PERS System Redesign Project	644,000	

Item		Amount
(e) 50.01-Administration	21,711,500	
(f) 50.02-Distributed Administration	−21,566,000	
(g) Reimbursements	−1,019,500	
(h) Amount payable from the General Fund (Item 1900-001-001)	−61,000	
(i) Amount payable from the Judges' Retirement Fund (Item 1900-001-815)	−235,000	
(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)	−3,490,000	
(*l*) Amount payable from the Volunteer Firefighters Length of Service Award System Fund (Item 1900-001-962)	−63,000	

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 3,490,000

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..... 63,000

1900-490—Reappropriation, Public Employees' Retirement System. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is appropriated for the purposes provided for in that appropriation, and shall be available for expenditure until June 30, 1989.

830—Public Employees' Retirement Fund:

Item 1900-001-830, Budget Act of 1987:

(a) Retirement, up to $60,000.

(e) Administration, up to $150,000.

1920-001-835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund..... 22,268,000

Schedule:

(a) 100000-Personal Services	11,798,000	

Item		Amount
(b) 300000-Operating Expenses and Equipment	10,874,000	
(c) Reimbursements	−239,000	
(d) Amount payable from the Teacher Tax Sheltered Annuity Fund (Item 1920-001-963)	−66,000	
(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	
Provisions:		
1.5. The Director of Finance may augment this appropriation by an amount not to exceed $108,000 upon 30 days written notice to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house, if it is determined that the estimated savings in telephone queue time due to increased telephone technician staff does not occur.		
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		66,000
Provisions:		
1. This appropriation is for costs incurred in operating the tax-sheltered annuity program pursuant to Section 22231 of the Education Code.		
1960-001-001—For support of Department of Veterans Affairs		2,498,000
Schedule:		
(a) 100000-Personal Services	2,859,000	
(b) 300000-Operating Expenses and Equipment	530,000	
(c) Educational Assistance to Veterans' Dependents	350,000	
(cx) Unallocated Reduction	−52,000	
(d) Reimbursements	−152,000	
(e) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 1960-001-592)	−1,001,000	
(f) Amount payable from the California National Guard Farm and Home Building Fund of 1978 (Military and Veterans Code Section 485)	−36,000	

Item	Amount
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 persons who are dependent upon the family income for more than 50 percent of their support. The term "family income" shall include only the income of the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; and, if married, the spouse of the dependent applicant; and shall mean "adjusted gross income" as that term is defined in Section 17072 of the Revenue and Taxation Code. 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.	

Item		Amount
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		1,001,000
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		2,150,000
1970-011-001—For support of Veterans' Home of California		24,855,000
Schedule:		
(a) 30-Care of Sick and Disabled Veterans	42,957,000	
(b) Reimbursements	−8,031,000	
(c) Amount payable from the Federal Trust Fund (Item 1970-011-890)	−10,071,000	
Provisions:		
1. The General Fund shall make a loan available to the Veterans Home of California to meet cash needs resulting from the delay in receipt of federal reimbursement for medical services provided. The loan is short term, and shall be repaid within six months. Interest charges shall be waived pursuant to subdivision (e) of Section 16314 of the Government Code.		
3. Any loan authorized pursuant to this item shall require approval by the Department of Finance. Provisions 2, 3, and 4 of Item 9840-011-001 shall also apply to any loan authorized pursuant to this item.		
1970-011-890—For support of Veterans' Home of California, for transfer to Item 1970-011-001, payable from the Federal Trust Fund		10,071,000
1970-301-036—For capital outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the Special Account for Capital Outlay		841,000
Schedule:		
(3) 80.20.085—Remodel Section E (Domiciliary)—Equipment	28,000	
(4) 80.20.100—Correct Code Deficiencies in Section H (Domiciliary)—Working Drawings	73,000	
(5) 80.20.110—Correct Code Deficiencies in Section K (Domiciliary)—Working Drawings	60,000	

Item		Amount
(8) 80.20.160—Remodel Hospital Wards 1, 2, and 3D—Working Drawings	118,000	
(9) 80.20.045—Minor Projects	562,000	
1970-301-890—For capital outlay, Veterans' Home of California, Department of Veterans Affairs payable from the Federal Trust Fund		52,000
Schedule:		
(2) 80.20.085—Remodel Section E (Domiciliary)—Equipment	52,000	

1970-490—Reappropriation, Department of Veterans Affairs. Notwithstanding any other provision of law, the balance of the appropriations provided in the following citations are reappropriated for the purpose provided in the appropriation, and shall be available for expenditure until June 30, 1989:

036—Special Account for Capital Outlay

(1) Item 1970-301-036(2), Budget Act of 1987, 80.20.050—Renovate Hospital Support Services—Construction; provided that these funds shall be spent for renovation of Hospital Support Services Wing AA only if federal moneys are provided in fiscal year 1988–89 to fund 65 percent of the construction cost of this project ($700,000). If federal funds for this purpose are not provided in federal fiscal year 1988–89, $150,000 of the funds provided in category (1) shall be available for transfer to the department's minor capital outlay budget, and the $134,000 remaining in category (1) shall revert immediately to the unappropriated surplus of the General Fund, Special Account for Capital Outlay. Upon transfer, this $150,000 shall be spent on construction necessary to move the hospital laboratory in Wing 2, 3E and Administration to a location other than Wing AA.

(2) Item 1970-301-036(6), Budget Act of 1987, 80.20.075-Renovate Hospital Wards 2, 3E, and Administration-Construction.

890-Federal Trust Fund

(1) Item 1970-301-890(2), Budget Act of 1987, 80.20.050-Renovate Hospital Support Services-Construction.

(2) Item 1970-301-890(4), Budget Act of 1987, 80.20.075-Remodel Hospital Wards 2, 3E, and Administration-Construction.

Item		Amount
BUSINESS, TRANSPORTATION AND HOUSING		
2100-001-001—For support of Department of Alcoholic Beverage Control		21,292,000
Schedule:		
(a) 10.10-Licensing	12,013,000	
(b) 10.20-Compliance	10,131,000	
(c) 10.30.010-Administration	2,404,000	
(d) 10.30.020-Distributed Administration	−2,404,000	
(e) Reimbursements	−852,000	
2120-001-117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund		416,000
2140-001-136—For support of State Banking Department, payable from the State Banking Fund		11,433,000
Schedule:		
(a) 100000-Personal Services	9,050,000	
(b) 300000-Operating Expenses and Equipment	2,737,000	
(c) Reimbursements	−100,000	
(d) Amount payable from the Local Agency Deposit Security Fund (Item 2140-001-240)	−254,000	
2140-001-240—For support of State Banking Department, for transfer to Item 2140-001-136, payable from the Local Agency Deposit Security Fund		254,000
2180-001-001—For support of Department of Corporations		9,381,000
Schedule:		
(a) 10-Investment Program	9,558,000	
(b) 20-Lender-Fiduciary Program	7,883,000	
(c) 30-Health Care Service Plan Program	3,465,000	
(d) 50.01-Administration	986,000	
(e) 50.02-Distributed Administration	−986,000	
(f) Reimbursements	−11,525,000	
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		9,256,000
Schedule:		
(a) 10-Business Development	3,577,000	

Item		Amount
(b) 15-California Film Commission	776,000	
(c) 25-Marketing and Communications.....	482,000	
(e) 40-Local Development.....	1,101,000	
(f) 50-Small Business	2,592,000	
(g) 60-Economic Research	801,000	
(h) 70.01-Administration.....	1,656,000	
(i) 70.02-Distributed Administration ..	−1,656,000	
(j) Reimbursements.....	−73,000	

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.

2200-001-147—For support of Department of Commerce, Program 40, Local Development, payable from the Unitary Fund 75,000

Provision:

1. The funds appropriated in this item shall not be available for expenditure by the department until the California Development Review Panel has provided the department with specific instructions for the development of regulations.

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, 1989.

2200-101-922—For local assistance, Department of Commerce, payable from the California Economic Development Grant and Loan Fund..... 3,200,000

Schedule:

(a) 40-Local Development.....	3,200,000
(b) 50-Small Business.....	1,000,000

Item		Amount
(c) Reimbursements	−1,000,000	
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 1988–89 fiscal year for expenditure not sooner than 30 days after written notification of the necessity thereof is submitted to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.		
2240-001-001—For support of Department of Housing and Community Development		5,928,000
Schedule:		
(a) 10-Codes and Standards Program	17,690,000	
(b) 20-Community Affairs Program ..	13,619,000	
(c) 30-Housing Policy Development Program	1,315,000	
(d) 50.01-Administration	7,030,000	
(e) 50.02-Distributed Administration..	−7,372,000	
(f) Reimbursements	−6,569,000	
(g) Amount payable from the Mobilehome Park Revolving Fund (Item 2240-001-245)	−2,636,000	
(h) Amount payable from the Manufactured Home License Fee Account, General Fund (Item 2240-001-451)	−1,831,000	
(i) Amount payable from the Mobilehome Park Purchase Fund (Item 2240-001-530)	−240,000	
(j) Amount payable from the Rural Predevelopment Loan Fund (Item 2240-001-635)	−176,000	
(k) Amount payable from the Mobilehome-Manufactured Home Revolving Fund (Item 2240-001-648)	−11,622,000	
(*l*) Amount payable from the Self-Help Housing Fund (Item 2240-001-813)	−161,000	
(m) Amount payable from the Farm Labor Housing Rehabilitation Loan Account (Item 2240-001-844)	−33,000	
(n) Amount payable from the Federal Trust Fund (Item 2240-001-890) ..	−1,242,000	

Item		Amount
(o) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-929)	−573,000	
(p) Amount payable from the Homeownership Assistance Fund (Item 2240-001-936)	−211,000	
(q) Amount payable from the Rental Housing Construction Fund (Item 2240-001-938)	−614,000	
(r) Amount payable from the Urban Predevelopment Loan Fund (Item 2240-001-980)	−220,000	
(s) Amount payable from the Rural Communities Facilities Fund (Item 2240-001-984)	−93,000	
(t) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-985)	−133,000	
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		2,636,000
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		1,831,000
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		240,000
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		176,000
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		11,622,000
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		161,000
2240-001-843—For support of Department of Housing and Community Development, for transfer to the Housing Rehabilitation Loan Fund, payable from the California Housing Trust Fund		(53,000)

Item	Amount
2240-001-844—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Farm Labor Housing Rehabilitation Loan Account	33,000
2240-001-890—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Federal Trust Fund	1,242,000
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	573,000
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	211,000
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	614,000
2240-001-980—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Urban Predevelopment Loan Fund	220,000
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	133,000
2240-101-001—For local assistance, Department of Housing and Community Development	8,150,000
Schedule:	
(a) 20-Community Affairs	66,100,000
(b) Amount payable from the Farm Labor Housing Rehabilitation Loan Account (Item 2240-101-844)	−1,350,000
(c) Amount payable from the Federal Trust Fund (Item 2240-101-890)	−56,600,000
Provisions:	
1. Of the amount appropriated in this item, $250,000 shall be used to implement a two-year Homeless Relief Pilot Project in San Diego County, pursuant to Chapter 1484 of the Statutes of 1986.	

Item		Amount

2. Of the amount appropriated in this item, $1,000,000 shall be allocated to the Special User Housing Rehabilitation Loan Program for the renovation and construction of treatment facilities for intravenous drug users at special risk of becoming AIDS victims.
3. Of the amount appropriated in this item, $2,500,000 shall be allocated to the Emergency Shelter Program for the operating costs of emergency shelters.

2240-101-843—For local assistance, Department of Housing and Community Development, payable from the California Housing Trust Fund ..... (6,000,000)

Schedule:

(a) For transfer to the Self-Help Housing Fund (813) ..... (1,000,000)
(b) For transfer to the Farm Labor Housing Rehabilitation Loan Account (844) ..... (500,000)
(d) For transfer to the Special Deposit Fund—Senior Shared Housing (942) ..... (500,000)
(e) For transfer to the Emergency Housing and Assistance Fund (985) ..... (4,000,000)

Provisions:

1. Within 30 days of the award of a grant of money from funds appropriated from category (e) of this item, 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 may allow the grantee an additional 30 days to return the signed contract if the department can reasonably determine and document that the grantee is likely to return a signed contract within the additional time.
3. If the grantee fails to return the signed contract in the time allowed, the department shall have 15 days to award the funds to the most qualified grant applicant who can be funded from the funds available and who proposes to serve homeless persons in the same region as the original grantee.

Item	Amount
4. If there is no qualified grant applicant, as described in provision 3, the department shall have an additional 15 days to award the funds to the most qualified grant applicant from the department's alternative list of applicants who can be funded from the funds available.	
5. The department shall report to the Legislature by December 31, 1988, on the extent to which, and reasons why, grantees are having difficulty in returning signed contracts in a timely manner and expending the funds.	
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	1,350,000
Provisions:	
1. Of the amount appropriated in this item, $500,000 shall be used to establish a farm labor camp in San Diego County.	
2. Of the amount appropriated in this item, $350,000 shall be allocated for the purposes of the Rural Technical Assistance Program.	
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	56,600,000
2240-102-001—For local assistance, Department of Housing and Community Development, for transfer to the Farmworker Housing Grant Fund (927)	2,500,000
2290-001-217—For support of Department of Insurance, payable from the Insurance Fund	33,344,000
Schedule:	
(a) 10-Regulation of Insurance Companies and Insurance Producers .. 31,090,000	
(b) 20-Fraud Control 1,786,000	
(c) 30-Tax Collection and Audit 264,000	
(d) 40.01-Administration 6,850,000	
(e) 40.02-Distributed Administration.. −6,571,000	
(f) Amount payable from Insurance Fund (Item 2290-002-217) ..... −75,000	
2290-002-217—For support of the Consumer Advisory Panel in the Department of Insurance, for transfer to Item 2290-001-217, payable from the Insurance Fund	75,000
2320-001-317—For support of Department of Real Estate, payable from the Real Estate Fund	23,320,000

Item		Amount
Schedule:		
(a) 10-Licensing and Education	6,050,000	
(b) 20-Regulatory and Recovery	12,274,000	
(c) 30-Subdivisions	5,544,000	
(d) 40.10-Administration	4,655,000	
(e) 40.20-Distributed Administration	−4,655,000	
(f) Reimbursements	−548,000	
2340-001-337—For support of Department of Savings and Loan, payable from the Savings Association Special Regulatory Fund		9,161,000
Schedule:		
(a) 100000-Personal Services	6,930,000	
(b) 300000-Operating Expenses and Equipment	2,278,000	
(c) Reimbursements	−47,000	
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		142,000
2600-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund		1,251,000
Schedule:		
(a) 10-Administration of California Transportation Commission	1,393,000	
(b) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-042)	−142,000	
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 1988–89 fiscal year, for allocation in the 1988–89 fiscal year pursuant to Section 99312 of the Public Utilities Code		2,000,000

Item	Amount
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, 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 not more than $48,000 of the amount appropriated by this item shall reimburse the State Controller's expenditures for administration of State Transit Assistance funds.	
2640-102-046—For transfer by the State Controller from the Transportation Planning and Development Account in the State Transportation Fund to the General Fund	48,671,000
2660-001-041—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Aeronautics Account, State Transportation Fund	2,523,000
2660-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund	1,108,492,000
Schedule: (a) 10-Aeronautics ..... 2,930,000 (b) 20-Highway Transportation .....1,309,284,000 (1) 20.10.010-Rehabilitation ..... (85,968,000) (2) 20.10.020-Operational improvements (101,364,000) (3) 20.10.030-New facilities.....(173,775,000) (4) 20.30-Local assistance..... (10,115,000) (5) 20.40-Program development ..... (7,284,000) (6) 20.60-Administration .....(157,129,000) (7) 20.70-Operations (68,464,000)	

Item		Amount
	(8) 20.80-Maintenance ..... (492,610,000)	
	(9) Bicycle Lane Account ..... (10,000)	
	(10) Federal Trust Fund ..... (193,619,000)	
	(11) Reimbursements ..... (18,946,000)	
(c)	30-Mass Transportation	36,953,000
(d)	40-Transportation Planning	10,462,000
(e)	50.01-Administration	184,585,000
(f)	50.02-Distributed Administration	−173,185,000
(g)	Reimbursements	−30,459,500
(h)	Amount payable from the Aeronautics Account, State Transportation Fund, (Item 2660-001-041)	−2,523,000
(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)	−30,789,500
(k)	Amount payable from the Abandoned Railroad Account, State Transportation Fund (Item 2660-001-047)	−56,000
(m)	Amount payable from the Federal Trust Fund (Item 2660-001-890)	−198,699,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any of the amounts scheduled within Item 2660-001-042, may be transferred to Item 2660-101-042 or Item 2660-301-042 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.

Item	Amount

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 Program adopted by the California Transportation Commission.
3. For Program 20—Highway Transportation. The department shall notify the chairpersons 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.
5. Of the amount appropriated in this item, 138 personnel-years and $7,200,000 shall be provided contingent upon the California Transportation Commission adopting $420,000,000 in highway capacity projects in the 1988 State Transportation Improvement Program, or the adoption of such a list of projects by the California Transportation Commission.
6. Of the amount appropriated in this item, $3,300,000 is only for the investigation of hazardous waste on highway rights-of-way. Any funds appropriated, but not encumbered for such purposes by June 30, 1989, revert to the fund from which they were appropriated.
7. Of the amount appropriated in this item, $2,800,000 is available only for staff relocation related to the establishment of the Orange County District Office.
8. For Program 20—Highway Transportation. Subject to the approval of a feasibility study report (FSR), the sum of $1,200,000 shall be expended to acquire and operate a statewide computer network to shorten the time needed to prepare contract documents. Such a network is intended to save time and money for both the state and local traffic authorities as a result of the earlier advertising of construction contracts.

Item	Amount
9. For Program 20—Highway Transportation. $100,000 in funds appropriated in this item shall be available to the Director of Transportation to use, as appropriate, to study or improve the department's organization structure and project delivery process.	
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	30,789,500
Provisions:	
1. For Program 30—Mass Transportation. $12,698,000 of the funds appropriated in this item shall be allocated by the California Transportation Commission pursuant to Section 99316 of the Public Utilities Code.	
2. Of the funds appropriated in this item for allocation by the California Transportation Commission pursuant to Section 99316 of the Public Utilities Code, $256,000 shall be available only to provide additional Santa Barbara rail service.	
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	198,699,000
Provisions:	
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any of the amounts scheduled within Item 2660-001-890, may be transferred to Item 2660-101-890 or Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	

Item		Amount
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 Program 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 may be received 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)
2660-021-042—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		(12,271,000)
2660-101-041—For local assistance, Department of Transportation, payable from the Aeronautics Account, State Transportation Fund		200,000
2660-101-042—For local assistance, Department of Transportation, payable from the State Highway Account, State Transportation Fund		107,000,000
Schedule:		
(a) 20-Highway Transportation	32,000,000	
(b) 30-Mass Transportation	75,000,000	
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 ap-		

Item	Amount
proval of the California Transportation Commission and the Department of Finance.	
2. For Program 30—Mass Transportation. The amount allocated in the 1988–89 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 1988–89, 1989–90, and 1990–91 fiscal years.	
2660-101-045—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Bicycle Lane Account, State Transportation Fund	692,000
2660-101-046—For local assistance, Department of Transportation payable from the Transportation Planning and Development Account, State Transportation Fund	4,055,000
Schedule:	
(a) 30—Mass Transportation 162,000	
(b) 40—Transportation Planning 3,893,000	
Provisions:	
1. For Program 30—Mass Transportation. The amount allocated in the 1988–89 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 1988–89, 1989–90 and 1990–91 fiscal years.	
2. Of the amount appropriated by this item, $162,000 shall be allocated for transit capital improvements.	
2660-101-890—For local assistance, Department of Transportation, payable from the Federal Trust Fund	271,984,000
Schedule:	
(a) 20—Highway Transportation 248,500,000	
(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 ap-	

Item	Amount
proval of the California Transportation Commission and the Department of Finance.	
2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	
3. For Program 20—Highway Transportation. Federal funds may be received 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.	
2660-115-853—For local assistance, Department of Transportation, Program 20—Highway Transportation, all of the interest earned on the $3,000,000 appropriated by Chapter 1604 of the Statutes of 1985, to the Department of Transportation for the Fuel Efficient Traffic Signal Management Program (FETSIM), to continue the activities of that program.	
2660-301-036—For capital outlay, Department of Transportation, Program 20—Highway Transportation, payable from the Special Account for Capital Outlay	100,000
2660-301-042—For capital outlay, Department of Transportation, Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund	257,201,000
Schedule:	
(a) 20-Highway Transportation..... 644,154,000	
(1) 20.20.010-Rehabilitation .....(57,315,000)	
(2) 20.20.020-Operational Improvements .....(49,964,000)	
(3) 20.20.030-New Facilities .....(149,922,000)	
(4) Reimbursements ..... (386,953,000)	
(b) Reimbursements ..... −386,953,000	
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 Commis-	

Item		Amount

sion 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 Program 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 appropriations. On or before October 1, 1988, the department shall submit to the Controller the estimated amounts to be reverted as of June 30, 1988, from the 1986–87 and 1987–88 fiscal year appropriations.
4. For Program 20—Highway Transportation. The department shall, no later than January 1, 1989, determine the amount necessary to fund the highway projects to be delivered in 1988–89 as approved by the California Transportation Commission, and report to the chairpersons of the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The department shall, by June 30, 1989, revert any amount identified as not needed for these projects.
5. From funds appropriated by this item, the department may enter into interagency agreements with the Department of the California Highway Patrol to compensate that department for the cost of work performed by patrol officers at or near state highway construction projects so as to reduce the risk of occurrence of serious motor vehicle accidents.

2660-301-046—For capital outlay, Department of Transportation, Program 30—Mass Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund 10,000,000

Schedule:

(a) 30-Mass Transportation 41,833,000
(b) Reimbursements ..... −31,833,000

Item	Amount
Provisions: 1. These funds may be used for capital improvements to the San Diego-Los Angeles-Santa Barbara rail service, provided that an equal amount of matching funds is provided from other non-state sources.	
2660-301-853—For transfer by the State Controller from the Petroleum Violation Escrow Account to the Transportation Planning and Development Account, State 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, 1991. 2. The expenditure of the funds appropriated by this item is subject to approval by the Federal Department of Energy and the appropriate district court.	
2660-301-890—For capital outlay, Department of Transportation, payable from the Federal Trust Fund	1,119,331,000
Schedule: (a) 20-Highway Transportation 1,081,916,000 (b) 30-Mass Transportation 37,415,000	
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 Program 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 may be received 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, 1988, the department shall submit to the State Controller the estimated amounts to be reverted as of June 30, 1988, from the 1986–87 and 1987–88 fiscal year appropriations.
6. For Program 20—Highway Transportation. The department shall, no later than January 1, 1989, determine the amount necessary to fund the highway projects to be delivered in 1988–89 as approved by the California Transportation Commission, and report to the chairpersons of the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The department shall revert by June 30, 1989, any amount identified to be not needed for these projects.
7. From funds appropriated by this item, the department may enter into interagency agreements with the Department of the California Highway Patrol to compensate that department for the cost of work performed by patrol officers at or near state highway construction projects so as to reduce the risk of occurrence of serious motor accidents.

2660-303-890—For transfer to the State Highway Account from the Federal Trust Fund..... 56,000,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding Section 28.00 of this act, the amount of funds appropriated by this item may be increased without further notice, but shall not exceed the amount specified in Provision 2.

Item Amount

2. For Program 20—Highway Transportation. The funds appropriated by this item shall not exceed the amount of State Highway Account funds expended during the 1986–87 and 1987–88 fiscal years in place of federal funds that were temporarily withheld.

2660-311-042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund 1,362,000

Schedule:

(1) 20.10.010.102—Redding District Office, Fire and Life Safety Compliance—Construction 486,000

(2) 20.10.010.103—San Luis Obispo District Office, Fire and Life Safety Compliance—Construction 261,000

(3) 20.10.010.199—Minor Projects..... 615,000

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.
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.

Item Amount

2660-311-890—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)

2660-490—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, 1989. 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 2660-301-042, Budget Act of 1982—$1,000,000

(2) Item 2660-301-042, Budget Act of 1983—$2,000,000

(3) Item 2660-301-042, Budget Act of 1985—$6,000,000

890—For Program 20—Highway Transportation, payable from the Federal Trust Fund

(1) Item 2660-301-890, Budget Act of 1983—$4,000,000

(2) Item 2660-301-890, Budget Act of 1984—$10,000,000

(3) Item 2660-301-890, Budget Act of 1985—$10,000,000

2660-491—Reappropriation—Department of Transportation, 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 not be available for encumbrance.

042—State Highway Account

Item	Amount
(1) Item 2660-101-042, Budget Act of 1987	
045—Bicycle Lane Account	
(1) Item 2660-101-045, Budget Act of 1987	
890—Federal Trust Fund	
(1) Item 2660-101-890, Budget Act of 1987	
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, 1988, 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, 1989, except as otherwise specified:	
036—Special Account for Capital Outlay	
(1) Chapter 1406, Statutes of 1987	250,000
046—Transportation Planning and Development Account	
(1) Item 2660-001-046, Budget Act of 1987	60,600
(2) Item 2660-001-046, Budget Act of 1986	1,283,000
(3) Item 2660-001-046, Budget Act of 1985	1,049,000
890—Federal Trust Fund	
(1) Item 2660-001-890, Budget Act of 1987	160,000
(2) Item 2660-001-890, Budget Act of 1986, as reappropriated by Item 2660-492, Budget Act of 1987	82,400
Provisions:	
1. The funds reappropriated from Item 2660-001-046 of the Budget Act of 1985, and Item 2660-001-046 of the Budget Act of 1986, shall be used for the following purposes:	
(1) To acquire train cars and equipment necessary to establish the third San Joaquin train	1,222,000
(2) For expenditure on the Los Angeles-Santa Barbara segment of the San Diego-Los Angeles-Santa Barbara rail service	1,020,000

Item		Amount
(3) For the purpose of making a grant to the Metropolitan Transportation Commission and the Sacramento Area Council of Governments to conduct a rail corridor study for the Auburn to San Jose Rail Corridor, in accordance with Assembly Concurrent Resolution 132	90,000	
2660-493—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the unliquidated balances as of June 30, 1988, 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, 1989.		
042—State Highway Account		
(1) Item, 2660-101-042, Budget Act of 1983.		
(2) Item 2660-101-042, Budget Act of 1982, as reappropriated by Item 2660-493, Budget Act of 1987.		
(3) Item 182, Budget Act of 1980, as reappropriated by Item 2660-493, Budget Act of 1987.		
046—Transportation Planning and Development Account		
(1) Item 2660-101-046, Budget Act of 1983.		
(2) Item 2660-301-046, Budget Act of 1983.		
(3) Section 71 (c) (2) (C), Chapter 161, Statutes of 1979, as reappropriated by Item 2660-493, Budget Act of 1987.		
2700-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund		290,000
Schedule:		
(a) 10-California Traffic Safety	7,247,000	
(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		531,652,000

Item		Amount
Schedule:		
(a) 10-Traffic Management	488,963,000	
(b) 20-Regulation and Inspection	46,608,000	
(c) 30-Vehicle Ownership Security	12,305,000	
(d) 40.01-Administration	102,152,000	
(e) 40.02-Distributed Administration	-102,152,000	
(f) Reimbursements	-10,070,000	
(g) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-840)	-1,360,000	
(h) Amount payable from the Asset Forfeiture Fund (Item 2720-001-847)	-2,000,000	
(i) Amount payable from the Federal Trust Fund (Item 2720-001-890)	-2,794,000	
Provisions:		
1. Of the funds appropriated in categories (a), (b), (c), and (d), $16,000,000 shall be available only for the purchase of enforcement radio equipment that is consistent with the number and quality of units specified in State Office of Procurement Bid #F85004537, and for related non-bid costs.		
2. Of the amount appropriated in this item, $1.9 million shall be used to bring the pay scale of management level officers up to parity with officers at comparable levels in other law enforcement agencies.		
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		1,360,000
2720-001-847—For support of Department of the California Highway Patrol, for transfer to Item 2720-001-044, payable from the Asset Forfeiture Fund		2,000,000
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		2,794,000
2720-011-044—For payments of deficiencies in appropriations for the Department of the California Highway Patrol, Program 97 Unallocated, which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund		(2,000,000)
Provisions:		

Item		Amount
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 1988–89 fiscal year, for delivery beginning in the 1989–90 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		5,868,000
Schedule:		
(1) 50.01.001—Minor Projects	641,000	
(2) 50.27.207—Verdugo Hills-Purchase of Leased Facility—Acquisition	1,656,000	
(3) 50.43.403—Madera-Purchase of Leased Facility—Acquisition	598,000	
(4) 50.64.604—Border Division (San Diego)-Purchase of Leased Facility—Acquisition	2,953,000	
(5) 50.90.900—Various—Property Options and Appraisals	20,000	
Provisions:		
1. The funds appropriated in category (5) shall be available for expenditure only during the 1988–89 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 1989–90 fiscal year.		
2740-001-001—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044		64,000
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		245,343,000
Schedule:		
(a) 11-Vehicle/Vessel Identification and Compliance	209,785,000	
(b) 22-Driver Licensing and Personal Identification	107,254,000	
(c) 25-Driver Safety	37,675,000	

Item		Amount
(d) 32-Occupational Licensing and Investigative Services	23,585,000	
(e) 35-New Motor Vehicle Board	1,103,000	
(f) 41.01-Administration	47,092,000	
(g) 41.02-Distributed Administration	−47,092,000	
(h) Reimbursements	−8,534,000	
(i) Amount payable from the General Fund (Item 2740-001-001)	−64,000	
(j) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-054)	−1,103,000	
(k) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-064)	−120,672,000	
(*l*) Amount payable from the State Bicycle License and Registration Fund (Item 2740-001-378)	−39,000	
(m) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-516)	−3,179,000	
(n) Amount payable from the Federal Trust Fund (Item 2740-001-890)	−468,000	
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		1,103,000
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		120,672,000
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		39,000
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		3,179,000
Provisions:		
1. The funds appropriated by this item are for undocumented vessel registration and fee collection.		

Item	Amount
2740-001-890—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044, payable from the Federal Trust Fund	468,000
2740-011-044—For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund	(1,000,000)
Provisions:	
1. The Director of Finance shall report allocations from this appropriation in the same manner as required for reporting allocations from Item 9840-001-494 of this act.	
2740-301-044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	2,187,000
Schedule:	
(1) 71.01.000-Minor Projects 542,000	
(2) 71.13.010-Ventura—Purchased Leased Facility—Acquisition 1,645,000	
2740-490—Reappropriation, Department of Motor Vehicles. Notwithstanding any other provision of law, on the effective date of this act, the unencumbered balance of the appropriation provided in the following citation is hereby appropriated for the purposes provided for in that appropriation and shall be available for encumbrance and expenditure until June 30, 1989:	
044—Motor Vehicle Account, State Transportation Fund	
(1) Item 2740-301-044(2), Budget Act of 1987—71.93.011—Sacramento Headquarters—Site Preparation for Computer Replacement—Working Drawings and Construction.	
(2) Item 2740-301-044(3), Budget Act of 1985—71.03.010—Sacramento Headquarters Building—Construction of Fire and Life Safety Retrofits.	
2740-495—Reversion, Department of Motor Vehicles. After June 30, 1988, the unencumbered balance of the appropriations provided in the following citations shall revert to the balance of the fund from which the appropriation was made.	
(1) Chapter 1078, Statutes of 1986.	
(2) Chapter 1306, Statutes of 1986.	

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2740-496—Reversion, Department of Motor Vehicles. As of June 30, 1988, the unencumbered balance, including any unspent balances in the Architecture Revolving Fund, of the appropriations provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:

044—Motor Vehicle Account, State Transportation Fund.

(1) Item 2740-301-044(8), Budget Act of 1985, 71.10.010-Santa Ana—Preliminary plans, working drawings, and construction of building addition.

(2) Item 2740-301-044(9), Budget Act of 1986, 71.12.010-Upland—Office Building and Parking Facility—Acquisition and Preliminary Plans.

The Director of General Services, acting on behalf of the Department of Motor Vehicles, may enter into a lease with purchase option agreement for the purpose of providing a 16,000 net square foot office building and 200 parking spaces in Upland.

However, no lease may be entered into unless the agreement is approved by the State Public Works Board and unless the Chairman of the Joint Legislative Budget Committee, or his or her designee, has been provided a 30-day review of the proposed agreement. The proposed agreement is expected to exceed $2,000,000 at the first purchase option date.

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 62,154,000

Schedule:

(a) Support 62,189,000

(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

Item Amount

whatever lesser time the chairperson of the 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. 525,000

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 777,000

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..... 410,000

Provisions:

1. The Tahoe Regional Planning Agency shall use the funds appropriated by this item in the following manner: $280,000 to expand the existing water and air quality monitoring effort; $80,000 to continue the second year of the community planning process; and, $50,000 to fund the monitoring capability of the Individual Parcel Evaluation System.
2. Funding in this item is contingent upon provision of the appropriate matching share by the State of Nevada.

3125-001-001—For support of California Tahoe Conservancy 775,000

Schedule:

(a) 10-Tahoe Conservancy	1,478,000
(b) Amount payable from the Lake Tahoe Acquisitions Fund (Item 3125-001-720)	—658,000

Item	Amount
(c) Amount payable from the Federal Trust Fund ..... —45,000	
3125-001-720—For support of California Tahoe Conservancy, for transfer to Item 3125-001-001, payable from the Lake Tahoe Acquisitions Fund	658,000
3125-101-140—For local assistance, California Tahoe Conservancy, Program 10, for soil erosion control grants, payable from the Environmental License Plate Fund.....	1,000,000
3125-101-890—For local assistance, California Tahoe Conservancy, Program 10, for soil erosion control grants, payable from the Federal Trust Fund.....	1,000,000
3125-301-720—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Acquisitions Fund	10,000,000
Schedule:	
(1) 50.20.002-Land acquisition pursuant to subdivisions (a), (b), and (c) of Section 66957 of the Government Code 10,000,000	
Provisions:	
1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than $250,000 and, therefore, is not subject to Public Works Board approval.	
2. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.	
3125-490—Reappropriation—California Tahoe Conservancy. Notwithstanding any other provisions of law, the unliquidated encumbrance as of June 30, 1988, from the appropriation in Item 3125-101-140, Budget Act of 1985, is reappropriated for the purposes provided for in the appropriation, and shall be available for expenditure until June 30, 1989.	
3125-491—Reappropriation—California Tahoe Conservancy. Notwithstanding any other provisions of law, the unliquidated encumbrance as of June 30, 1988, of the appropriation provided in Item 3125-101-190 of the Budget Act of 1985 is reappropriated for the purposes provided for in the appropriation, and shall be available for expenditure until June 30, 1989.	

Item		Amount
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		303,000
Provisions:		
1. Notwithstanding any other provisions of law, up to $190,000 of the funds appropriated by this item shall be available to the SAFEBIDCO general operating account.		
3340-001-001—For support of California Conservation Corps		42,471,000
Schedule:		
(a) 10-Training and Work Program....	56,165,000	
(b) 20.01-Administration.....	5,297,000	
(c) 20.02-Distributed Administration..	−5,297,000	
(d) Reimbursements	−7,488,000	
(e) Amount payable from the Energy Resources Programs Account, General Fund (Item 3340-001-465)	−6,206,000	
Provisions:		
1. Of the $770,000 appropriated in this item for special repairs, $150,000 is provided solely for a water treatment project at the Corps' Oat Mountain Center. The $150,000 provided for this project may not be expended until the Corps renegotiates the lease for the Oat Mountain Center for the period necessary to amortize its investment in the water treatment project.		
2. The Corps shall notify the Chairperson of the Joint Legislative Budget Committee at least 30 days prior to spending funds on special repair projects that are not identified on the list of special repair projects submitted by the Corps to the Legislative Analyst Office on April 6, 1988.		
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		6,206,000
3340-301-036—For capital outlay, California Conservation Corps, payable from the Special Account for Capital Outlay		1,802,000
Schedule:		
(1) 30.10.999-Minor projects.....	203,000	

Item		Amount
(2)	30.30.020—San Luis Obispo Training Academy—Improvements—Construction	1,599,000

Provisions:

1. The amount appropriated in category (2) of this item for construction for the San Luis Obispo Training Academy shall include funds for construction inspection by the Office of the State Architect. The Office of the State Architect shall conduct these inspections during the course of the construction funded in category (2) in order to assure compliance with fire and life/safety code requirements and adherence to good construction practices.

3340-495—Reversion, California Conservation Corps. Notwithstanding any other provision of law, $268,000 of the appropriation provided in the following citation, including any portion of the $268,000 that has been transferred to the Architecture Revolving Fund, shall be reverted on the effective date of this act to the General Fund, Special Account for Capital Outlay:

Item 3340-301-036, Budget Act of 1987:

(2) 30.30.020-San Luis Obispo Training Academy-Improvements-Preliminary plans and working drawings.

3360-001-033—For support of State Energy Resources Conservation and Development Commission, for transfer to Item 3360-001-465, payable from the State Energy Conservation and Assistance Account, General Fund 5,266,000

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, 1992.

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 .. 93,000

3360-001-429—Notwithstanding any other provisions of law, the commission may make energy conservation loans to school districts with fewer than 2,501 average daily attendance at an interest rate no higher than the average rate earned in the prior year by the Pooled Money Investment Account, nor at a rate lower than 2 percent less than that

Item			Amount
average rate.			
3360-001-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund			29,369,247
Schedule:			
(a) 100000-Personal Services		19,912,247	
(b) 300000-Operating Expenses and Equipment		11,811,000	
(c) Special Items of Expense		7,805,000	
(1) Energy Technologies Research, Development and Demonstration projects	2,055,000		
(2) Siting and Permit assistance	600,000		
(3) Energy Conservation Assistance Loans	5,000,000		
(8) Solar Energy and Energy Conservation Bank	150,000		
(cx) Unallocated Reduction	-600,000		
(d) Reimbursements		-150,000	
(e) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044)		-93,000	
(f) Amount payable from the Energy Technologies Research, Development and Demonstration Account (Item 3360-001-479)		-2,401,000	
(h) Amount payable from the Federal Trust Fund (Item 3360-001-890)		-1,039,000	
(i) Amount payable from the Clean Fuels Account, General Fund (Chapter 1340, Statutes of 1986)		-50,000	
(j) Amount payable from the Local Jurisdiction Energy Assistance Account, General Fund (Chapter 1343, Statutes of 1986)		-470,000	
(k) Amount payable from Petroleum Violation Escrow Account (Chapter 1338, Statutes of 1986)		-40,000	
(*l*) Amount payable from Petroleum Violation Escrow Account (Chapter 1341, Statutes of 1986)		-50,000	

Item	Amount
(n) Amount payable from State Energy Conservation and Assistance Account (Item 3360-001-033)	−5,266,000
Provisions:	
1. Of the funds appropriated by this item, $148,247 shall be available for expenditure only if the Legislature approves Petroleum Violation Escrow Account funds for an alternative fuels demonstration program in separate legislation.	
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	2,401,000
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, 1992.	
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	1,039,000
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	(75,000)
3360-011-465—For transfer by the State Controller from the Energy Resources Programs Account (465) to the Energy Technologies, Research, Development and Demonstration Account (479) for purposes of funding loans and grants to develop a variety of contract research projects	(1,000,000)

Item	Amount
3360-021-465—State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the State Controller shall transfer $600,000 from the Energy Resources Programs Account to the General Fund on the effective date of this act	(600,000)
3360-101-497—For local assistance, State Energy Resources Conservation and Development Commission, pursuant to the provisions of Public Resources Code Section 3822, payable from the Local Government Geothermal Resources Revolving Subaccount, General Fund	5,300,000
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, 1992.	
3360-490—Extension of liquidation period, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, on the effective date of this act, the funds appropriated in the following citations shall be available for liquidation until June 30, 1991.	
479—Energy Technologies, Research, Development and Demonstration Account:	
(1) Chapter 1595, Statutes of 1984.	
(2) Item 3360-011-479, Budget Act of 1986.	
(3) Item 3360-490, Budget Act of 1987.	
3360-491—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, 1989.	
479—Energy Technologies, Research, Development and Demonstration Account:	
(1) Chapter 1595, Statutes of 1984	
3360-492—Reappropriation, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, on the effective date of this act, the funds appropriated in Item 3360-001-890 (f) of the Budget Act of 1983 shall be available for liquidation until June 30, 1989.	

Item		Amount
3360-495—Reversion, State Energy Resources Conservation and Development Commission. After June 30, 1988, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.		
853—Petroleum Violation Escrow Account		
(1) Chapter 890, Statutes of 1986, Section 3.		
3380-001-001—For support of California Waste Management Board		4,415,000
Schedule:		
(a) 100000-Personal Services	3,294,000	
(b) 300000-Operating Expenses and Equipment	1,211,000	
(bx) Unallocated Reduction	−90,000	
3400-001-001—For support of State Air Resources Board		2,895,000
Schedule:		
(a) 10-Air Pollution Control	56,756,000	
(b) 20-Environmental Affairs	3,714,000	
(c) Reimbursements	−2,189,000	
(cx) 97.20.001-Unallocated Reduction	−139,000	
(d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3400-001-044)	−40,380,000	
(e) Amount payable from the Air Pollution Control Fund (Item 3400-001-115)	−2,389,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3400-001-140)	−4,087,000	
(g) Amount payable from the Vehicle Inspection Fund (Item 3400-001-420)	−2,059,000	
(h) Amount payable from the Air Toxics Inventory and Assessment Account, General Fund (Item 3400-001-434)	−1,107,000	
(i) Amount payable from the Energy Resources Programs Account, General Fund (Item 3400-001-465)	−190,000	
(j) Amount payable from the Federal Trust Fund (Item 3400-001-890)	−5,035,000	

Item Amount

Provisions:

0.5. Of the amount appropriated in this item, $1,000,000 ($750,000 transferred from Item 3400-001-044 and $250,000 transferred from Item 3400-001-140) is for a San Joaquin Valley Data Collection and Modeling Study, and shall not be available for expenditure until the Executive Officer of the Air Resources Board certifies to the Department of Finance that a total of at least $2,000,000 in nonstate funding has been committed. The Air Resources Board may advance such funds to the San Joaquin Valleywide Air Pollution Study Agency, with whom the board shall contract for the conduct of the study.

1. 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.
2. 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.
3. Of the funds appropriated in this item, $2,150,000 is for a Marine Fisheries Mitigation Program. Of these funds, $200,000 originally proposed for reimbursement to the Department of Food and Agriculture for a marketing assistance program, shall be used instead for a program administered by the Office of Environmental Affairs to assist the San Pedro purse seine fleet.
4. Of the amount appropriated in this item, $75,000 and one personnel-year are for the purpose of ensuring uniform application of monitoring and enforcement activities by local air pollution control districts related to the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986.

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 40,380,000

Item		Amount
3400-001-115—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Air Pollution Control Fund		2,389,000
3400-001-140—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the California Environmental License Plate Fund		4,087,000
3400-001-420—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Vehicle Inspection Fund		2,059,000
3400-001-434—For support of the State Air Resources Board, for transfer to Item 3400-001-001, payable from the Air Toxics Inventory and Assessment Account, General Fund		1,107,000
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		190,000
3400-001-890—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Federal Trust Fund		5,035,000
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		94,000
Schedule:		
(1) 50.90.001—Haagen-Smit Laboratory: Modifications—Preliminary Plans and Working Drawings	94,000	

Item		Amount
3460-001-001—For support of Colorado River Board of California		258,000
Schedule:		
(a) 100000-Personal Services	632,000	
(b) 300000-Operating Expenses and Equipment	170,000	
(c) Reimbursements	−533,000	
(d) Amount payable from the California Environmental License Plate Fund (Item 3460-001-140)	−11,000	
3460-001-140—For support of Colorado River Board, for transfer to Item 3460-001-001, payable from the California Environmental License Plate Fund		11,000
Provisions:		
1. The funds appropriated by this item are for the Salinity Control Forum.		
3480-001-001—For support of Department of Conservation		14,873,000
Schedule:		
(a) 10-Geologic Hazards and Mineral Resources Conservation	12,125,000	
(b) 20-Oil, Gas, and Geothermal Protection	9,017,000	
(c) 30-Special Services for Resources Protection	1,376,000	
(d) 40.01-Administration	4,887,000	
(e) 40.02-Distributed Administration	−4,887,000	
(ex) Unallocated Reduction	−152,000	
(f) Reimbursements	−702,000	
(g) Amount payable from the Surface Mining and Reclamation Account, General Fund (Item 3480-001-035)	−1,930,000	
(h) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-042)	−12,000	
(i) Amount payable from the Soil Conservation Fund (Item 3480-001-141)	−1,056,000	
(j) Amount payable from the California Water Fund (Item 3480-001-144)	−12,000	
(k) Amount payable from the Strong Motion Instrumentation Program Fund (Item 3480-001-398)	−3,032,000	

Item		Amount
(*l*) Amount payable from the Methane Gas Hazards Reduction Account, General Fund (Item 3480-001-433)	−50,000	
(m) Amount payable from the Federal Trust Fund (Item 3480-001-890)	−599,000	
(n) Amount payable from the Insurance Fund (Chapter 1112, Statutes of 1987)	−100,000	
Provisions:		
1. Of the amount appropriated in this item, $50,000 shall be for the Williamson Act Capitalization Rate Study.		
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		1,930,000
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.		
3480-001-141—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Soil Conservation Fund		1,056,000
3480-001-144—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the California Water Fund		12,000
Provisions:		
1. The funds appropriated by this item are for the state's share of the California Institute of Technology seismograph network.		
3480-001-398—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Strong Motion Instrumentation Program Fund		3,032,000
3480-001-433—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Methane Gas Hazards Reduction Account, General Fund		50,000
3480-001-890—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Federal Trust Fund		599,000

Item		Amount
3480-101-433—For local assistance, Department of Conservation, Program 20, payable from the Methane Gas Hazards Reduction Account, General Fund ..		350,000
3540-001-001—For support of Department of Forestry and Fire Protection		210,682,797
Schedule:		
(a) 100000-Personal services	201,014,018	
(b) 300000-Operating expenses and equipment	92,668,779	
(c) Reimbursements	−60,382,000	
(d) Less transfer from Items 5240-001-001 and 5460-001-001	−8,601,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3540-001-140)	−3,785,000	
(g) Amount payable from the Professional Forester Registration Fund (Item 3540-001-300)	−117,000	
(h) Amount payable from the Federal Trust Fund (Item 3540-001-890) ..	−5,125,000	
(i) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928)	−4,213,000	
(j) Amount payable from the Renewable Resources Investment Fund (Item 3540-001-940)	−753,000	
(k) Amount payable from the Timber Tax Fund (Item 3540-001-965)	−24,000	
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.		

Item	Amount
3. Upon executive order of the Department of Finance, funds necessary for the activation of new camps shall be transferred from Items 5240-001-001 and 5460-001-001 to and in augmentation of this item.	
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	3,785,000
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	117,000
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	5,125,000
Provisions:	
1. The Department of Forestry and Fire Protection is authorized to collect and hold federal recoveries in excess of budgeted levels within the Federal Trust Fund for appropriation in subsequent years. Funds will be used in support of cooperative fire protection services on Bureau of Land Management lands. Maximum amount shall not exceed $1,104,000.	
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	4,213,000
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	753,000
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	24,000
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, 1988, through June 30, 1989, payable from the Forest Resources Improvement Fund	(1,594,000)
3540-301-036—For capital outlay, Department of Forestry and Fire Protection, payable from the Special Account for Capital Outlay	917,000
Schedule:	
(1) 30.30.040-Pilot Hill-Acquisition 68,000	

Item		Amount
(3) 30.80.000-Minor Capital Outlay	724,000	
(4) 30.30.030-Miramonte Conservation Camp-Acquisition	125,000	
3540-301-928—For capital outlay, Department of Forestry, payable from the Forest Resources Improvement Fund		263,000
Schedule:		
(1) 30.10.030-Boggs Mountain-Acquisition	98,000	
(2) 30.30.045-Mountain Home-Miller Parcel-Acquisition	165,000	

Provisions:

1. Notwithstanding Section 4799.13 of the Public Resources Code, the amounts appropriated in categories (1) and (2) shall be available, respectively, for acquisition of land for the Boggs Mountain State Forest and acquisition of the Miller Parcel for the Mountain Home State Forest.

3540-490—Reappropriation, Department of Forestry and Fire Protection. Notwithstanding any other provision of law the balance of the appropriation provided in the following citation is reappropriated for the purposes specified in the appropriation and shall be available for expenditure until June 30, 1989:

001—General Fund.

Item 3540-301-001 (1), Budget Act of 1986—as reappropriated by Item 3540-490, Budget Act of 1987—30.30.075—Bitterwater Helitack Base—Preliminary Plans and Working Drawings.

Provisions:

1. It is the intent of the Legislature that the scope and cost of the Bitterwater helitack base project be reevaluated based on an independent value engineering study and a reevaluation of project administration needs and that preliminary plans, revised project cost estimate, and the value engineering study be provided to the Legislature for review prior to submission to the Legislature of the Governor's 1989-90 Budget.

3560-001-001—For support of State Lands Commission		14,541,000
Schedule:		
(a) 10-Extractive Development	10,489,000	
(b) 20-Land Management and Conservation	7,401,000	
(c) 30.01-Administration	3,024,000	

Item		Amount
(d) 30.02-Distributed Administration	−3,024,000	
(dx) Unallocated Reduction	−287,000	
(e) Reimbursements	−1,712,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3560-001-140)	−1,250,000	
(g) Amount payable from the Federal Trust Fund (Item 3560-001-890)	−100,000	

Provisions:

1. Notwithstanding the provisions of subdivision (d) of Section 4 of 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 paragraph (2) of subdivision (a) of Section 6217 of the Public Resources Code.
2. All costs incurred to manage State School Lands shall be deducted from the revenues produced by those lands and deposited into the General Fund pursuant to Chapter 1213 of the Statutes of 1983.
3. Of the amount appropriated by this item, $181,000 is provided solely for litigation work in the case of Atlantic Richfield Company (ARCO) vs. State Lands Commission, et al., and $1,319,000 is available solely to prepare a comprehensive study of the cumulative impacts of oil and gas development in federal and state waters along the California coast. Funds not used for these purposes shall revert to the fund of origin.

3560-001-140—For support of State Lands Commission, for transfer to Item 3560-001-001, payable from the California Environmental License Plate Fund 1,250,000

3560-001-890—For support of State Lands Commission, for transfer to Item 3560-001-001, payable from the Federal Trust Fund 100,000

3560-301-036—For capital outlay, State Lands Commission, payable from the Special Account for Capital Outlay 563,000

Schedule:

(1) 40.10.010-Statewide—Hazard Removal Program 563,000

Item	Amount
Provisions:	
1. Funds appropriated in Schedule (1) of this item shall be used only for the removal of those hazards identified in the commission's Hazards Inventory Report to the Legislature. As findings within the inventory report constitute sufficient information as to the nature of these hazards, expenditures of funds from Schedule (1) of this item shall not be subject to Public Works Board approval.	
3560-490—Reappropriation, State Lands Commission. Notwithstanding any other provision of law, the unliquidated balances as of June 30, 1988, are reappropriated for the purposes provided for in those appropriations and shall be available for liquidation until June 30, 1989.	
001—General Fund	
(1) 3560-001-001 Budget Act of 1985, for environmental impact studies.	
3580-001-001—For support of Seismic Safety Commission, Program 10	943,000
3600-001-001—For support of Department of Fish and Game, for transfer to Item 3600-001-200	8,867,000
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	11,882,000
Provisions:	
1. Of the amount appropriated in this item, up to $100,000 shall be for reimbursement to the City of Oceanside for completion of the visitor center at Buena Vista Lagoon.	
3600-001-200—For support of Department of Fish and Game, payable from the Fish and Game Preservation Fund	68,208,000
Schedule:	
(a) 100000-Personal Services 62,114,000	
(b) 300000-Operating Expenses and Equipment 53,737,000	
(c) Reimbursements ..... −10,319,000	
(d) Amount payable from the General Fund (Item 3600-001-001) ..... −8,867,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) ..... −11,882,000	
(g) Amount payable from the Federal Trust Fund (Item 3600-001-890) .. −15,825,000	

Item		Amount
(h)	Amount payable from the Renewable Resources Investment Fund (Item 3600-001-940)	−750,000

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.
3. 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.
4. The budget reflects a shift of $462,000 in departmental support from the Environmental License Plate Fund to the Fish and Game Preservation Fund to fund the department's current level of activities appropriately based on the results of the department's cost allocation methodology as applied to activities actually performed in 1986–87.

   The Legislature finds that the 1986–87 data is the best information available at this time. The funding shift shall not result in a decrease in the level of department activities which benefit nongame species, or an increase in the level of department activities which benefit game species. Instead, the funding shift is intended to fund the department's current level of activities appropriately.

Item Amount

5. The department shall increase by 100 percent the fees charged to the users of the Natural Diversity Data Base. The department shall submit to the Legislature by March 1, 1989, a report which evaluates the effects of the fee increases on data base use and fee revenues. The report shall include the following:
   a. A comparison of the actual revenues received as of February 1, 1989, from Natural Diversity Data Base fees with estimated revenues if the fees had not been increased.
   b. A projection of the total revenue from data base fees that will be received in 1988–89, and an estimate of the data base fee revenue that would have been received in 1988–89 if the fees had not been increased.
   c. A comparison of the use of the data base from July 1988 to February 1989 with data base use for similar seven-month periods over the past three fiscal years.
6. Of the amount provided in this item, $475,000 is to provide one-time funding for expanding the department's public information program.
7. No later than 30 days prior to entering into any agreement for the temporary care and housing of animals, the director shall certify to the Joint Legislative Budget Committee all of the following:
   (a) The facilities of the proposed contractor are in full compliance with applicable state and federal law and regulations.
   (b) The facilities meet all applicable local and state health, fire, and life safety code requirements.
   (c) The facilities will prevent unnecessary human imprinting of wild animals that will be returned to their native habitat.
   (d) The contractor and employees responsible for the care of wild and exotic animals are trained in and understand the behavior and needs of all species under their care, including proper sanitation, feeding, disease recognition and prevention, and animal handling techniques.
   (e) The facilities have a permanent source of water, and adequate sewage system for animal caging areas, and complete perimeter

Item	Amount
fencing.	
(f) Commercialization of animals transferred to the facility by the department is prohibited.	
The department shall inspect twice yearly to verify a contractor's compliance with these conditions. The director shall cause any contract entered into for the temporary care and housing of animals to be unenforceable upon a finding of the director that the facility is not in compliance with the conditions described above.	
3600-001-890—For support of Department of Fish and Game, for transfer to Item 3600-001-200, payable from the Federal Trust Fund	15,825,000
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	750,000
3600-011-001—For support of Department of Fish and Game (reimbursement of free fishing licenses), for transfer to the Fish and Game Preservation Fund	11,000
3600-011-200—For transfer by the State Controller from the Fish and Game Preservation Fund to the General Fund, to pay interest for full repayment of a loan provided in the Budget Act of 1985	317,000
Schedule:	
(b) Interest payment to General Fund 317,000	
Provisions:	
1. The amount appropriated in Item 3600-011-200 may be increased by the Director of the Department of Finance in an amount sufficient to pay off any balance of interest due on the repayment of the General Fund loan made to the Fish and Game Preservation Fund, pursuant to Chapter 111, Statutes of 1985.	
3600-011-940—For transfer to the Fisheries Restoration Account, Fish and Game Preservation Fund, notwithstanding Section 34000 of the Public Resources Code, for fisheries restoration projects, payable from the Renewable Resources Investment Fund, to offset the reduction of tidelands oil revenues	(1,000,000)
3600-012-200—For transfer by the State Controller from the Fish and Game Preservation Fund to the General Fund, an amount sufficient to provide for the full repayment of a loan provided in the Budget Act of 1985.	

Item		Amount
Schedule:		
(a) Principal, transfer to General Fund	(1,510,000)	
3600-021-200—For transfer by the State Controller from the Fish and Game Preservation Fund to the General Fund, to pay interest on repayment of a loan provided in Chapter 170, Statutes of 1986		295,000
Provisions:		
1. The amount appropriated in Item 3600-021-200 may be increased by the Director of the Department of Finance in an amount sufficient to pay any balance of interest due on the repayment of the General Fund loan made to the Fish and Game Preservation Fund, pursuant to Chapter 170, Statutes of 1986.		
3600-022-200—For transfer by the State Controller from the Fish and Game Preservation Fund to the General Fund, an amount sufficient to provide for full repayment of a loan provided in Chapter 170, Statutes of 1986.		
(a) Principal, transfer to General Fund	(1,455,000)	
3600-031-200—For support of Department of Fish and Game, for reimbursement to the State Department of Health Services for shellfish monitoring activities, payable from the Fish and Game Preservation Fund		203,000
Schedule:		
(a) 300000-Operating expenses and equipment	203,000	
3600-301-200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund		2,741,000
Schedule:		
(1) 90.07.100-Minor projects	651,000	
(2) 90.88.001-Hot Creek Hatchery—Building and Ponds—Construction	916,000	
(3) 90.88.005-Mad River Hatchery—Fish Weir—Construction	318,000	
(4) 90.88.006-Merced River—Salmon Rearing Facility—Preliminary Plans and Working Drawings	46,000	
(5) Reimbursements—Merced River Salmon Rearing Facility—Preliminary Plans and Working Drawings	−46,000	

Item		Amount
(6) 90.88.009-Suisun Marsh—Hill Slough Interpretive Facility—Construction	317,000	
(7) Reimbursements-Suisun Marsh—Hill Slough Interpretive Facility—Construction	−317,000	
(8) 90.88.015-Budget Schematics	50,000	
(8.5) 90.89.005-Healdsburg Dam Fish Ladder—Preliminary Plans, Working Drawings, and Construction	806,000	
(10) 90.88.016—Glenn Colusa Weir-Minor Project	200,000	
(11) Reimbursements—Glenn Colusa Weir-Minor Project	−200,000	

Provisions:

1. The funds appropriated in category (8.5) are contingent upon the execution of a cost sharing agreement between the department, the Fish and Game Commission, and the County of Sonoma.
2. The Director of the Department of Fish and Game shall seek a 50-percent reimbursement from the Glenn-Colusa Irrigation District for expenditures funded in this item for replacement of fish screens at the Glenn-Colusa water diversion intake. In addition, the director shall use available legal means to secure a 50-percent match from the irrigation district for any and all improvements undertaken by the department in the future to mitigate fish losses resulting from the district's diversion of water from the Sacramento River.

3600-301-890—For capital outlay, Department of Fish and Game, payable from the Federal Trust Fund 581,000

Schedule:

(1) 90.07.100-Minor Projects	264,000
(2) 90.88.005-Mad River Hatchery—Fish Weir—Construction	317,000

3600-490—Reappropriation, Department of Fish and Game. Notwithstanding any other provision of law, the balance of the appropriations provided in the following citations are reappropriated for the purposes provided in the appropriations, and shall be available for expenditure until June 30, 1990:

(1) Chapter 1390, Statutes of 1985—Seismic testing on fish.

Item		Amount
(2) Chapter 212, Statutes of 1986—Administrative costs for the Salmon Steelhead Trout Advisory Committee.		
3640-001-140—For support of Wildlife Conservation Board, payable from the California Environmental License Plate Fund		250,000
Schedule:		
(1) Suisun Resource Conservation District	250,000	
Provisions:		
1. Of the amount appropriated in this item, $250,000 is for the purposes of Chapter 1571 of Statutes of 1982.		
3640-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund		581,000
Schedule:		
(a) 100000-Personal Services	459,000	
(b) 300000-Operating Expenses and Equipment	122,000	
3640-301-140—For capital outlay, Wildlife Conservation Board, payable from the California Environmental License Plate Fund		3,292,000
Schedule:		
(1) 80.10.100—Land Acquisition and Development—Ecological Reserves	2,000,000	
(2) 80.10.102—Dairy Mart Ponds—Acquisition	300,000	
(3) 80.10.103—Elk Creek Wildlife Area—Acquisition	500,000	
(4) 80.10.104—Lake Earl Wildlife Area—Acquisition	50,000	
(5) 80.10.105—Mill Bend (Gualala River)—Acquisition	95,000	
(6) 80.10.106—Moss Landing Wildlife Area—Acquisition	347,000	
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.		
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		3,000,000

Item		Amount
Schedule:		
(1) 80.10.010-Minor Projects	1,250,000	
(2) 80.10.020-Project Planning	20,000	
(3) 80.10.030-Land Acquisitions	1,830,000	
(4) Reimbursements	−100,000	
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.		

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3640-301-748—For capital outlay, Wildlife Conservation Board, payable from the Fish and Wildlife Habitat Enhancement Fund		3,839,000
Schedule:		
(1) 80.10.110-Acquisition, Enhancement, or Development pursuant to Fish and Game Code Section 2620(a)(1)	1,524,000	
(2) 80.10.120-Acquisition, Enhancement or Development pursuant to Fish and Game Code Section 2620(a)(2)	1,000,000	
(3) 80.10.140-Acquisition, Enhancement, or Development pursuant to Fish and Game Code Section 2620(d)	910,000	

Item Amount

(4) 80.10.150-Project Planning pursuant to Fish and Game Code Section 2621..... 50,000
(5) 80.10.160-Van Arsdale Fish Screen and Bypass—Project planning 355,000

Provisions:

1. The funds in categories (1) through (3) 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 (4) are available to support categories (1), (2), and (3) for the 1988–89 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 Habitat Enhancement Fund.
5. The funds appropriated in category (5) are for project planning pursuant to Fish and Game Code Section 2620(a)(2).
7. The Famosa Slough acquisition is a high priority for the expenditure of funds pursuant to this item, and no more than $500,000 shall be expended from funds appropriated in this item for the acquisition.

3640-490—Reappropriation, Wildlife Conservation Board. Notwithstanding any other provision of law the balance of the appropriation provided in the following citation is reappropriated for the purposes specified in the appropriation, and shall be available for expenditure until June 30, 1989.

722—Parklands Fund of 1984

Item 3640-301-722, Budget Act of 1985

(1) 80.10.003-Development, Rehabilitation, or Restoration of real property for coastal fishing piers.
(2) 80.10.005-Acquisition, Development Rehabilitation, or Restoration of real property for wildlife-oriented public use projects.

Item			Amount
3680-001-001—For support of Department of Boating and Waterways, for transfer to Item 3680-001-516			263,000
3680-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			3,875,000
Schedule:			
(a) 100000-Personal Services		2,674,000	
(b) 300000-Operating Expenses and Equipment		1,459,000	
(c) Feasibility Determinations		20,000	
(d) Boating Safety Financial Assistance		250,000	
(e) Reimbursements		−15,000	
(f) Amount payable from the General Fund (Item 3680-001-001)		−263,000	
(g) Amount payable from the Federal Trust Fund (Item 3680-001-890)		−250,000	
3680-001-890—For support of Department of Boating and Waterways, for transfer to Item 3680-001-516, payable from the Federal Trust Fund			250,000
3680-101-036—For local assistance, Department of Boating and Waterways, payable from the Special Account for Capital Outlay			4,000,000
Schedule:			
(a) San Francisco Seawall, Phase II		2,000,000	
(b) San Francisco Bay Dredging		2,000,000	
Provisions:			
1. The funds appropriated in schedule (b) of this item shall not be made available unless the Director of Boating and Waterways certifies to the Director of Finance that: (a) the Port of San Francisco does not have available sufficient funds in its reserve account to cover the cost of the project and to maintain necessary operating reserves; and (b) that the United States Department of the Navy does not have funding available for the project.			
3680-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			27,512,000
Schedule:			
(a) Launching facility grants		4,812,000	
1) Barrett Cove South, Lake McClure, Mariposa Co.	350,000		

Item		Amount
2) Clark Springs, Clair Engle Lake, Trinity Co.	280,000	
3) Crescent City, Del Norte Co.	35,000	
4) Lake Cuyamaca, San Diego Co.	110,000	
5) Floating Rest-rooms-statewide	150,000	
6) Lake Hennessey, Napa Co.	443,000	
7) Hirz Bay, Shasta Lake, Shasta Co.	205,000	
8) Klamath Townsite, Del Norte Co.	327,000	
9) Lakeport, Clear Lake, Lake Co.	139,000	
10) Little Grass Valley Res., Plumas Co.	140,000	
11) Modesto Reservoir, Stanislaus Co.	140,000	
12) Pillar Point Harbor, San Mateo Co.	990,000	
13) Pine Cove, Lewiston Lake, Trinity Co.	61,000	
14) Ramp Repairs, Extensions, etc., Statewide	150,000	
15) Red Bluff Diversion Dam, Tehama Co.	532,000	
16) Rock House Marina, Colorado River, San Bernardino Co.	700,000	
17) Woodward Reservoir, Stanislaus Co.	60,000	
(b) Loans: Local Government		16,500,000
1) Avalon Harbor, Los Angeles Co.	900,000	
2) Channel Island Harbor, Ventura Co.	500,000	
3) Crescent City Harbor, Del Norte Co.	100,000	
4) Emergency Loans	100,000	

Item		Amount
5) Foster City Marina, San Mateo Co.	3,500,000	
6) Oyster Point, West Basin, San Mateo Co.	300,000	
7) Statewide Planning Loans	100,000	
8) Richmond-Marina Bay, Contra Costa Co.	2,500,000	
9) Sacramento Boat Harbor, Sacramento Co.	1,000,000	
10) Watchhorn Basin, Cabrillo Beach, Los Angeles Co.	5,500,000	
11) Emergency loan for City of Redondo Beach, Los Angeles Co.	2,000,000	
(c) Boating safety and enforcement		3,200,000
(d) Boating safety financial assistance		500,000
(e) Recreational Marina Loans—Private		3,000,000
(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.
3. No funds appropriated in category (b) shall be expended unless and until all project permits from the appropriate state and federal agencies are received, except for those funds that are necessary to obtain project permits.

Item	Amount

4. No funds appropriated in categories (a) and (b) shall be encumbered or expended unless and until an environmental impact report is completed and approved for the project.
5. The funds appropriated in category (c) are for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation Code.
6. The funds appropriated in category (d) for Boating Safety Financial Assistance shall be expended in accordance with federal law.
7. The funds appropriated in category (e) are for private recreational marinas pursuant to Section 76.3 of the Harbors and Navigation Code.
8. The funds appropriated in category (b) (4) 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 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.

Item		Amount
Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.		
3680-121-890—For local assistance, Department of Boating and Waterways, for transfer to the Harbors and Watercraft Revolving Fund, payable from the Federal Trust Fund		982,000
Provisions:		
1. Notwithstanding Section 28.00, any amount in excess of the amount appropriated in Item 3680-121-890, received for reimbursement of local assistance projects that commenced and were completed in prior years, shall be transferred to the Harbors and Watercraft Revolving Fund.		
3680-301-516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		983,000
Schedule:		
(1) 50.99.010-Project Planning	20,000	
(2) 50.99.020-Minor projects	963,000	
3720-001-001—For support of California Coastal Commission		6,841,000
Schedule:		
(a) 10-Coastal Management Program	9,004,000	
(b) 20-Coastal Energy Program	413,000	
(c) 30.01-Administration	993,000	
(d) 30.02-Distributed Administration	−953,000	
(e) Reimbursements	−40,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3720-001-140)	−403,000	
(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.		

Item	Amount
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.	
3720-001-140—For support of California Coastal Commission, for transfer to Item 3720-001-001, payable from the California Environmental License Plate Fund	403,000
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
3720-490—Reappropriation, California Coastal Commission. Notwithstanding any other provisions of law, the balance of the appropriation provided in Item 3720-001-890 of the Budget Act of 1983 is reappropriated for the purposes provided for in that appropriation and shall be available for expenditure until June 30, 1990.	
STATE COASTAL CONSERVANCY	
3760-001-036—For support of State Coastal Conservancy, payable from the Special Account for Capital Outlay	75,000
Schedule:	
(a) Orange County Resale Control Program	75,000
3760-001-565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1976	380,000
Schedule:	
(a) 100000-Personal Services	2,047,000
(b) 300000-Operating Expenses and Equipment	714,000
(c) 454632-Preproject feasibility planning	1,176,000
(d) Reimbursements	−906,000
(e) Amount payable from the Fish and Wildlife Habitat Enhancement Fund (Item 3760-001-748)	−250,000

Item		Amount
(f) Amount payable from the Coastal Conservancy Fund of 1984 (Item 3760-001-730)	−754,000	
(g) Amount payable from the Parklands Bond Act of 1980 (Item 3760-001-721)	−1,647,000	
3760-001-721—For support of State Coastal Conservancy, for transfer to Item 3760-001-565, payable from the Parklands Bond Act of 1980		1,647,000
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		754,000

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

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.

3760-101-565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Bond Fund of 1976 650,000

Schedule:

(a) 80.14.050-San Dieguito Lagoon—Acquisition 650,000

Provisions:

1. The funds appropriated in this item are for a local assistance grant to the City of Del Mar to acquire property in the San Dieguito Lagoon area.

3760-301-140—For capital outlay, State Coastal Conservancy, payable from the California Environmental License Plate Fund 400,000

Schedule:

(1) 80.36.070-Mendocino Botanical Gardens—Acquisition 400,000

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Provisions:

1. Of the amount appropriated under this item, at least one hundred fifty thousand dollars ($150,000) shall be spent on property additions to the Mendocino Botanical Gardens. Two hundred fifty thousand dollars ($250,000) may be spent on any project consistent with Division 21 (commencing with Section 31000) of the Public Resources Code, provided that: (a) the Coastal Conservancy requests the Director of General Services to transfer ownership of the Tsurai Village site in the City of Trinidad to the city or other appropriate manager; and (b) the Coastal Conservancy gives high priority to spending these funds for further property additions to the Mendocino Botanical Gardens.
2. It is the intent of the Legislature that the appropriation in this item is to provide a mechanism for acquisition of the Tsurai Village from the Coastal Conservancy in accordance with Section 31354 of the Public Resources Code. The transferee shall use the property for public purposes, subject to the review of all interested parties and particularly interested Native American groups.

3760-301-565—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1976 8,000,000

Schedule:

(1) 80.18.010-Agricultural Land Preservation	500,000
(2) 80.18.020-Coastal Restoration	2,250,000
(3) 80.18.030-Public Access	2,250,000
(4) 80.18.050-Site Reservation	750,000
(5) 80.18.060-Urban Waterfront Restoration	2,250,000

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 con-

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servancy 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. 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 3,250,000

Schedule:

(1) 80.19.040-Resource Enhancement 3,000,000
(2) 80.19.050-Site Reservation 250,000

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

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Works Board review.

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)–(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.
5. The Famosa Slough acquisition is a high priority for the expenditure of funds in this item, and no more than $500,000 shall be expended from funds in this item for the acquisition.

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3760-301-786—For capital outlay, State Coastal Conservancy, for transfer to Item 3760-301-565, payable from the California Wildlife, Coastal, and Park Land Conservation Fund 5,850,000

Provisions:

2. This item appropriates funds provided by the measure to reimburse the State Coastal Conservancy for the grant to the joint powers authority established by the Santa Monica Mountains Conservancy and the Conejo Recreation and Park District for the acquisition of Circle X Ranch, pursuant to Item 3760-301-730 of the Budget Act of 1986.

Item		Amount
3790-001-001—For support of Department of Parks and Recreation		78,692,000
Schedule:		
(a) 100000-Personal Services	101,202,000	
(b) 300000-Operating Expenses and Equipment	49,715,000	
(bx) 400001-Special Item of Expense—Rehabilitation of Camping Facilities	200,000	
(bz) 400002-Special Item of Expense—Los Angeles County Operating Agreement	1,000,000	
(bzz) Unallocated Reduction	−795,000	
(c) Reimbursements	−4,756,000	
(d) Amount payable from the Off-Highway Vehicle Fund (Item 3790-001-263)	−8,295,000	
(e) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392)	−50,701,000	
(f) Amount payable from State Parks and Recreation Fund, Fines and Forfeitures Account (Item 3790-001-394)	−274,000	
(g) Amount payable from the Winter Recreation Fund (Item 3790-001-449)	−98,000	
(h) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-516)	−329,000	
(i) Amount payable from Community Parklands Fund (Item 3790-001-716)	−100,000	
(j) Amount payable from Parklands Fund of 1980 (Item 3790-001-721)	−1,655,000	
(k) Amount payable from Parklands Fund of 1984 (Item 3790-001-722)	−3,523,000	
(*l*) Amount payable from State, Urban and Coastal Park Bond Fund of 1976 (Item 3790-001-742)	−1,055,000	
(m) Amount payable from the Federal Trust Fund (Item 3790-001-890)	−1,844,000	

Item Amount

Provisions:

1. Of the amount appropriated by this item, $718,000 of the amount transferred from Item 3790-001-263 shall be for the purposes of implementing Chapter 1027, Statutes of 1987. $611,000 of this amount is for interagency agreements and contracts, and shall be encumbered no sooner than 20 days following submission of a detailed work plan to the Joint Legislative Budget Committee.
2. Of the amount appropriated by this item, $559,000, as transferred from Item 3790-001-392, shall be available for operation of the Cultural Preserve project at Wilder Ranch State Park, but none of these funds shall be available for expenditure until the development project is completed. Of this amount, $337,000 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 development project is completed.
3. Of the amount appropriated by this item, $249,000, as transferred from Item 3790-001-392, shall be available for operation of Tapia Park, but none of these funds shall be available for expenditure until the Tapia Park property is acquired. Of this amount, $169,000 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 Tapia Park property is acquired.
4. Notwithstanding any other provision of state law, the Department of Parks and Recreation is authorized and encouraged to enter into an agreement with the Vista Del Mar Union School District for the purpose of transferring to the school district the state's interest in the 16-acre Las Cruces site in Gaviota State Park. In exchange the state shall receive title to a parcel of equal or greater value, with due consideration to be given to the 16-acre Nojoqui Falls site and the La Purisima site located in Santa Barbara County.

Item	Amount
5. Notwithstanding any other provision of law, the Department of Parks and Recreation or the City of Santa Monica, acting on behalf of the department, shall not require the current concessionaire located at 415 Pacific Coast Highway to vacate the property until all zoning and other required permits have been obtained for converting the property to a new use in accordance with the final agreement between the City of Santa Monica, the State Department of Parks and Recreation, and the new concessionaire chosen to operate said new use. If the current concessionaire remains past December 31, 1988, the concessionaire shall pay rent of $20,833 per month, beginning January 1, 1989, and shall be prepared to immediately vacate the property when final zoning and other permits are obtained to avoid delays in constructing new facilities. As consideration for remaining past January 1, 1989, the current concessionaire and the membership association shall waive any and all rights to contest the granting of any zoning or permits involved in any proposed development.	
7. No funds shall be expended directly or issued to local agencies for planning or acquisition of OHV facilities without regard to a comprehensive assessment of adjacent economic impacts. This language shall be construed to reflect the Legislature's intent that specific industries, as determined by other state policies, should not be adversely impacted by the location of OHV parks.	
8. Notwithstanding any other provision of law, the Department of Parks and Recreation is authorized to accept transfer of ownership of the Historic Butte Store in Amador County after the building has been restored and a security fence has been installed.	
9. Notwithstanding any other provision of law, the Department of Parks and Recreation and the Department of General Services shall not sell the approximately nine acres of property within the City of Sacramento known as "the Old PG&E Site" without specific prior approval by the Legislature in 1988–89.	

Item	Amount
10. It is the intent of the Legislature that, because of its value for parkland, open space, and public recreation, the Lamb, Getty, Vartanian, Chevron, Shell (Brea-Olinda Wilderness Area), Slaughter Canyon Access and Residential Development parcels in Chino Hills State Park shall be given priority in that order for the use of funds made available pursuant to Section 5907 of the California Wildlife, Coastal, and Park Land Conservation Act of 1988. Further, it is the intent of the Legislature that the Department of Parks and Recreation, in cooperation with the Department of Finance, expedite acquisitions at Chino Hills State Park as soon as possible with funds made available pursuant to Section 5907 of the California Wildlife, Coastal, and Park Land Conservation Act of 1988.	
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	8,295,000
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 ..	50,701,000
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	274,000
3790-001-449—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Winter Recreation Fund	98,000
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	329,000
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.	
3790-001-716—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Community Parklands Fund	100,000
3790-001-721—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Parklands Fund of 1980	1,655,000

Item			Amount
3790-001-722—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Parklands Fund of 1984			3,523,000
3790-001-742—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the State, Urban and Coastal Park Fund			1,055,000
3790-001-890—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Federal Trust Fund			1,844,000
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, in lieu of the amount 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			(2,500,000)
3790-101-001—For local assistance, Department of Parks and Recreation			20,000
Schedule:			
(5) 50.20.001.804 San Joaquin River Parkway and Conservation Trust —Preliminary plans		20,000	
3790-101-036—For local assistance, Department of Parks and Recreation, payable from the Special Account for Capital Outlay			2,743,000
Schedule:			
(1) 50.20.036.800-City of San Diego-Balboa Park, rehabilitation projects		1,000,000	
(2) 50.20.036.801-County of Sacramento-Sacramento-Multicultural Park		300,000	
(4) 50.20.036.803 Midpeninsula Regional Open Space District-Alpine Pond Underpass		150,000	
(6) 50.20.036.805 City of Oakland-Wm. Knowland Zoo		213,000	
(7) 50.20.036.806 California Academy of Sciences, facilities renovation		500,000	
(8) 50.20.036.807 Tulare County Fair, greenbelt buffer zone acquisition		280,000	
(9) 50.20.036.809 Red Bluff-Tehama Community Center		300,000	

Item		Amount
Provisions:		
1. No funds appropriated in category (7) for a local assistance grant to the California Academy of Sciences shall be encumbered unless and until the Director of Parks and Recreation determines that the academy has obtained at least $500,000 of nonstate funds for purposes of new exhibit construction and building renovation.		
2. It is the intent of the Legislature that the funds provided in category (9) for the Red Bluff-Tehama Community Center shall be the last contribution by the state toward the completion of the project.		
3790-101-140—For local assistance, Department of Parks and Recreation, payable from the California Environmental License Plate Fund		1,850,000
Schedule:		
(3) 50.20.140.015—Davis Science Center—classroom and exhibit facilities construction	100,000	
(5) 50.20.140.801—City of San Diego—Mission Bay Park, shoreline protection and water quality	750,000	
(6) 50.20.140.802—City of San Deigo—Famosa Slough Acquisition	1,000,000	
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 1988–89, 1989–90 and 1990–91 fiscal years		9,627,000
Schedule:		
BLM-Bakersfield District		
(1) 35.03.003 Clear Creek O&M	62,000	
BLM-California Desert District		
(2) 35.06.014 Imperial Dunes U.S.	169,000	
(3) 35.06.015 Imperial Dunes Maintenance	85,000	
(4) 35.06.016 El Centro Trash	80,000	
(5) 35.06.017 Lark Canyon O&M	61,000	
(6) 35.06.018 Grays Well Road	1,000,000	
(7) 35.06.019 Imperial Dunes Monitoring	111,000	
(8) 35.06.020 Glamis Access	33,000	
(9) 35.06.021 Indio Access	207,000	

Item	Amount
(10) 35.06.022 The El Mirage Project	2,500,000
(11) 35.06.023 Jawbone	175,000
BLM-Susanville District	
(12) 35.09.002 Fort Sage O&M	35,000
BLM-Ukiah District	
(13) 35.12.003 Knoxville O&M	24,000
(14) 35.12.004 Cow Mountain O&M	68,000
(15) 35.12.005 Shasta Acquisition, Phase II	137,000
(16) 35.12.006 Shasta OHV Area	365,000
USFS-Angeles National Forest	
(17) 35.15.011 Forestwide O&M	194,000
(18) 35.15.012 Forestwide Trail System Development	361,000
USFS-Cleveland National Forest	
(19) 35.18.004 Wildomar OHV Area O&M	21,000
(20) 35.18.005 Corral Canyon O&M	56,000
(21) 35.18.006 Trabuco OHV Trail Feasibility	25,000
USFS-El Dorado National Forest	
(22) 35.21.005 Rock Creek O&M	59,000
(23) 35.21.006 Barrett Lake O&M	1,000
(24) 35.21.007 Silver Bear O&M	46,000
USFS-Inyo National Forest	
(25) 35.24.005 Wheeler Crest O&M	4,000
(26) 35.24.006 Monache O&M	43,000
(27) 35.24.007 Lookout Mountain Trailhead	34,000
USFS-Klamath National Forest	
(28) 35.27.009 Goosenest O&M	21,000
(29) 35.27.010 Scott Mountain O&M	7,000
(30) 35.27.011 Snow Shelters	10,000
USFS-Lake Tahoe Basin Management Unit	
(31) 35.30.003 LTBMU O&M	43,000
(32) 35.30.004 McKinney-Rubicon Staging Area	37,000
USFS-Lassen National Forest	
(33) 35.33.005 Bogard Snowmobile O&M	7,000
(34) 35.33.006 Ashpan Snowmobile O&M	8,000
(35) 35.33.007 Morgan Summit O&M	21,000
USFS-Los Padres National Forest	
(36) 35.36.009 Mt. Pinos O&M	100,000
(37) 35.36.010 Buckhorn O&M	30,000
(38) 35.36.011 Santa Barbara O&M	70,000

Item	Amount
(39) 35.36.012 Alamo-Lockwood	125,000
USFS-Mendocino National Forest	
(40) 35.39.005 Stonyford O&M	117,000
(41) 35.39.006 Trail Projects O&M.....	32,000
(42) 35.39.007 Stonyford Trail Const...	128,000
(43) 35.39.008 Davis Flat Development, Phase IV	163,000
USFS-Plumas National Forest	
(44) 35.42.004 La Porte OHV Facilities	83,000
(45) 35.42.005 Gold Lake O&M	2,000
(46) 35.42.006 Lake Davis O&M.....	2,000
USFS-San Bernardino National Forest	
(47) 35.45.005 San Bernardino NF O&M.....	50,000
(48) 35.45.006 San Bernardino NF Planning.....	22,000
(49) 35.45.007 San Bernardino X-Forest Trail	194,000
USFS-Sequoia National Forest	
(50) 35.48.005 Kern Plateau O&M	36,000
(51) 35.48.006 Tule River O&M	10,000
(52) 35.48.007 Trail System Planners..	65,000
(53) 35.48.008 Trail Construction & Reconstruction	170,000
USFS-Shasta-Trinity National Forest	
(54) 35.49.001 Shasta OHV Area.....	300,000
USFS-Stanislaus National Forest	
(55) 35.54.002 Highway 108 Snowmobile Parking.....	4,000
USFS-Statewide	
(56) 35.55.001 Vertical Route Numbering	13,000
USFS-Tahoe National Forest	
(57) 35.57.004 Forestwide O&M.....	115,000
(58) 35.57.005 Snow Cat Storage Building	30,000
(59) 35.57.006 Foresthill OHV Area Reimbursement	71,000
USFS-Toiyabe National Forest	
(60) 35.60.003 Hope Valley O&M.....	3,000
(61) 35.60.004 Blue Lakes Road	30,000
City of Marysville	
(62) 35.69.002 Marysville O&M.....	16,000
City of Avenal	
(63) 35.70.001 City of Avenal OHV Park.....	66,000

Item		Amount
City of Ridgecrest		
(64) 35.73.001 Ridgecrest Regional OHV Park	449,000	
Alpine County		
(65) 35.74.001 Hope Valley O&M	9,000	
North Tahoe P.U.D.		
(66) 35.76.001 NTRP OHV Management Project	75,000	
Madera County		
(67) 35.77.001 Madera County OHV Park	110,000	
San Bernardino County		
(68) 35.79.001 Park Moabi ATV O&M	5,000	
(69) 35.79.002 Park Moabi ATV Project	15,000	
Los Angeles County		
(70) 35.80.001 Statewide OHV Trails System	66,000	
(71) 35.80.002 Southern California OHV Map	35,000	
Stanislaus County		
(72) 35.81.003 Frank Raines O&M	58,000	
(73) 35.81.004 La Grange O&M	36,000	
Sierra County		
(74) 35.82.001 Bassetts Station Parking	112,000	
Statewide		
(75) 35.84.003 Safety Grants	300,000	
(76) 35.84.004 O&M Insurance Costs	200,000	
3790-101-463—For local assistance, Department of Parks and Recreation, payable from the Roberti-Z'berg Urban Open-Space and Recreation Program Account		200,000
Schedule:		
(1) 50.20.463.800-City of Los Angeles —Los Angeles City Community College Sports Complex	200,000	

COMMUNITY PARKLANDS PROGRAM

3790-101-716—For local assistance, Department of Parks and Recreation, payable from the Community Parklands Fund to be available for expenditure during the 1988–89, 1989–90, and 1990–91 fiscal years		13,216,000
Schedule:		
(1) 50.10.716-Local Agency Grants	13,216,000	

Item		Amount
PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM		
3790-101-721—For local assistance, Department of Parks and Recreation, payable from the Parklands Fund of 1980		103,000
Schedule:		
(1) 50.20.721.006 City of Manteca, Manteca Recreation Facilities	83,000	
(2) 50.20.721.007 City of San Joaquin, San Joaquin City Parks	20,000	
PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM OF 1984		
3790-101-722—For local assistance, Department of Parks and Recreation, payable from the Parklands Fund of 1984		165,000
Schedule:		
(1) 25.30.722.800 City of Vallejo, Vallejo Naval and Historical Museum: Repair and Restoration	165,000	
STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974		
3790-101-733—For local assistance, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		175,000
Schedule:		
(3) 50.20.733.803-City of Selma-Baseball Field Lights	75,000	
(4) 50.20.733.804-City of Healdsburg-Picnic Shelter	40,000	
(5) 50.20.733.805-City of Healdsburg-Sports Field	60,000	
NEJEDLY-HART STATE, URBAN AND COASTAL PARK BOND ACT PROGRAM		
3790-101-742—For local assistance, Department of Parks and Recreation, payable from the State, Urban and Coastal Park Fund		538,300
Schedule:		
(2) 50.20.742.801 City of Oxnard, Colonia Park Gymnasium	450,000	
(3) 50.20.742.802 Southgate Regional Park District, Countryside Park Project	88,300	

Item		Amount
CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM		
3790-101-786—For local assistance, Department of Parks and Recreation, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988		450,000
Schedule:		
(4) 50.20.786.803—Ennis-Brown House	200,000	
(5) 50.20.786.804—City of Cudahy-Recreation Complex	250,000	
Provisions:		
1. The funds appropriated in category (4) for the Ennis-Brown House, shall be provided pursuant to Section 5907(a)(4) of the Public Resources Code as added by the California Wildlife, Coastal, and Park Land Conservation Act of 1988 (Proposition 70).		
2. The funds appropriated in category (5) for the City of Cudahy, Recreation Complex, shall be provided from the city's per capita allocation, and, as needed, from the per capita allocation of the County of Los Angeles, pursuant to Section 5907(a)(1) of the Public Resources Code as added by the California Wildlife, Coastal, and Park Land Conservation Act of 1988 (Proposition 70).		
3790-101-890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure during the 1988–89, 1989–90 and 1990–91 fiscal years		2,060,000
Schedule:		
(1) 50.20.890-Land and Water Conservation Fund Act of 1965	2,000,000	
(2) 25.30.891-National Historic Preservation Act of 1966	60,000	
3790-102-733—For local assistance, Department of Parks and Recreations payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		14,000
Schedule:		
(3) 50.20.733.806-City and County of Sacramento-Sacramento Sports Complex	14,000	
3790-102-742—For local assistance, Department of Parks and Recreation, payable from the State, Urban and Coastal Park Fund		27,000

Item		Amount
Schedule:		
(3) 50.20.742.806-City and County of Sacramento-Sacramento Sports Complex	27,000	
3790-301-036—For capital outlay, Department of Parks and Recreation, payable from the Special Account for Capital Outlay		160,000
Schedule:		
(1) 90.3I.405-Shasta SHP: Acquisition	160,000	
3790-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund		1,314,000
Schedule:		
(1) 90.RS.605-Statewide: Budget Package/Schematic Planning	50,000	
(2) 90.RS.206-Statewide: Minor Projects	1,214,000	
(4) 90.RS.404-Statewide: Pre-Budget Appraisal Costs—Acquisition	50,000	

PARKLANDS ACQUISITION AND DEVELOPMENT

3790-301-721—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980		814,000
Schedule:		
(1) 90.C5.605-Carmel River SB: Day Use and Parking Lot Facilities—Preliminary Plans and Working Drawings	139,000	
(2) 90.EX.105-Malibu Creek SP: Additional Entrance Road Delay Costs—Construction	200,000	
(3) 90.5X.600-Marconi Conference Center: Planning, Surveys, and equipment	300,000	
(4) 90.CN.100-Monterey SHP: Custom-house Plaza—Recreational trail and improvements	110,000	
(5) 90.CN.101-Monterey SHP: First Brick House—Items to complete	65,000	

Item		Amount
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		7,905,000
Schedule:		
(0.5) 90-EC.100.880-Baldwin Hills SRA —Ridge Site Development	1,000,000	
(2) 90.8Q.105-Brannan Island SRA: Rehabilitation and Replacement of Worn Out Facilities—Campgrounds—Preliminary Plans, Working Drawings, and Construction	548,000	
(2.5) 90.FU.100.880-California Citrus SHP—Interpretive and preliminary planning, artifact acquisition	225,000	
(4) 90.E4.105-Chino Hills SP: Initial Development of Facilities—Construction	2,313,000	
(5) 90.GI.105-Crystal Cove SP: Items to Complete, Phase II—Construction	350,000	
(6) 90.GI.106-Crystal Cove SP: Erosion Control and Landscaping—Preliminary Plans, Working Drawings, and Construction	272,000	
(7) 90.3B.105-Humboldt Redwoods SP: Bank Protection (Bull Creek/Panther Creek/Cuneo Creek)—Construction	296,000	
(8) 90.FO.105-Leo Carrillo SB: Rehabilitation and Replacement of Worn Out Facilities—Campgrounds—Preliminary Plans and Working Drawings	101,000	
(9) 90.5N.605-Mount Diablo SP: Water System and Road Study—Preliminary Studies	118,000	
(10) 90.2Y.105-Patrick's Point SP: Entrance and Maintenance Facilities —Construction	800,000	

Item		Amount
(11) 90.EN.105-Refugio SB: Rehabilitation and Replacement of Worn Out Facilities—Campgrounds—Preliminary Plans and Working Drawings	152,000	
(12) 90.8L.105-Regional Indian Museum (Sacramento): Interpretive Exhibits, Items to Complete—Construction	203,000	
(14) 90.RS.605-Statewide: Budget Package/Schematic Planning	150,000	
(15) 90.RS.220-Statewide: Storm Damage Repairs—Minor Projects	1,377,000	

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		78,000
Schedule:		
(1) 90.9H.605-Colonel Allensworth SHP: Reconstruction of Historic Hotel—Preliminary Plans and Working Drawings	78,000	

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		6,749,000
Schedule:		
(1) 90.DQ.105—Hearst San Simeon SHM: Continuing Rehabilitation—Construction	500,000	
(2) 90.CG.105—Pfeiffer Big Sur SP: Multi Agency Facility, Phase I—Construction	228,000	
(3) 90.RS.210—Statewide: Accessibility Expansion Program—Minor Projects	200,000	
(4) 90.RS.401—Statewide: Acquisition Costs—Acquisition	200,000	
(5) 90.RS.605—Statewide: Budget Package/Schematic Planning	200,000	

Item		Amount
(6) 90.RS.215—Statewide: Energy Efficiency Program—Minor Projects	150,000	
(7) 90.RS.402-Statewide: Inholding Purchases—Acquisition	250,000	
(8) 90.RS.205-Statewide: Minor Projects	4,511,000	
(9) 90.RS.403-Statewide: Opportunity Purchases—Acquisition	250,000	
(10) 90.RS.404-Statewide: Pre-Budget Appraisal Costs—Acquisition	60,000	
(11) 90.RS.610-Statewide: Topographic Survey—Planning	200,000	
3790-301-890—For capital outlay, Department of Parks and Recreation, payable from the Federal Trust Fund		600,000
Schedule:		
(1) 90.HA.405-Anza Borrego Desert SP: Anza Borrego Foundation—Acquisition	50,000	
(2) 90.BA.405-Big Basin Redwoods SP: Sempervirens—Acquisition	300,000	
(3) 90.RS.410-California Redwoods Parks: Save-The-Redwoods League—Acquisition	250,000	

3790-401—For the 1988–89 fiscal year, the balance as of July 1, 1988, deposits in, and accruals to the Conservation and Enforcement Services Account in the Off-Highway Vehicle Fund shall be transferred by the State Controller to the Off-Highway Vehicle Fund. All funds transferred pursuant to this item shall be available for expenditure by the Department of Parks and Recreation for purposes of conservation and enforcement activities pursuant to Sections 23 and 25 of Chapter 1027, Statutes of 1987 which are authorized for expenditure within Items 3790-001-263, 3790-101-263, and 3790-301-263. The State Controller shall make the transfers quarterly or at such intervals as determined necessary to meet the cash-flow needs of the Off-Highway Vehicle Fund.

It is the intent of the Legislature that the Off-Highway Vehicle Fund will be utilized for appropriations to fund all Off-Highway Vehicle Recreation programs including conservation and enforcement activities. This intent recognizes that the funds in the Conservation and Enforcement Services Ac-

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count may not be sufficient for the purposes of conservation and enforcement activities required pursuant to Chapter 1027, Statutes of 1987.

3790-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the balances 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, 1989.

036—Special Account for Capital Outlay

(1) Item 3790-301-036(5), Budget Act of 1984, as reappropriated by Item 3790-490-036(3), Budget Act of 1987, Chino Hills Project—acquisition; provided these funds will be used in combination with the funds appropriated by Item 3790-301-721(3), Budget Act of 1986 to acquire the Astro Group Project, currently under negotiation, extending into the fiscal year.

(1.5) Item 3790-301-036(7), Budget Act of 1984, East Bay Shoreline Project—acquisition and development.

(2) Item 3790-301-036(12), Budget Act of 1984, as reappropriated by Item 3790-490-036(5), Budget Act of 1987, Henry W. Coe SP—acquisition and development.

(3) Item 3790-301-036(29), Budget Act of 1984, as reappropriated by Item 3790-490-036(8), Budget Act of 1987, Statewide Replacement or Rehabilitation of Existing Facilities.

(a) San Clemente SB—rehabilitation of campground.

(4) Section 1, Chapter 1548, Statutes of 1984, as reappropriated by Item 3790-490-036(9), Budget Act of 1987, John Marsh Home—restoration.

(5) Item 3790-301-036(6.5), Budget Act of 1985, 90.C0.400, Henry W. Coe SP—Bell Station access—acquisition.

(6) Item 3790-301-036(12.2), Budget Act of 1985, 90.H0.400, Rancho Buena Vista—acquisition.

(7) Item 3790-301-036(14), Budget Act of 1985, as reappropriated by Item 3790-490-036(13), Budget Act of 1987, 90.IF.100, San Onofre SB—Parcel 1 recreation facility—working drawings and construction.

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(8) Item 3790-301-036(16), Budget Act of 1985, as reappropriated by Item 3790-490-936(15), Budget Act of 1987, Statewide Natural Systems Rehabilitation.	
(9) Item 3790-301-036(20), Budget Act of 1985, as reappropriated by Item 3790-490-036(16), Budget Act of 1987, Reimbursement.	
263—Off-Highway Vehicle Fund	
(1) Section 7(a), Chapter 1298, Statutes of 1983, 70.70.008, Hungry Valley SVRA—Equip Off-Highway Vehicle Area.	
(2) Item 3790-301-263(1), Budget Act of 1984, as reappropriated by Item 3790-490-263(5), Budget Act of 1987, Carnegie SVRA—construct initial development; provided that funds shall be limited to allow completion of working drawings only.	
(3) Item 3790-301-263(3), Budget Act of 1984, as reappropriated by Item 3790-490-263(6), Budget Act of 1987, Ocotillo Wells SVRA—construct initial development; provided that funds shall be limited to allow completion of working drawings only.	
392—State Park and Recreation Fund	
(1) Section 12, Chapter 1384, Statutes of 1984, as reappropriated by Item 3790-490-392(1), Budget Act of 1987, Old Sacramento SHP—engineering facility, acquisition.	
(2) Section 12, Chapter 1384, Statutes of 1984, as reappropriated by Item 3790-490-392(2), Budget Act of 1987, California State Railroad Museum—Central Pacific Freight Depot—acquisition and improvements.	
(3) Item 3790-301-392(4), Budget Act of 1986, as reappropriated by Item 3790-490-392(4), Budget Act of 1987, Humboldt Redwoods SP—bank protection, working drawings.	
(4) Item 3790-301-392(1), Budget Act of 1987, 90.RS.200, Minor Projects.	
721—Parklands Fund of 1980	
(1) Item 3790-301-721(o), Budget Act of 1981, as reappropriated by Item 3790-490-721(1), Budget Act of 1987, Crystal Cove SP—preliminary plans, working drawings, and construction.	

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(2) Item 3790-301-721(bb), Budget Act of 1982, as reappropriated by Item 3790-490-721(4), Budget Act of 1987, Baldwin Hills Project—preliminary plans, working drawings, and construct Phase I development.

(3) Item 3790-301-721(ee), Budget Act of 1982, as reappropriated by Item 3790-490-721(5), Budget Act of 1987, East Bay Shoreline—acquisition, planning, and development.

(4) Item 3790-301-721(oo), Budget Act of 1982, as reappropriated by Chapter 1493, Statutes of 1986, New Brighton SB—Porter Sesnon acquisition; provided that the State Public Works Board may reduce the acreage to be acquired if necessary to carry out the acquisition project.

(5) Item 3790-301-721(qq), Budget Act of 1982, as reappropriated by Item 3790-490-721(6), Budget Act of 1987, Citrus Heritage Park, Mockingbird Canyon Project—acquisition and planning.

(6) Item 3790-301-721(j), Budget Act of 1983, as reappropriated by Item 3790-490-721(10), Budget Act of 1987, San Simeon SB—working drawings and construct day-use, campground, and sewer hookup.

722—Parklands Fund of 1984

(1) Item 3790-301-722(1), Budget Act of 1984, as reappropriated by Item 3790-490-722(1), Budget Act of 1986, Gilroy Hot Springs—acquisition; provided that the funds may be used for acquisition of inholdings and lands for boundary adjustments for Henry W. Coe SP, and that the funds may also be used in conjunction with existing appropriations for acquisition projects at Henry W. Coe SP.

(2) Item 3790-301-722(3), Budget Act of 1984, as reappropriated by Item 3790-490-722(1), Budget Act of 1987, Candlestick Point SRA—working drawings and construct day use, parking, and landscaping.

(3) Item 3790-301-722(27.5), Budget Act of 1984, Little Frank's Tract—storm damage.

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(3.5) Item 3790-301-722(3), Budget Act of 1985: 90.6C.100, Ano Nuevo SR—Working Drawings and Construct Visitor Center and Building Restoration; provided that the amount shall not exceed $458,000 and shall be available to stabilize and restore the existing structures.

(4) Item 3790-301-722(4.2), Budget Act of 1985, as reappropriated by Item 3790-490-722(4), Budget Act of 1987, Baldwin Hills SRA—ridge area development.

(5) Item 3790-301-722(6), Budget Act of 1985, 90.BA.400, Big Basin Redwoods SP—acquisition, Little Basin; provided that the funds may be used for the acquisition from willing sellers of any Little Basin area parcels located within the State Park and Recreation Commission's approved boundary for Big Basin Redwoods State Park.

(6) Item 3790-301-722(7), Budget Act of 1985, as reappropriated by Item 3790-490-722(5), Budget Act of 1987, Big Sur Coast—planning, working drawings, and construct immediate public-use facilities; provided that the funds shall be available only for the immediate public use facilities project at Andrew Molera SP including necessary water system improvements.

(7) Item 3790-301-722(8.1), Budget Act of 1985, as reappropriated by Item 3790-490-722(6), Budget Act of 1987, 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(6), Budget Act of 1987, for acquisition projects at California Citrus SHP.

(8) Item 3790-301-722(9), Budget Act of 1985, as reappropriated by Item 3790-490-722(7), Budget Act of 1987, Candlestick Point SRA—working drawings and day-use facilities.

(9) Item 3790-301-722(10.1), Budget Act of 1985, 90.E4.400.852, Chino Hills SP—Brea Olinda wilderness acquisition.

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(10) Item 3790-301-722(16), Budget Act of 1985, as reappropriated by Item 3790-490-722(9), Budget Act of 1987, Henry W. Coe SP—working drawings and construct initial development.

(11) Item 3790-301-722(18), Budget Act of 1985, 90.AD.100.85, Indian Grinding Rock SHP—working drawings and construct Regional Indian Museum.

(12) Item 3790-301-722(18.1), Budget Act of 1985, Little Frank's Tract—development.

(13) Item 3790-301-722(20.1), Budget Act of 1985, Mount Diablo SP—acquisition.

(14) Item 3790-301-722(20.2), Budget Act of 1985, as reappropriated by Item 3790-490-722(11), Budget Act of 1987, 90.5N.500.851, Mount Diablo SP—communications tower study.

(15) Item 3790-301-722(23), Budget Act of 1985, 90.AC.400.851, Old Sacramento SHP—acquisition, railroad excursion line.

(16) Item 3790-301-722(23.5), Budget Act of 1985, 90.AC.100.85, Old Sacramento SHP—working drawings and construct railroad excursion line.

(17) Item 3790-301-722(25), Budget Act of 1985, as reappropriated by Item 3790-490-722(14), Budget Act of 1987, Patrick's Point SP—working drawings and construct native village.

(18) Item 3790-301-722(27), Budget Act of 1985, 90.G3.100.85, Regional Indian Museum (Antelope Valley)—working drawings and construction.

(19) Item 3790-301-722(30), Budget Act of 1985, as reappropriated by Item 3790-490-722(16), Budget Act of 1987, San Diego Coast SBs (Torrey Pines)—working drawings and construction for day-use and overnight use.

(20) Item 3790-3010-722(31), Budget Act of 1985, as reappropriated by Item 3790-490-722(17), Budget Act of 1987, San Mateo Coast SBs—working drawings and construction for access improvements.

(21) Item 3790-301-722(36.4), Budget Act of 1985, 90.CS.400, South Monterey Bay Dunes—ARCO Bosland property acquisition.

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(21.5)	Item 3790-301-722(4), Budget Act of 1986, 90 EC.400.861, Baldwin Hills SRA—acquisition; providing that funds may be used for alternative sites (parcels).	
(22)	Item 3790-301-722(9), Budget Act of 1986, as reappropriated by Item 3790-490-722(21), Budget Act of 1987, 90.BK.100, Manresa SB—campground and beach access—construction.	
(23)	Item 3790-301-722(9.5), Budget Act of 1986, as reappropriated by Item 3790-490-722(22), Budget Act of 1987, 90.4F.100, Mendocino Woodlands Outdoor Center—utilities service extension.	
(24)	Item 3790-301-722(12), Budget Act of 1986, as reappropriated by Item 3790-490-722(12), Budget Act of 1987, 90.AC.100, Old Sacramento SHP—waterfront development—construction.	
(25)	Item 3790-301-722(16), Budget Act of 1986, as reappropriated by Item 3790-490-722(25), Budget Act of 1987, 90.CG.100, Pfeiffer Big Sur SP—multiagency facility—working drawings.	
(26)	Item 3790-301-722(19a), Budget Act of 1986, as reappropriated by Item 3790-490-722(26), Budget Act of 1987, 90.8F.100, Rehabilitation and Replacement of Worn Out Facilities—D.L. Bliss SP—campground.	
(27)	Item 3790-301-722(19b), Budget Act of 1986, as reappropriated by Item 3790-490-722(27), Budget Act of 1987, 90.GY.100, Rehabilitation and Replacement of Worn Out Facilities—Doheny SB—campground.	
(28)	Item 3790-301-722(19c), Budget Act of 1986, as reappropriated by Item 3790-490-722(28), Budget Act of 1987, 90.F2.100, Rehabilitation and Replacement of Worn Out Facilities—Gaviota SP—campground and day use.	
(29)	Item 3790-301-722(23), Budget Act of 1986, as reappropriated by Item 3790-490-722(32), Budget Act of 1987, 90.I4.600, South Carlsbad SB—administrative, maintenance, and day-use facilities—working drawings.	

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(30) Item 3790-301-722(24), Budget Act of 1986, as reappropriated by Item 3790-490-722(33), Budget Act of 1987, 90.94.600, Stanford House Shp—historic preservation—working drawings.	
(31) Item 3790-301-722(33), Budget Act of 1986, as reappropriated by Item 3790-490-722(36), Budget Act of 1987, 90.CO.600, Wilder Ranch SP—campground and day use—working drawings.	
(32) Item 3790-301-722(34), Budget Act of 1986, as reappropriated by Item 3790-490-722(37), Budget Act of 1987, 90.CI.100, Wilder Ranch SP—Phase II historic restoration.	
(33) Item 3790-301-722(4), Budget Act of 1987, 90.BA.100, Big Basin Redwoods SP—refurbish campfire center.	
(34) Item 3790-301-722(5), Budget Act of 1987, 90.BA.100.871, Big Basin Redwoods SP—rehabilitate sewer plant—preliminary plans, working drawings, and construction.	
(35) Item 3790-301-722(8), Budget Act of 1987, 90.5M.100, China Camp SP—Back Ranch—preliminary plans, working drawings, and construction.	
(36) Item 3790-301-722(9), Budget Act of 1987, 90.5M.100.871, China Camp SP—sewer—construction.	
(37) Item 3790-301-722(10), Budget Act of 1987, 90.EA.100, Chino Hills SP, Initial Development of Facilities—preliminary plans and working drawings.	
(38) Item 3790-301-722(12), Budget Act of 1987, 90.BU.100, Folsom Lake SRA, New York Campground—preliminary plans and working drawings.	
(39) Item 3790-301-722(16), Budget Act of 1987, 90.4F.100, Mendocino Woodlands Outdoor Center—construction.	
(40) Item 3790-301-722(17), Budget Act of 1987, 90.5N.100, Mount Diablo SP, Summit Building, Visitor Center/Museum—preliminary plans, working drawings, and construction.	
(41) Item 3790-301-722(19), Budget Act of 1987, 90.2Y.100, Patrick's Point SP, Visitor Center, Entry and Maintenance—preliminary plans and working drawings.	

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(42) Item 3790-301-722(20), Budget Act of 1987, 90.FB.500, Pio Pico SHP, Phase I Historic Structures Report.	
(43) Item 3790-301-722(21), Budget Act of 1987, 90.BN.100, Point Sur Light Station—working drawings and construction.	
(44) Item 3790-301-722(23), Budget Act of 1987, 90.CG.100, Pyramid Lake SRA, Liebre Peninsula/Vista del Lago—Phase I development.	
(45) Item 3790-301-722(24)(a), Budget Act of 1987, 90.RS.100, Rehabilitation and Replacement of Worn-Out Facilities, Calaveras Big Trees SP —preliminary plans, working drawings, and construction.	
(46) Item 3790-301-722(24)(b), Budget Act of 1987, 90.RS.100, Rehabilitation and Replacement of Worn-Out Facilities, Klamath District Trails—preliminary plans, working drawings, and construction.	
(47) Item 3790-301-722(24)(c), Budget Act of 1987, 90.RS.100, Rehabilitation and Replacement of Worn-Out Facilities, Manresa SB—preliminary plans, working drawings, and construction.	
(48) Item 3790-301-722(24)(d), Budget Act of 1987, 90.RS.100, Rehabilitation and Replacement of Worn-Out Facilities, Millerton Lake SRA—preliminary plans, working drawings, and construction.	
(49) Item 3790-301-722(24)(e), Budget Act of 1987, 90.RS.100, Rehabilitation and Replacement of Worn-Out Facilities, Silver Strand SB —preliminary plans, working drawings, and construction.	
(50) Item 3790-301-722(25), Budget Act of 1987, 90.EB.100, San Buenaventura SB—day-use parking and entrance station—preliminary plans, working drawings, and construction.	
(51) Item 3790-301-722(26), Budget Act of 1987, 90.H9.100, San Diego Coast SB, South Cardiff SB—day-use rehabilitation—working drawings and construction.	
(52) Item 3790-301-722(28), Budget Act of 1987, 90.H2.100, Silver Strand SB, Inland Campground Development—construction.	

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(53) Item 3790-301-722(29), Budget Act of 1987, 90.14.100, South Carlsbad SB—Administration/Maintenance Center and day-use facilities—construction.

(54) Item 3790-301-722(30), Budget Act of 1987, 90.94.100, Stanford House SHP—Historic Preservation—construction.

(55) Item 3790-301-722(32), Budget Act of 1987, 90.RS.200, Statewide Natural Heritage Stewardship Program.

(56) Item 3790-301-722(33.2), Budget Act of 1987, 90.RS.200.873, Statewide Pier Repair.

(57) Item 3790-301-722(34), Budget Act of 1987, 90.IL.100, Tijuana River National Estuarine Sanctuary Project—interpretive center—working drawings and construction.

(58) Item 3790-301-722(36), Budget Act of 1987, 90.RS.200, Volunteer Projects.

(59) Item 3790-302-722(1), Budget Act of 1987, as added by Chapter 1408, Statutes of 1987, Candlestick Point SRA.

728—Recreation and Fish and Wildlife Enhancement Fund

(1) Item 3790-301-728(1), Budget Act of 1984, as reappropriated by Item 3790-490-728(3), Budget Act of 1987, San Luis Reservoir SRA—campground improvements.

(2) Item 3790-302-728, Budget Act of 1987, as added by Chapter 1408, Statutes of 1987, Lime Saddle State Park, Infrastructure Development.

732—State Beach, Park, Recreational, and Historic Facilities Fund of 1964

(1) Item 573(b), Budget Act of 1987, Relocation Assistance; provided that funds reappropriated in this item may be used for relocation assistance related to any funded acquisition project regardless of funding source.

733—State Beach, Park, Recreational, and Historical Facilities Bond Act of 1974.

(1) Item 3790-301-721(ss), Budget Act of 1982, as reappropriated by Item 3790-490-721 (13), Budget Act of 1983, as amended and reappropriated by Item 3790-490-721(q), Budget Act of 1984, by Item 3790-490-733(3), Budget Act of 1985, by Item 3790-490-733(1), Budget Act of 1986, and by Item 3790-490-733(1), Budget Act of 1987, and pursuant to Section 28 provisions.

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	Item 3790-301-733(d), Fresno Agricultural Museum—development; provided that the funds reappropriated in this item shall be for a local assistance grant to the City of Fresno for the California Agricultural Museum and shall not be subject to the review of the Public Works Board.	
	742—State Urban and Coastal Park Fund	
(1)	Item 443.2B(d), Budget Act of 1977, as added by Chapter 1109, Statutes of 1977, as reappropriated by Item 3790-490-742(1), Budget Act of 1987, Garrapata Beach—acquisition.	
(2)	Item 507.5B(a), Budget Act of 1979, as added by Chapter 372, Statutes of 1980, as reappropriated by Item 3790-490-742(3), Budget Act of 1987—acquisition of land, leases, and other interests in land; acquisition and development of recreation facilities at Lake Elsinore SRA.	
(3)	Item 508(i), Budget Act of 1979, as reappropriated by Item 3790-490-742(2), Budget Act of 1987, Santa Monica Mountains Zone—backbone trail, viewshed of Malibu Creek SP and Stunt Road zone.	
(4)	Item 585(k), Budget Act of 1980, as reappropriated by Item 3790-490-742(5), Budget Act of 1987, augmentation for land acquisition, condemnation proceedings for State, Urban, and Coastal Park Fund projects.	
(5)	Item 585(l), Budget Act of 1980, as reappropriated by Item 3790-490-742(6), Budget Act of 1987, Relocation Assistance; provided that the funds reappropriated in this item may be used for relocation assistance related to any acquisition project regardless of funding sources.	
(6)	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(7), Budget Act of 1987, Sonoma Coast SB—acquisition (willing sellers only) and development.	
(7)	Item 3790-301-742(f), Budget Act of 1983, as reappropriated by Item 3790-490-742(9), Budget Act of 1987, East Bay Shoreline Project —acquisition and development.	

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(8) Item 3790-301-742(1), Budget Act of 1984, El Presidio de Santa Barbara SHP—acquisition; provided that funds may be used on a willing seller basis to acquire specified parcels and any other desirable high priority parcels.

(9) Item 3790-301-742(2), Budget Act of 1986, as reappropriated by Item 3790-490-742(12), Budget Act of 1987, 90.CN.100, Monterey SHP —Cooper-Molera Adobe Restoration—items to complete.

(10) Item 3790-301-742(3), Budget Act of 1986, as reappropriated by Item 3790-490-742(13), Budget Act of 1987, 90.8X.100, Plumas-Eureka SP—Eureka Lake dam.

(11) Item 3790-301-742(2), Budget Act of 1987, 90.DQ.100.871, Hearst San Simeon SHM—climate control and electrical—construction.

3790-491—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the balances 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, 1989.

140—California Environmental License Plate Fund

(1) Item 3790-101-140(1), Budget Act of 1985, as reappropriated by Item 3790-491-140(1), Budget Act of 1987, City of Walnut Creek, Alexander Lindsay Junior Museum Association.

263—Off-Highway Vehicle Fund

(1) Item 3790-101-263(8), Budget Act of 1985, County of Riverside, DeAnza Development II.

(2) Item 3790-101-263(11), Budget Act of 1985, County of Stanislaus, Frank Raines OHV Park Acquisition.

722—Parklands Fund of 1984

(1) Item 3790-101-722(e)(26), Budget Act of 1985, Santa Cruz County Aquatics Team, 50 Meter Pool Aquatics Complex.

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3790-492—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the balances 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, 1990.

716—Community Parklands Fund

(1) Item 3790-101-716(2), Budget Act of 1987, 50.20.716-Local agency grants.

(2) Item 3790-101-716(3), Budget Act of 1987, 50.20.716.870-City of Encinitas—Park improvements.

3790-495—Reversion, Department of Parks and Recreation. As of June 30, 1988, 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.

036—Special Account for Capital Outlay

(1) Item 3790-301-036(1), Budget Act of 1987, 90.E4.400, Chino Hills SP—Acquisition.

(2) Chapter 1602, Statutes of 1985, 90.H3.100, San Pasqual Battlefield SHP—Construction.

140—Environmental License Plate Fund

(1) Chapter 1602, Statutes of 1985, 90.6K.400, Petrified Forest—Acquisition.

263—Off Highway Vehicle Fund

(1) Chapter 809, Section 6, Statutes of 1980, 80.80.059, Auburn Reservoir OHV Project—Working Drawings and Construction.

722—Parklands Fund of 1984

(.5) Item 3790-301-722(29), Budget Act of 1985, 90.RS.800.85, Reimbursements—Ano Nuevo SR—Visitor Center.

(1) Item 3790-301-722(3.5), Budget Act of 1986, 90.HA.400 Anza Borrego Desert SP—Acquisition.

(2) Item 3790-301-722(5), Budget Act of 1986, 90.8J.400, Columbia SHP—Acquisition.

(3) Item 3790-301-722(14.5), Budget Act of 1987, 90.AD.100 Indian Grinding Rock SHP—Regional Museum and Parking.

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733—State Beach, Park, Recreational, and Historical Facilities Fund of 1974

(1) Item 3790-301-733(1), Budget Act of 1987, 90.CB.400, Otto Property—Acquisition.

742—State Urban and Coastal Park Fund

(1) Item 3790-301-742(5), 90.AC.600, Old Sacramento SHP, Museum of Railroad Technology —Project Study and Preliminary Plans.

(2) Item 3790-301-742(8), 90.CB.400, Otto Property—Acquisition, Budget Act of 1987.

890—Federal Trust Fund

(1) Item 3790-301-890 as amended by Section 28 for Chapter 809, Section 6, Statutes of 1980, 80.80.059.001, Auburn Reservoir OHV Project —Working Drawings and Construction.

3790-496—Reversion, Department of Parks and Recreation. After June 30, 1988, the unencumbered balance of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made.

001—General Fund—State Operations

(1) Section 4, Chapter 683, Statutes of 1979, Antioch Bridge.

(2) Section 2(a) (2), Chapter 1470, Statutes of 1984, Lake Country Estates—maintenance.

140—California Environmental License Plate Fund—State Operations

(1) Chapter 844, Statutes of 1979, Great Overland Road Heritage Corridor—Development and Printing.

263—Off-Highway Vehicle Fund

(1) Item 3790-101-263(63), Budget Act of 1986, U.S. Forest Service, San Bernardino National Forest, Rock Camp Complex-Dev.

(2) Item 3790-101-263(80), Budget Act of 1986, County of Sacramento, Prairie City Planning Supplement—Planning.

(3) Item 3790-101-263(81), Budget Act of 1986, County of Sacramento, Prairie City—Phase I Supplement—Dev.

(4) Item 3790-101-263(83), Budget Act of 1986, Lake Elsinore Recreation & Park District, Stovepipe—Planning.

(5) Item 3790-101-263(84), Budget Act of 1986, County of Monterey, Laguna Seca—O&M.

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(6) Item 3790-101-263(33), Budget Act of 1987, U.S. Forest Service, 35.21.002—El Dorado National Forest, Stumpy Meadows ATV.

(7) Item 3790-101-263(90), Budget Act of 1987, Sacramento County, 35.75.001—Prairie City O&M XI.

722—Parklands Fund of 1984

(1) Item 3790-101-722(d)(11), Budget Act of 1986, City of Los Angeles, Los Angeles Central Library.

(2) Item 3790-101-722(b)(33), Budget Act of 1987, 25.30.722.033, City of Santa Clara, Harris-Lass House.

3790-497—Reversion, Department of Parks and Recreation. Notwithstanding any other provision of law, any unencumbered balance of any prior appropriations provided from the Roberti-Z'berg-Harris Urban Open Space and Recreation Program Account, shall revert to the unappropriated surplus of the fund, as funds become unencumbered in the course of the 1988–89 fiscal year, and shall be available to fund outstanding appropriations made in this act.

3810-001-001—For support of the Santa Monica Mountains Conservancy 200,000

Schedule:

(a) 100000-Personal Services	413,000
(b) 300000-Operating Expenses and Equipment	702,000
(c) Reimbursements	−40,000
(d) Amount payable from the Santa Monica Mountains Conservancy Fund (Item 3810-011-941)	−325,000
(dx) Amount payable from from Santa Monica Mountains Conservancy Fund (Item 3810-021-941)	−50,000
(e) Project planning and design (to be reimbursed from Item 3810-301-786)	−300,000
(f) Project Planning and Design (to be reimbursed from Item 3810-302-786	−200,000

Item		Amount
Provisions:		
1. Notwithstanding any provision of law, $100,000 in this item and $50,000 payable from Item 3810-021-941 are loans to the Conservancy, to be repaid from the accounts payable in Schedules (e) and (f) available on November 9, 1988		
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		325,000
3810-021-941—For support of the Santa Monica Mountains Conservancy, for transfer to Item 3810-001-001, payable from the Santa Monica Mountains Conservancy Fund		50,000
3810-101-140—For local assistance, Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund		120,000
Schedule:		
(1) 15.10.100-Grant to City of Glendale for interest on Inter Valley Ranch acquisition	120,000	
Provisions:		
1. The funds in Schedule (1) are only for actual costs to the City of Glendale for interest payments on its note for the Inter Valley Ranch property. Any unspent balance shall revert to the fund balance after the city has made the final payment on the note.		

CALIFORNIA WILDLIFE, COASTAL, AND PARKLAND CONSERVATION PROGRAM

3810-301-786—For capital outlay, Santa Monica Mountains Conservancy, payable from the California Wildlife, Coastal, and Park Land Conservation Fund		30,000,000
Schedule:		
(1) 20.10.140—Capital outlay and grants pursuant to Division 23 of the Public Resources Code	24,700,000	
(2) 20.10.141—Grants to nonprofit organizations pursuant to Section 33204.2 of the Public Resources Code	5,000,000	
(3) 20.10.142—Project planning and design	300,000	

Item Amount

Provisions:

1. Funds appropriated by this item shall be available on November 9, 1988, in accordance with subsection (d) of Section 4 of the California Wildlife, Coastal, and Park Land Conservation Act of 1988.
2. Grants pursuant to schedule (1) and (2) of this item shall be approved in accordance with Section 5914 of the Public Resources Code.
3. It is the intent of the Legislature that, because of their critical value for parkland, open space, and public recreation, the Conservancy shall give first priority in the expenditure of funds from schedule (1) to the following projects as described in the Workprogram of the Conservancy adopted on January 20, 1988: (a) Mission, Rustic and Sullivan Canyons, (b) Runyon Canyon additions, (c) Grant in the amount of $2,250,000 to the City of Glendale for acquisition of Inter-Valley Ranch.
4. It is the intent of the Legislature that $1,000,000 of the funds in schedule (2) shall be used for a grant to a local agency or nonprofit organization to make improvements to the Hunter Ranch House and development of related overnight facilities to meet the recreational needs of special population groups not already accommodated in the general development plan of Malibu Creek State Park, including the aged and handicapped. These facilities shall be developed in accordance with the revised Draft Preliminary Plan for Development of the Hunter Ranch portion of Malibu Creek State Park dated July 1986, as submitted by Watts Labor Community Action Committee and accepted by the Department of Parks and Recreation on September 17, 1986. Notwithstanding any provision of law, lands known as the Hunter Ranch house and the surrounding one acre within Malibu Creek State Park shall be the subject of an operating agreement under Section 5080.30 of the Public Resources Code, or of a lease with a local public agency or nonprofit corporation under the provisions of Section 5003.17 of the Public Resources Code. The land shall not be subject to Section 5002.1, 5002.2, 5002.3, or 5002.4 of the Public Resources Code, or Article 1.7 (com-

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mencing with Section 5019.50) of Chapter 1 of Division 5 of the Public Resources Code during the term of the operating agreement or lease. Any facilities to be developed on the land shall be in accordance with the General Development Plan for Malibu Creek State Park. Conformance to the plan shall be a condition of any lease or operating agreement under this section. Any operating agreement or lease shall have a term of not less than the term of the operating agreement between the Department of Parks and Recreation and the County of Los Angeles for the operation of the Malibu Bluffs unit of the State Park System. Any operating agreement or lease may be renewed upon terms and conditions which are in the best interests of the state.

3810-302-786—For Capital Outlay and grants, Santa Monica Mountains Conservancy, payable from the California Wildlife, Coastal and Park Land Conservation Fund 10,000,000

Schedule:

(1) 20.10.142-Project planning and design 200,000

(2) 20.10.160-Santa Susana Mountain Project-Acquisition 9,800,000

Provisions:

1. All acquisitions pursuant to schedule (2) shall be located within the Rim of the Valley Corridor as defined in Section 33105.5 of the Public Resources Code within the Simi Hills or Santa Susana Mountains in Los Angeles and Ventura Counties.
2. One million dollars ($1,000,000) of the amount in schedule (2) may be used for the purchase of options to acquire property as described in Section 5907(b)(1)(E) of the Public Resources Code.
3. The amounts shown in this item are appropriated pursuant to Section 5923 of the Public Resources Code for grants or acquisitions within the Santa Susana Mountains and Simi Hills within the Rim of the Valley Trail Corridor. The Conservancy shall coordinate such projects with the Department of Parks and Recreation and the department shall have approval thereof.

3820-001-001—For support of San Francisco Bay Conservation and Development Commission 1,536,000

Item		Amount
Schedule:		
(a) 10-Bay Conservation and Development	1,736,000	
(b) Reimbursements	−200,000	
3860-001-001—For support of Department of Water Resources		28,910,000
Schedule:		
(a) 10-Continuing Formulation of the California Water Plan	13,565,000	
(b) 20-Implementation of the State Water Resources Development System	271,000	
(c) 30-Public Safety and Prevention of Damage	18,054,000	
(d) 40-Services	3,969,000	
(e) 50.01-Management and Administration	35,673,000	
(f) 50.02-Distributed Management and Administration	−35,673,000	
(fx) Unallocated Reduction	−859,000	
(g) Reimbursements	−6,090,000	
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, 1989. Any unencumbered balances shall be returned to the appropriate funds as of June 30, 1989. 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 $24,225,000 and $14,467,000, respectively, without prior approval of the Department of Finance.		
3860-001-140—For support of Department of Water Resources, payable from the California Environmental License Plate Fund		849,000
Provisions:		
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.		

Item	Amount
2. For the gypsum block irrigation monitoring field research program, the Office of Water Conservation shall evaluate and build upon the results of the current testing program being conducted by the United States Soil Conservation Service and State Resource Conservation districts. In addition, the Office of Water Conservation may choose to conduct the program with its own personnel, working closely with Soil Conservation Service staff, or may elect to contract with the Soil Conservation Service for the field research project.	
3. Of the funds appropriated in this item, $175,000 are for the purposes of evaporation pond studies as identified by the Evaporation Pond Coordination/Advisory Committee.	
3860-001-144—For support of Department of Water Resources, payable from the California Water Fund	2,855,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-176—For support of Department of Water Resources, payable from the Delta Flood Protection Fund	1,000,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
2. Funds may be transferred, with the approval of the Department of Finance, between this item and Item 3860-101-176 of this act. The Director of Finance shall report to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee within 30 days after authorizing any transfer pursuant to this provision.	
3860-001-740—For support of Department of Water Resources, payable from the 1984 State Clean Water Bond Fund	30,000
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	424,000

Item	Amount
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.....	1,798,000
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.....	2,104,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-101-036—For local assistance, Department of Water Resources, payable from the Special Account for Capital Outlay	13,000,000
Schedule:	
(a) Flood Control Subventions 13,000,000	
Provisions:	
1. The funds appropriated in 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 1988–89. 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 damages or claims due to the construction, installation, or operation and maintenance of the project.	

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2. The funds appropriated in 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.

3860-101-176—For local assistance, Department of Water Resources, payable from the Delta Flood Protection Fund 5,000,000

Schedule:

(a) Delta Levee Subventions 5,000,000

Provisions:

1. The funds appropriated in this item shall be spent in accordance with, and subject to, the provisions of the Delta Flood Protection Act of 1988 (Chapter 28, Statutes of 1988).
2. Funds may be transferred, with the approval of the Department of Finance, between this item and Item 3860-001-176 of this act. The Director of Finance shall report to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee within 30 days after authorizing any transfer pursuant to this provision.

3860-101-744—For local assistance, Department of Water Resources, payable from the 1986 Water Conservation and Water Quality Bond Fund 28,500,000

3860-301-036—For capital outlay, Department of Water Resources, payable from the Special Account for Capital Outlay 8,440,000

Schedule:

(1) 30.95.010—Sacramento Riverbank Protection Project 4,230,000

Item		Amount
(2)	30.95.015—Fairfield Vicinity Streams Project	4,150,000
(3)	30.95.020—San Joaquin River Channel Project	60,000

Provisions:

1. The amounts appropriated in categories (1), (2), and (3) of this item are for acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pit, spoil 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 category (2) 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 1988–89 fiscal year.

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4. None of the funds appropriated in category (2) 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.
5. The funds appropriated in category (1) for the Sacramento Riverbank Protection Project may be used for the Palisade method of bank protection.
6.
   (a) Prior to construction at a site of the Sacramento Riverbank Protection Project, the Reclamation Board shall reach written agreement with the Department of Fish and Game setting forth a plan for full mitigation of the impacts of the work on riparian habitat, wildlife, and fisheries. This agreement may cover all the sites of a United States Army Corps of Engineers construction contract, may include a mitigation plan for the sites of more than one such unit, and shall include a plan for financing the mitigation work. The agreement shall also include consideration of cumulative impacts of other projects and other project units.
   (b) If the funding for the Sacramento Riverbank Protection Project changes from 75 percent federal and 25 percent state, the Reclamation Board shall report to the legislative fiscal committees and the Joint Legislative Budget Committee on (1) the changes in project cost sharing and (2) the impact of the changed cost sharing on the project mitigation measures.
   (c) Any assurance agreement entered into between the Secretary of the Army and the Reclamation Board for the Sacramento Riverbank Protection Project shall provide for full mitigation of the project on riparian habitat, wildlife, and fisheries. Any assurance agreement shall also ensure that construction at any site, except for emergency purposes, will not occur until an agreement pursuant to subdivision (a) has been reached for that site.
   (d) The assurance agreement shall also provide

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	that mitigation work shall proceed prior to, or concurrent with, the project implementation, unless the work is not feasible, in which case the mitigation work shall proceed as soon after implementation as is practicable.	
3860-301-140—For capital outlay, Department of Water Resources, payable from the California Environmental License Plate Fund		700,000
Schedule:		
(1) 30.95.025—Sacramento-San Joaquin River Riparian Purchases	700,000	
Provisions:		
1. The riparian vegetation acquired with these funds shall be permanently managed to preserve the existing habitat value.		
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, as reappropriated by Item 3860-490 of the Budget Act of 1987, is reappropriated for the purpose provided for in this appropriation, and shall be available for expenditure until June 30, 1989.		
3860-491—Reappropriation, Department of Water Resources. Notwithstanding any other provisions of law, 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, 1989.		
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 and Item 3860-491 Budget Act of 1987, Merced Stream Channel Improvement.		
(2) Item 3860-301-036(7), Budget Act of 1987—30.95.065—Cache Slough Project.		
(3) Item 3860-301-036(8), Budget Act of 1987—30.95.070—M&T Flood Relief Structure Replacement—Acquisition.		

Item		Amount
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) and (2) 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.		
2. The funds reappropriated in this item are not available for expenditure sooner than 30 days after the Reclamation Board has approved and submitted to the Joint Legislative Budget Committee a detailed financing plan received from Merced County for repayment of any funds loaned to the county by the Reclamation Board and for providing the county's share of nonfederal project costs. This plan shall include all the same information that would be required of the county by the U.S. Army Corps of Engineers if the county, rather than the Reclamation Board, were the nonfederal sponsor of the project.		
3940-001-001—For support of State Water Resources Control Board		41,270,000
Schedule:		
(a) 10-Water Quality	66,513,000	
(b) 20-Water Rights	7,765,000	
(c) 30.01-Administration	8,593,000	
(d) 30.02-Distributed Administration	−8,593,000	
(e) Reimbursements	−6,151,000	
(ex) Unallocated Reduction	−825,000	
(f) Amount payable from the Hazardous Waste Control Account, General Fund (Item 3940-001-014)	−638,000	
(g) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-436)	−107,000	
(h) Amount payable from the Underground Storage Tank Fund (Item 3940-001-475)	−1,117,000	

Item		Amount
	(i) Amount payable from the Surface Impoundment Assessment Account, General Fund (Item 3940-001-482)	−2,102,000
	(j) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-740)	−484,000
	(k) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3940-001-744)	−266,000
	(*l*) Amount payable from the Federal Trust Fund (Item 3940-001-890)	−20,793,000
	(m) Amount payable from the California Environmental License Plate Fund (Item 3940-001-140)	−525,000

Provisions:

1. Of the amount appropriated in this item, $100,000 is provided for the Santa Monica Bay Estuary Conference. The board may spend only that amount of these funds which is needed to match the actual federal contribution to the total project costs in the 1988–89 fiscal year.
2. Of the amount provided in this item, $197,000 is for a laboratory certification program. If legislation is chaptered during 1988–89 which provides alternative funding for the laboratory certification program or which transfers responsibility for the program to another state agency, the unexpended balance of these funds shall revert to the General Fund on the effective date of the legislation.
3. This item includes $810,000 in reimbursements from the Hazardous Substance Cleanup Fund (HSCF). The board shall use these funds for oversight of hazardous waste cleanups. Any funds freed up as a result of using HSCF funds for oversight shall revert to the General Fund. The boards shall implement a cost accounting system that tracks costs spent on each hazardous waste site.

Item	Amount
4. The State Water Resources Control Board shall submit to the Legislature, by February 1, 1989, a regional water quality control board expenditure chart which details personnel-years and expenditures by fund source for each program activity at each regional board proposed in the 1989–90 Governor's Budget.	
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	638,000
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	525,000
3940-001-436—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Underground Storage Tank Tester Account	107,000
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	1,117,000
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 1988–89 fiscal year. This surcharge shall be transmitted to the State Water Resources Control Board and deposited in this Underground Storage Tank Fund.	
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	2,102,000
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	484,000
3940-001-744—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the 1986 Water Conservation and Water Quality Bond Fund	266,000

Item	Amount
3940-001-890—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Federal Trust Fund	20,793,000
3940-101-744—For local assistance, State Water Resources Control Board, Program 10, Water Quality, payable from the 1986 Water Conservation and Water Quality Bond Fund	26,000,000
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	174,368,000
Schedule:	
(a) Program 10-Water Quality 182,076,185	
(b) Reimbursements ..... −7,708,185	
Provisions:	
1. Of the amount appropriated in this item, $7,708,185 scheduled as reimbursements is for a pilot program to contract with local agencies to oversee the cleanup of leaking underground tanks. None of the funds appropriated for contracts with local agencies to oversee the cleanup of leaking underground tanks shall be used to oversee the cleanup of nonfuel tanks, until the board has provided to the local agencies a guidance document for overseeing the cleanup of nonfuel tanks.	
2. Of the funds appropriated in this item, $210,000 shall be transferred to Item 3940-001-001 effective January 1, 1989, for assessment, evaluation, and characterization of toxic releases within the San Gabriel Valley groundwater basins 1–4, as identified on the National Priorities List, unless the federal Environmental Protection Agency enters into a contract with the board by October 31, 1988, to provide alternative funding to carry out this activity.	
3940-490—Reappropriation, State Water Resources Control Board.	

Item Amount

Notwithstanding any other provision of law the following appropriations are hereby reappropriated for the purposes specified, in the amounts specified, and shall be available for expenditure until June 30, 1989:

001—General Fund

For support of the Board's Office Automation Project, $391,000 of Item 3940-001-001, of which $416,000 is from Schedule (a), $5,000 is from Schedule (b) and $30,000 is from reimbursements in Schedule (e), of the Budget Act of 1987.

014—Hazardous Waste Control Account, General Fund

For support of the Board's Office Automation Project, $7,000 of Item 3940-001-014 of the Budget Act of 1987.

475—Underground Storage Tank Fund

For support of the Board's Office Automation Project, $6,000 of Item 3940-001-475 of the Budget Act of 1987.

482—Surface Impoundment Assessment Account

For support of the Board's Office Automation Project, $24,000 of Item 3940-001-482 of the Budget Act of 1987.

740—State Clean Water Bond Fund

For support of the Board's Office Automation Project, $5,000 of Item 3940-001-740 of the Budget Act of 1987.

890—Federal Trust Fund

For local assistance, for underground tank cleanup oversight contracts, $545,233 of the amount appropriated by Item 3940-101-890 of the Budget Act of 1987.

HEALTH AND WELFARE

4100-001-890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund 4,667,000

Schedule:

(a) 10-State Council Operations	1,046,000
(b) 20-Community Program Development	1,322,000
(c) 30-Allocation to Area Boards	2,299,000

Item		Amount
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	2,299,000	
(b) Reimbursements	−2,299,000	
4120-001-001—For support of Emergency Medical Services Authority		942,000
Schedule:		
(a) 10-Emergency Medical Services Authority	1,175,000	
(b) Amount payable from the Federal Trust Fund (Item 4120-001-890)	−233,000	
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		233,000

Item	Amount
4120-101-001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies	2,857,000
Provisions:	
1. The 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.	
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	58,028,000
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.	
3. The Health and Welfare Agency Data Center shall use up to $150,000 of the funds appropriated under this item to support an existing telecommunications network which facilitates the delivery of services to hungry and homeless persons. The Health and Welfare Agency Data Center shall contract for this project without utilization of a competitive bidding process.	
4140-001-001—For support of Office of Statewide Health Planning and Development	1,810,000

Item		Amount
Schedule:		
(a) 100000-Personal Services	14,053,000	
(b) 300000-Operating Expenses and Equipment	12,014,000	
(c) Reimbursements	−115,000	
(d) Amount payable from the Hospital Building Account, Architecture Public Building Fund, (Item 4140-001-121)	−16,915,000	
(e) Amount payable from the California Health Data and Planning Fund (Item 4140-001-143)	−6,346,000	
(f) Amount payable from the Health Facilities Construction Loan Insurance Fund (Health and Safety Code Section 436.26)	−701,000	
(g) Amount payable from the Health Facilities Construction Loan Insurance Fund (Chapter 1307, Statutes of 1987)	−180,000	
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		16,915,600
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		6,346,000
4140-101-001—For local assistance, Office of Statewide Health Planning and Development for Health Professions Development (Family Physician Training)		2,880,000

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

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	amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1988.	
4170-001-001—For support of Department of Aging		4,686,000
Schedule:		
(a) 10-Nutrition	2,595,000	
(b) 20-Senior Community Employment Service	238,000	
(c) 30-Supportive Services and Centers	1,688,000	
(d) 40-Special Projects	4,771,000	
(e) 50.01-Administration	4,903,000	
(f) 50.02-Distributed Administration ..	−4,903,000	
(fx) Unallocated Reduction	−47,000	
(g) Reimbursements	−1,766,000	
(h) Amount payable from the Federal Trust Fund (Item 4170-001-890) ..	−2,793,000	
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 establish a Minority Advisory Committee (MAC) to improve hiring and representation of Hispanics and other underrepresented minorities and to improve services to minority elderly communities. The MAC shall be composed of department personnel, community representatives, and client constituency representatives and shall: (1) evaluate and make recommendations on a detailed affirmative action plan to be submitted to the State Personnel Board, and (2) assist in the development of a report on service delivery to minority elderly communities.		

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4170-001-890—For support of Department of Aging, for transfer to Item 4170-001-001, payable from the Federal Trust Fund			2,793,000
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			34,090,000
Schedule:			
(a) 10-Nutrition		61,710,000	
(1) 10.10-Congregate nutrition	44,930,500		
(2) 10.20-Home delivered nutrition	16,779,500		
(b) 20-Senior Community Employment Service		4,995,000	
(c) 30-Supportive Services and Centers (for match)		27,089,000	
(d) 40-Special Projects		30,539,000	
(e) Reimbursements		−12,571,000	
(f) Amount payable from the Federal Trust Fund (Item 4170-101-890)		−77,672,000	
Provisions:			
1. Provision 1 of Item 4170-001-001 is also applicable to this item.			
2. New Alzheimer's day care resource center awards shall be allocated based on the following criteria: (1) demonstrated experience in providing services to functionally impaired adults; (2) demonstrated ability to coordinate community-based services which would benefit the client population and their families; (3) expansion and enhancement of programs with demonstrated			

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experience where unmet need can be documented; and (4) geographic dispersion including, but not limited to, urban and rural sites.		
3. The department shall allocate slots for the Multipurpose Senior Services Program to the same providers and in the same numbers as were allocated in fiscal year 1987–88.		
4170-101-890—For local assistance, Department of Aging, for transfer to Item 4170-101-001, payable from the Federal Trust Fund		77,672,000
Provisions:		
1. Provision 1 of Item 4170-001-890 is also applicable to this item.		
4180-001-001—For support of Commission on Aging		242,000
Schedule:		
(a) 10-Commission on Aging	455,000	
(b) Amount payable from the Federal Trust Fund (Item 4180-001-890)	−213,000	
4180-001-890—For support of Commission on Aging, for transfer to Item 4180-001-001, payable from the Federal Trust Fund		213,000
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		6,941,000
Schedule:		
(a) 10-Alcohol Program	6,891,000	
(b) 20-Drug Program	8,949,000	
(c) 30.01-State administration	5,406,000	
(d) 30.02-State administration—distributed	−5,406,000	
(e) Reimbursements	−885,000	
(f) Payable from the Federal Trust Fund (Item 4200-001-890)	−6,598,000	
(g) Payable from Drinking Driver Program Licensing Trust Fund (Item 4200-001-139)	−597,000	
(h) Payable from Methadone Program Licensing Trust Fund (Item 4200-001-243)	−405,000	
(i) Payable from Audit Repayment Trust Fund (Item 4200-001-816)	−414,000	

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Provisions:	
2. The department shall allocate $1,000,000 for training drug abuse treatment staff to ensure that adequate numbers of staff are available to treat substance abusers at high risk of spreading or contracting HIV infection.	
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	597,000
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	405,000
4200-001-816—For support of the Department of Alcohol and Drug Programs, for transfer to Item 4200-001-001, payable from the Audit Repayment Trust Fund	414,000
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	6,598,000
4200-101-001—For local assistance, Department of Alcohol and Drug Programs	76,795,000
Schedule:	
(a) 10-Alcohol Program 58,565,000	
(b) 20-Drug Program 80,571,000	
(d) Reimbursements −4,580,000	
(e) Amount payable from the Federal Trust Fund (Item 4200-101-890) −57,761,000	
Provisions:	
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.	
4. Counties shall give high priority to local nonprofit organizations, including, but not limited to, independent living centers for programs and services to persons who are disabled and have alcohol and substance abuse problems.	

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5. The department shall allocate $5,000,000 to counties with the highest number of AIDS cases with a history of intravenous drug use to increase treatment to intravenous drug users at risk of contracting or spreading HIV infection and to their partners. The department shall ensure that those served are at greatest risk.

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 57,761,000

Provisions:

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.
3. The Department of Alcohol and Drug Programs shall allocate $7,802,000 of the funds provided under the federal Anti-Drug Abuse Act to counties to increase treatment programs related to intravenous drug use. The Department shall allocate the funds to counties to combat the spread of AIDS by intravenous drug users. The allocation formula shall take into consideration the reported number of intravenous drug users and AIDS cases in each county.
4. Counties shall give high priority to local nonprofit organizations, including, but not limited to, independent living centers for programs and services to persons who are disabled and have alcohol and substance abuse problems.
5. The Departments of Alcohol and Drug Programs and the State Department of Health Services shall pursue coordination of activities related to AIDS and intravenous drug users at the county level. This shall include, but not be limited to, encouraging each county's health officer and each county's drug program administrator to meet and confer on expenditure plans and addressing prevention and education activities related to AIDS and intravenous drug use.

4210-001-001—For support of the Governor's Policy Council on Drug and Alcohol Abuse 1,000,000

Schedule:

(a) Personal Services 750,000

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(b) Operating Expenses		250,000

Provisions:

1. The State Governor's Policy Council on Drug and Alcohol Abuse shall prepare a Master Plan to Reduce Drug and Alcohol Abuse containing, at a minimum, the following long-range goals:
   (a) With regard to education and prevention of drug and alcohol abuse programs, the following goals:
      (1) Drug and alcohol abuse education has been included within the mandatory curriculum in kindergarten and grades 1 to 12, inclusive, in every public school in California.
      (2) Basic training on how to recognize, and understand what to do about, drug and alcohol abuse has been provided to all teachers of kindergarten and grades 1 to 12, inclusive.
      (3) All school counselors and school nurses have received comprehensive drug and alcohol abuse training.
      (4) Each public school in kindergarten and grades 1 to 12, inclusive, has appointed an onsite drug and alcohol abuse advisory team of school administrators, teachers, counselors, students, parents, a designated alcohol and drug administrator for the county, community representatives, and health care professionals, all of whom have expertise in drug and alcohol abuse prevention.
      (5) Every school board member has received basic drug and alcohol abuse information.
      (6) Each school district has a drug and alcohol abuse specialist to assist the individual schools.
      (7) Each school in grades 7 to 12, inclusive, has student peer group drug and alcohol abuse programs.
      (8) Every school in kindergarten and grades 1 to 12, inclusive, has updated written drug and alcohol abuse policies and procedures, including disciplinary procedures which will be given to ev-

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ery school employee, student, and parent.

(9) The California State University and the University of California have evaluated and, if feasible, established educational programs and degrees in the area of drug and alcohol abuse.

(10) Every school in kindergarten and grades 1 to 12, inclusive, has an established parent-teacher group with drug and alcohol abuse prevention goals.

(11) Every school district has instituted a drug and alcohol abuse education program for parents.

(12) Drug and alcohol abuse training has been imposed as a condition for teacher credentialing and license renewal, and knowledge of the issue is measured on the California Basic Education Skills Test.

(13) Drug and alcohol abuse knowledge has been established as a component on standardized competency tests as a requirement for graduation.

(14) Every school district has established a parent support group.

(15) Every school has instituted policies which address the special needs of children who have been rehabilitated for drug or alcohol abuse problems and who are reentering school. These policies shall consider the loss of school time, the loss of academic credits, and the sociological problems associated with drug and alcohol abuse, its rehabilitation, and the educational delay it causes.

(b) With regard to community programs, the following goals:

(1) Every community-based social service organization that receives state and local financial assistance has drug and alcohol abuse information available for clients.

(2) All neighborhood watch and community conflict resolution programs have included drug and alcohol abuse

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	prevention efforts.	
	(3) All community-based programs that serve school aged children have staff trained in drug and alcohol abuse and will give a clear drug- and alcohol-free message.	
	(c) With regard to drug and alcohol abuse programs of the media, the following goals:	
	(1) The state has established a comprehensive media campaign that involves all facets of the drug and alcohol abuse problem, including treatment, education, prevention, and intervention.	
	(2) Manufacturers of drug or alcohol products have been encouraged to utilize drug and alcohol abuse prevention information in their advertising, including, but not limited to, advertisements regarding responsible drinking for adults only.	
	(3) The entertainment industry has been encouraged to depict responsible drinking for adults only, and to strongly oppose drug use.	
	(4) The recording industry has been encouraged to promote music or videos which send a drug- and alcohol-free message and oppose those that promote drug or alcohol use or abuse.	
	(5) Television stations have been encouraged to show only programming which sends a drug- and alcohol-free message, and to oppose any programming which promotes drug use or abuse or alcohol abuse.	
	(6) A statewide cooperative fundraising program with recording artists and the entertainment industry has been encouraged to fund drug and alcohol abuse prevention efforts in the state.	
	(d) With regard to drug and alcohol abuse health care programs, the following goals:	
	(1) The number of drug and alcohol abuse-related medical emergencies has decreased.	
	(2) All general acute care hospitals and AIDS medical service providers have	

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provided information to their patients on drug and alcohol abuse.	
(3) The Board of Medical Quality Assurance, the Psychology Examining Committee, the Board of Registered Nurses, and the Board of Behavioral Science Examiners have developed and implemented guidelines or regulations requiring drug and alcohol abuse training for their licensees, and developed methods of providing training for those professionals.	
(4) The number of babies born with fetal alcohol syndrome or addicted to drugs has significantly decreased.	
(e) With regard to private sector drug and alcohol abuse programs, the following goals:	
(1) A significant percentage of businesses in the private sector have developed personnel policies that discourage drug and alcohol abuse and encourage supervision, training, and employee education.	
(2) Noteworthy and publicly recognized figures and private industry have been encouraged to sponsor fundraising events for drug and alcohol abuse prevention.	
(3) Every public or private athletic team has been encouraged to establish policies forbidding drug and alcohol abuse.	
(f) With regard to local government drug and alcohol abuse programs, the following goals:	
(1) Every county has a master plan which sets long-range goals to reduce drug and alcohol abuse that addresses the long-range goals of the state as set forth by the State Department of Alcohol and Drug Programs. The plan shall be developed by the advisory body set forth in paragraph (2). In those counties which do not have an established advisory body as provided in paragraph (2), the county designated alcohol and drug program administrator has assumed responsibility for developing the plan with assistance from representatives of	

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	the county's population. Once the plan is adopted, the county shall annually assess the progress toward meeting the established goals.	
	(2) Every county has a multidisciplinary drug and alcohol abuse advisory body. The membership of the local advisory bodies is representative of the county's population, and is geographically balanced.	
	(3) Every county public social service agency has established direct service policies that discourage drug and alcohol abuse and encourage rehabilitation treatment when necessary.	
	(4) Every local unit of government has an employee assistance program or policy that addresses drug and alcohol abuse problems.	
	(5) Every local unit of government has considered the potential for drug and alcohol abuse problems when developing zoning ordinances and issuing conditional use permits.	
	(6) Every county master plan includes treatment services.	
	(7) Every county master plan includes specialized provisions to ensure optimum alcohol and drug abuse service delivery for handicapped and disabled persons.	
	(8) Every local governmental social service provider has established a referral system under which clients with drug and alcohol abuse problems can be referred for treatment.	
	(9) Every county drug and alcohol abuse treatment program gives priority to pregnant women.	
	(10) Every county drug and alcohol abuse treatment program provides acquired immune deficiency syndrome (AIDS) information to all clients in treatment.	
	(g) With regard to state and federal government drug and alcohol abuse programs, the following goals:	
	(1) The department of Alcoholic Beverage Control has informed all alcohol retail-	

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	ers of the laws governing liquor sales, and has provided training available to all personnel selling alcoholic beverages on identifying and handling minors attempting to purchase alcohol.	
	(2) The Office of Criminal Justice Planning has required all applicants for crime prevention and juvenile justice and delinquency prevention funds to include drug and alcohol abuse prevention efforts in their programs.	
	(3) The State Department of Alcohol and Drug Programs has required all applications for funding to include a prevention component.	
	(4) The Superintendent of Public Instruction has employed drug and alcohol abuse school prevention specialists and assisted local school districts with the implementation of prevention programs.	
	(5) The State Department of Mental Health has staff trained in drug and alcohol abuse prevention who can assist local mental health programs with prevention efforts.	
	(6) The Department of Corrections and the Department of the Youth Authority have provided drug and alcohol abuse education and prevention services for all inmates, wards, and parolees. Both departments have provided drug and alcohol abuse treatment services for any inmate, ward, or parolee determined to be in need of these services or who personally requests these services.	
	(7) The Department of Motor Vehicles has distributed prevention materials with driver's and car license applications and renewals.	
	(8) Federal prevention programs have been encouraged to follow the master plan.	
	(9) State licensing and program regulations for drug and alcohol abuse treatment have been consolidated and are	

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	administered by one state agency.	
	(10) State treatment funding priorities specifically recognize the multiple-diagnosed client who would be eligible for services from more than one state agency.	
	(11) Every state agency has formalized employee assistance programs that include the treatment of drug and alcohol abuse-related problems.	
	(12) Every county or public or private agency within a county that applies or reapplies for state or local assistance funds for drug and alcohol abuse efforts, including, but not limited to, funds provided under Division 10.5 (commencing with Section 11750) of the Health and Safety Code, addresses, to the extent possible, any long-range goals set forth in a county drug and alcohol abuse master plan pursuant to subdivision (b), and funding priority is given to those entities which address these goals within their respective programs.	
	(13) The Governor has designated one state agency to act as the lead agency on all drug and alcohol abuse matters.	
	(14) Every state agency that contracts or grants money to local jurisdictions or programs for drug and alcohol abuse services requires the submission of an approved county drug and alcohol abuse master plan.	
	(15) The Governor has designated one statewide resource center to coordinate efforts of other resource centers statewide and to coordinate with local government and assist in their preparation of drug and alcohol abuse master plans.	
	(16) The Senate Office of Research has prepared a summary of drug and alcohol abuse laws for use by the Legislature and the Department in oversight of drug and alcohol abuse programs, and in evaluating the need	

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for statutory changes.	
(h) With regard to private sector direct service providers, the following goals:	
(1) Drinking driver programs have provided clear measurements of successful completion of the program to the courts for each court-ordered client.	
(2) All drug and alcohol abuse treatment programs provide poly drug abuse services or have an established referral system to ensure clients receive all needed services.	
(3) Adequate outpatient and, where possible, inpatient treatment services, are available statewide for juveniles in need of treatment.	
(4) Each treatment provider has been licensed by the state.	
(i) With regard to supply regulation and reduction in conjunction with drug and alcohol abuse, the following goals:	
(1) Each medium- and large-sized county has a drug and alcohol abuse enforcement team designated by the board of supervisors as a part of the overall drug and alcohol abuse advisory committee. This team includes all components of the criminal justice system. This team is responsible to the board of supervisors and advises the drug and alcohol abuse advisory committee and the county on all criminal justice matters relating to drug and alcohol abuse. Priority in allocating state funds for substance abuse law enforcement agencies, is given to those counties which have established a drug and alcohol abuse enforcement team.	
(2) The Office of Criminal Justice Planning, the Youth and Adult Correctional Agency, the Department of the California Highway Patrol, the Office of Traffic Safety, and the Department of Justice have established a state-level drug and alcohol abuse enforcement team that includes representatives from all facets of criminal justice. The lead	

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	agency for the enforcement team has been designated by the Governor. This team advises the state and assists the local teams.	
	(3) State career criminal apprehension and community crime prevention programs include drug and alcohol abuse prevention components.	
	(4) The Office of Criminal Justice Planning, Youth and Adult Correctional Agency, and the Department of Justice have as a priority when determining training subjects, prevention seminars on drug and alcohol abuse.	
	(5) Drunk driving jails have been established that provide offender education and treatment during incarceration.	
	(6) All probation and parole officers have received drug and alcohol abuse training, including particular training on drug recognition.	
	(7) All parolees and persons on probation whose offense involved drugs or alcohol have conditions of parole or probation that prohibit drug and alcohol abuse.	
	(8) The Judicial Council has provided training on drug and alcohol abuse for judges.	
	(9) The courts, when sentencing offenders convicted of selling drugs, consider the "street value" of the drugs involved in the underlying crime.	
	(10) Judges have been encouraged to include treatment and prevention services in sentences for all offenders. Judges are requiring, as a condition of sentencing, education and treatment services for all persons convicted of driving under the influence of alcohol or drugs.	
	(11) Juvenile halls and jails provide clients with information on drug and alcohol abuse.	
	(12) Each local law enforcement agency has developed, with the schools, protocol on responding to school drug and alcohol abuse problems.	

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	(13) Every county has instituted a mandatory driving while under the influence presentence offender evaluation program.	
	2. Upon completion and public issuance of the plan described in Provision 1 as the State Master Plan to Reduce Drug and Alcohol Abuse, the State Controller shall transfer any unencumbered funds in this item to Item 4200-001-001 not sooner than 30 days after submittal of the plan to the committees of the Legislature which consider appropriations and the Chairperson of the Joint Legislative Budget Committee.	
4220-001-001—For support of Child Development Programs Advisory Committee appointed pursuant to Section 8254 of the Education Code		237,000
4260-001-001—For support of Department of Health Services		153,254,250
Schedule:		
(a) 100000-Personal Services	173,299,269	
(b) 300000-Operating Expenses and Equipment	138,711,981	
(c) Unallocated Reduction	−1,500,000	
(d) Reimbursements	−12,252,000	
(e) Reimbursements (Toxics)	−2,988,000	
(f) Amount payable from the Hazardous Waste Control Account, General Fund (Item 4260-001-014)	−8,002,000	
(g) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-044)	−330,000	
(h) Amount payable from the Water Device Certification Special Account (Chapter 1247, Statutes of 1986)	−63,000	
(i) Amount payable from the Air Toxics Inventory and Assessment Account, General Fund (Item 4260-001-434)	−114,000	
(j) Amount payable from the Vital Records Improvement Project Fund (Item 4260-001-137)	−4,703,000	
(k) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-203)	−24,877,000	

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(*l*) Amount payable from the Sanitarian Registration Fund (Item 4260-001-335)	−128,000
(m) Amount payable from the Hazardous Substances Account, General Fund (Item 4260-001-455)	−1,287,000
(n) Amount payable from the Mosquito Borne Disease Surveillance Account (Item 4260-001-478)	−8,000
(o) Amount payable from the Hazardous Substance Cleanup Fund (Item 4260-001-710)	−3,867,000
(p) Amount payable from the Federal Trust Fund (Item 4260-001-890)	−98,186,000
(q) Amount payable from the Local Health Capital Expenditure Account (Item 4260-001-900)	−160,000
(r) Amount payable from the General Fund (Chapter 1177, Statutes of 1987)	−73,000
(s) Amount payable from the General Fund (Chapter 1282, Statutes of 1987)	−99,000
(t) Amount payable from the AIDS Vaccine Research and Development Grant Fund (Chapter 1462, Statutes of 1986, as redirected by Chapter 1316, Statutes of 1987)	−83,000
(u) Amount payable from the Water Device Certification Special Account (Item 4260-001-129)	−37,000

Provisions:

1. Funds for state services, administration, research and training projects as identified as Special Projects of the 1988–89 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 new project or any increase in excess of $200,000.

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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 1988–89 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.	
3. Effective July 1, 1988, 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 $18.55 per bed. Effective July 1, 1988, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $83.64 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 42.1 percent effective July 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 8.2 percent effective January 1, 1989. 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 2.7 percent plus 0.5 percent for each 1 percent increase in employee compensation granted in the 1988 Budget Act. The Director of Finance shall propose language to implement fee adjustments in the 1989 Budget Bill.	

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4. 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.
5. The department shall retain the Rural and Community Health Division in its current physical location.
6. The Director of General Services, on behalf of the Department of Health Services, may negotiate a purchase option for the proposed laboratory space at 700 Heinz Street, Berkeley, described in the advisory letter from the Director of General Services to the Chairman of the Joint Legislative Budget Committee, dated March 28, 1988. The Director of Health Services and the Director of General Services shall jointly report to the Joint Legislative Budget Committee and the fiscal committees of the Senate and the Assembly on the state's progress (1) in negotiating a purchase option on or before January 1, 1989, and (2) at least 30 days prior to signing a purchase option agreement. The report shall specify (1) the terms of the proposed purchase option and (2) how the proposed terms further the state's interests. If the state is unable to secure a purchase option agreement on terms favorable to the state, the report shall specify why such an agreement could not be negotiated.
7. The department's Equal Employment Opportunity Committee shall (1) review and recommend to the department methods to streamline the employment appointment process; (2) evaluate the affirmative action requirements used in contracting for outside services; and (3) review the department's initiatives to provide additional bilingual services.

   The department shall establish a Special Advisor to the director on minority employment initiatives who shall (1) review employment initiatives developed by the department's various divisions and programs for employment of Hispanics and other underrepresented minorities; (2) develop initiatives to reach 1990 minority parity levels as established by the State Personnel Board; (3) develop initiatives de-

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signed to meet bilingual services needs; and (4) assist in the implementation of the department's affirmative action plan.	
8. By July 1, 1988, the department shall submit to the Legislature's fiscal committees a timetable for implementation of Chapter 1404 of the Statutes of 1984. The timetable should set goals for increasing provider and patient participation in the program in all geographic areas of the state and set forth specific target dates for reaching those goals. The department shall adhere to the timetable submitted to the Legislature for increasing provider and patient participation in the Comprehensive Perinatal Services Program. The department shall provide to the fiscal committees of the Senate and the Assembly status reports which compare actual performance to the goals enunciated in the timetable. Reports shall be submitted quarterly, commencing October 1, 1988.	
9. The department shall submit to the Legislature by no later than April 1, 1989, a comprehensive AIDS prevention and treatment plan. The plan shall address the activities of all state agencies deemed by the director to relate to the formulation of a state AIDS policy. Elements of the plan shall include: (1) the latest estimates of prevalence of HIV infection in California; (2) projections of AIDS cases for the next five years; (3) a description of AIDS treatment modalities and their impact on state AIDS policy; (4) the availability of health care resources to treat persons with HIV; (5) a description of current methods of testing for HIV and the policy implications of emerging testing methods; and (6) special issues concerning: (a) substance abusers, (b) pediatric AIDS, (c) public and private financing of health and support services for persons with AIDS, and (d) institutionalized populations.	
9.1. The department shall allocate $4,000,000 to fund the AIDS Drug Development Program. It is the intent of the Legislature that similar or increased funding be appropriated in the next two budget years, depending on the number of applications.	

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10. Notwithstanding any other provision of law, if federal administrative funds budgeted in Item 4260-001-890 are inadequate to fund costs incurred in the administration of the Refugee Medical Assistance Program provided to time eligible refugees, the department shall provide necessary funds to ensure adequate program administration.		
11. The Department of Health Services shall establish a position of state transportation coordinator. The state transportation coordinator shall establish, on a county-by-county basis, ongoing liaison with local officials responsible for transportation assistance, including information and referral services, and shall designate an existing appropriate county employee or Medi-Cal field office employee to coordinate transportation services in each county. The state coordinator, with the cooperation of his or her local liaisons, shall, at least annually, survey transportation services in each county, update the survey on an ongoing basis and assist Medi-Cal beneficiaries on a case-by-case basis in obtaining transportation to maternity and other medically necessary care. Beneficiaries shall be notified in an appropriate manner regarding the transportation assistance services available to them.		
12. The department shall include in the 1989–90 budget a proposal to fully fund the Contract Counties program. The department's proposal shall be based on a workload analysis of the current level of services.		
13. Of the funds appropriated in this item, $699,000 shall be for the McFarland Childhood Cancer study and used for the following purposes:		
(a) San Joaquin Valley Cancer Investigation		213,000
(b) Environmental Exposure Monitoring in McFarland		391,000
(c) Followup and Independent Review of McFarland Studies of 1981–83		95,000

Item	Amount
14. In order to reduce the cost of project financing and to further expedite attainment of the goals established by Chapter 1177 of the Statutes of 1983, the department shall execute appropriate written agreements or memoranda of understanding with the license designee.	
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	8,002,000
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 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	330,000
4260-001-129—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Water Device Certification Special Account, General Fund	37,000
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	4,703,000
4260-001-203—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Genetic Disease Testing Fund	24,877,000
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 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	128,000

Item	Amount
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.	
4260-001-434—For support of Department of Health Services, Preventive Medical Services Division, Office of Health Hazard Assessment for transfer to Item 4260-001-001, payable from the Air Toxics Inventory and Assessment Account, General Fund..	114,000
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	1,287,000
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	3,867,000
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.	
4260-001-890—For support of Department of Health Services, for transfer to Item 4260-001-001, payable from the Federal Trust Fund.....	98,186,000

Item	Amount
Provisions:	
1. Limitations and conditions applicable to Item 4260-001-001 are also applicable to this item if appropriate.	
2. Upon the request of the department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-890 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	160,000
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.	
4260-005-001—For support of Department of Health Services, Preventive Medical Services Division, Office of Health Hazard Assessment, for transfer to the Air Toxics Inventory and Assessment Account, General Fund	(57,000)
Provisions:	
1. The amount provided in this item shall be a loan from the General Fund, repayable from the Air Toxics Inventory and Assessment Account within a period of one year, with interest accrued at the Pooled Money Investment Account rate.	
4260-005-890—For support of Department of Health Services, payable from the Federal Trust Fund	259,506,000
Provisions:	
1. Funds appropriated in this item shall be transferred to the Public Health Federal Fund.	
4260-011-014—For support of Department of Health Services (Toxic Substances Control Division)	34,885,000
Schedule:	
(a) 12.10-Site Mitigation 58,789,000	
(b) 12.20-Permitting..... 14,273,000	

Item		Amount
(c)	12.30-Surveillance and Enforcement	14,606,000
(d)	12.40-Alternative Technology	15,399,000
(e)	12.50.001-Program Direction and Support	18,537,000
(f)	12.50.002-Distributed Program Direction and Support	−18,537,000
(g)	Amount payable from Hazardous Waste Management Plan (Item 4260-011-428)	−2,833,000
(h)	Amount payable from Hazardous Substance Account (Item 4260-011-455)	−7,980,000
(i)	Amount payable from Hazardous Substance Cleanup Fund (Item 4260-011-710)	−19,591,000
(j)	Amount payable from Federal Trust Fund (Item 4260-011-890)	−6,125,000
(k)	Amount payable from Hazardous Substance Cleanup Fund (Item 4260-012-710)	−7,500,000
(*l*)	Amount payable from Hazardous Waste Control Account (Item 4260-015-014)	−400,000
(m)	Amount payable from Hazardous Substance Account (Item 4260-020-455)	−2,753,000
(n)	Amount payable from Federal Trust Fund (Item 4260-021-890)	−21,000,000

Provisions:

1. 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.
2. If a responsible party, or parties, pay(s) the department in advance for the state's costs incurred in monitoring responsible-party cleanups, funds budgeted in the Hazardous Substance Account shall not be spent unless the Legislature is provided 30 days' advance notice.

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3. 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.
4. Of the amount appropriated in this item and in category (i) from the Hazardous Substance Cleanup Fund, $248,000 and $152,000 respectively shall be one-time appropriations for employee training.
5. The 64.5 positions transferred from special projects shall not be redirected to state funded programs.
6. Of the amount appropriated in category (h) from the Hazardous Substance Account, $573,000 shall be available for reimbursement to the Department of Justice for cost recovery activities. Of this amount $287,000 shall not be available until 30 days after the Department of Justice and the Department of Health Services have submitted a justification for the funds to the fiscal committees and the Joint Legislative Budget Committee.
7. Of the funds appropriated in category (i) from the Hazardous Substance Cleanup Fund, $810,000 shall be available to the State Water Resources Control Board and regional boards for site mitigation activities.
8. Of the amount appropriated in this item, $75,000 shall be available for local prosecutor training.

4260-011-428—For support of Department of Health Services (Toxic Substances Control Division), for transfer to Item 4260-011-014, payable from the Hazardous Waste Management Planning Subaccount 2,833,000

Provisions:

1. Notwithstanding any other provision of law, of the amount appropriated by this item, $1,083,000 is available for administrative support and $1,750,000 is available for local agency planning grants.

4260-011-455—For support of Department of Health Services (Toxic Substances Control Division), for transfer to Item 4260-011-014, payable from the Hazardous Substance Account 7,980,000

Item	Amount
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.	
4260-011-710—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	19,591,000
4260-011-890—For support of Department of Health Services (Toxic Substances Control Division), for transfer to Item 4260-011-014, payable from the Federal Trust Fund	6,125,000
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. The funds appropriated by this item 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.	
4260-013-014—For transfer to the General Fund, for repayment of the remaining half of the loan made from Item 4260-011-001, Budget Act of 1987, payable from the Hazardous Waste Control Account, General Fund	(5,000,000)
Provisions: 1. In the event that the Director of Finance, pursuant to the provisions of subdivision (f) of Section 16314 of the Government Code, extends the loan repayment date of a portion of the repayment authorized in Item 4260-013-014 of the Budget Act of 1987, the amount appropriated in this item shall be increased by the amount of the repayment which is deferred.	
4260-015-014—For transfer to the General Fund, for payment of accrued interest on the General Fund loan provided by Item 4260-011-001, Budget Act of 1987, for transfer to Item 4260-011-014, payable from the Hazardous Waste Control Account, General Fund	400,000

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Item	Amount
4260-020-455—For support of Department of Health Services (Toxic Substances Control Division), for transfer to Item 4260-011-014, payable from the Hazardous Substance Account, General Fund	2,753,000
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	21,000,000
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.....	2,985,831,000
Schedule:	
(a) 50.11-Benefits (Medical Care and Services) 5,973,732,000	
(b) 50.10-Eligibility (County Administration) 170,883,000	
(c) 50.50-Fiscal Intermediary Management 53,804,000	
(d) Reimbursements .....—71,272,000	
(e) Amount payable from the Federal Trust Fund (Item 4260-101-890)—3,119,838,000	
(f) Amount payable from Federal Trust Fund (Item 4260-103-890) ..—21,478,000	
Provisions:	
1. After June 30, 1989, 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.	
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	

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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.
6. 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.
7. 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-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.

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8. 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.
9. 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 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.
10. 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.
11. 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.

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12. 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 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 Budget 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.
13. 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.
14.5. Of the funds appropriated in this item, $2,000,000 and $2,000,000 transferred from Item 4260-101-890 shall be used for rate adjustments for Medi-Cal outpatient services rendered by small and rural hospitals.

The department shall continue this rate adjustment for small and rural hospitals as a permanent program base increase using the allocation formula contained in Chapter 1476 of the Statutes of 1987. This adjustment shall be in addition to any other increases that may be provided.

"Small and rural hospital" means an acute care hospital which meets either of the following criteria:

(a) Meets 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.
(b) Meets the criteria for designation within peer group five or seven and has no more than 76 acute care beds and is located in

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	an incorporated place or census-designated place of 15,000 or less population according to the 1980 federal census.	

15.5. The Department shall allocate $20,000,000 to increase rates for outpatient services provided by disproportionate provider hospitals.

(a) An outpatient disproportionate provider factor shall be developed for each hospital using the most recent annual disclosure data administered by the Office of Statewide Health Planning and Development. Hospitals shall be permitted to certify to changes in relevant data subsequent to the most recent state report in order to ensure that the factor reflects the hospital's most recent experience.

(b) The outpatient disproportionate provider factor shall be the proportion of total outpatient gross revenue and "other" outpatient deductions from revenue. Hospitals previously not submitting necessary data elements shall be permitted to amend their most recent report or submit more recent data prior to implementation of this section. An outpatient disproportionality threshold shall be established at the mean, which in the most recent 1984–85 data is 22.5 percent of total outpatient gross revenue.

(c) Augmentation levels shall be based on the degree to which hospitals exceed the outpatient disproportionality threshold, as follows:

(i) Threshold to Threshold	+4.99%	shall receive a 22% augmentation
(ii) Threshold	+5% to Threshold +9.99%	shall receive a 27% augmentation
(iii) Threshold	+10% to Threshold +14.99%	shall receive a 32% augmentation
(iv) Threshold	+15% to Threshold +19.99%	shall receive a 37.5% augmentation

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	(v) Threshold	+20% and above	shall receive a 42% augmentation

If disproportionate provider rate augmentation levels shown above exceed the appropriation therefor in this act each hospital shall receive a percentage of its augmentation level. The percentage shall equal the appropriation in this act divided by the total rate augmentations that would have been paid using full augmentation levels shown above.

(d) The hospital outpatient augmentation levels shall be incorporated into the rate adjustment made subsequent to enactment of this act and shall not exceed usual and customary charges.

(e) The Department may, on an emergency basis, amend its regulations with respect to the implementation of this augmentation to limit expenditures in order to stay within appropriation levels for disproportionate outpatient provider rate increases.

(f) The State Director of Health Services shall adopt regulations implementing these provisions as emergency regulations, if so required, in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare. Notwithstanding the provisions 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 State Department of Health Services in order to implement disproportionate outpatient provider rate increases shall not be subject to the re-

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view and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

(g) The State Department of Health Services shall seek federal financial participation for payments made to disproportionate outpatient providers if necessary.

17. By October 1, 1988, the department shall amend the state Medicaid cost allocation plan to authorize use of federal Medicaid funds for county and state administrative functions related to the Comprehensive Perinatal Services Program.
18. The department shall amend the state Medicaid plan to implement the federal option for providing targeted case management services to pregnant women. The department shall make quarterly status reports to the Legislature, beginning October 1, 1988, on the implementation of this option.
19. The department shall survey counties to assess their compliance with priority processing and immediate need Medi-Cal cards for Medi-Cal eligible pregnant women. Specifically, the department shall conduct a survey of the counties to ascertain the amount of time that transpires between a pregnant woman's first contact with a Medi-Cal eligibility worker and her receipt of a Medi-Cal card. The survey shall be completed by December 1, 1988. The department shall report to the Legislature by January 15, 1989, on survey results and specify what corrective actions, if any, are necessary to assure statewide compliance.
20. Notwithstanding any other provision of law, if federal administrative funds budgeted in Item 4260-101-890 are inadequate to fund the costs incurred in the administration of the Refugee Medical Assistance Program provided to time-eligible refugees, the department shall provide necessary funds to ensure adequate program administration.

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22.	Before eliminating the rate differential for Caesarean sections, the department shall increase Medi-Cal reimbursement rates for procedure codes 59400, 59410, 59485, and 59487 (using 1988 procedure codes) by 18.8 percent above the rates paid on June 1, 1988.	
23.	The department shall allocate $10 million to augment the contracting pool to allow disproportionate-share hospitals that operate trauma centers or basic emergency rooms to negotiate with the California Medical Assistance Commission for higher rates of reimbursement.	
24.	The Department of Health Services shall conduct a study to determine the nature of the Medi-Cal claims that are denied because they exceed the six-visit limitation for physician visits. If warranted by the study, the department shall, no later than December 15, 1988, develop a process by which specific medical procedures are exempted from the six-visit limitation because more frequent visits are medically necessary. In addition, the department shall not apply any restriction on physician visits for prenatal care.	
25.	The Department of Health Services shall study, on a county-by-county basis, the availability of dentists to serve new and continuing Medi-Cal dental patients. The results of the study shall be reported to the appropriate legislative policy and fiscal committees no later than January 1, 1989, along with proposals by the department on how to improve access to dental care in those areas where there is inadequate provider participation.	
26.	The department shall eliminate the rate differential for Caesarean sections and instead establish a rate for reimbursement of vaginal and Caesarean births which is a weighted average of the existing two Medi-Cal rates.	
27.	The department shall, within the limits of funds appropriated by this act, amend the state Medicaid plan to provide for implementation of the following federal Medicaid options for improving access of low-income pregnant women to prenatal care: (1) extension of Medi-Cal eligibility to pregnant	

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women whose incomes are between 100 percent and 185 percent of the poverty line and (2) eliminating the resource test when assessing the eligibility of pregnant women.

28. In light of the state's fiscal shortfall for 1988–89 fiscal year, the department shall establish a donated funds account to which a disproportionate provider hospital which operates a trauma center or basic emergency room may make contributions.

4260-101-890—For local assistance, Department of Health Services, for transfer to Item 4260-101-001, payable from the Federal Trust Fund 3,119,838,000

Provisions:

2. Any provision from Item 4260-101-001 relevant to this item shall also be applicable to this item.

4260-103-890—For local assistance, for refugee services, Department of Health Services, for transfer to Item 4260-101-001, payable from the Federal Trust Fund 21,478,000

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 women 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, with-

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in 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 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 apropriate counseling regarding the situation, complications, risks, benefits, and alternatives.

(c) By May 1, 1989, the Department of Health Services shall provide the Legislature a report listing the number of abortions

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theretofore paid for during the fiscal year 1988–89 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.
5. Limitation on payment for abortions provided for in this item shall apply only to abortions performed after August 15, 1988.
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 local assistance, Department of Health Services, 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 53,072,000

Schedule:

(a) 50.11-Benefits (Medical Care and Services) (for transfer to Item 4260-101-001) 53,672,000

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Provisions:

1. The department shall adopt Medi-Cal regulations effective August 1, 1988, increasing Medi-Cal payment rates for freestanding 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, by the necessary amounts to effect a weighted average increase of $1.48 per patient-day to meet the cost of implementing new California state minimum wage requirements.

   The increase provided by this provision shall be used solely for the purpose of increasing wages and benefits paid to nonadministrative employees. This increase shall be in addition to those provided under the Medi-Cal COLA and existing statutes. These funds shall be expended in accordance with existing labor laws.

2. (a) Long-term care facilities with labor costs below medians established for each reimbursement category by the Department of Health Services shall pass through to nonadministrative employees a portion of the annual Medi-Cal reimbursement rate increase attributable to the salaries, wages, and benefits component for skilled nursing facilities, intermediate care facilities, intermediate care facilities/developmentally disabled, intermediate care facilities/developmentally disabled-habilitative and intermediate care facilities/developmentally disabled-nursing, 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. The ongoing provisions of Chapters 10 and 11 of the Statutes of 1985, Chapter 19 of the Statutes of 1978, and Section 1338 of the Health and Safety Code, shall remain unaffected by this provision. Funds provided for the state's obligation to the new minimum wage program shall not be used to offset a facility's obligation under this provision.

   (b) In order to assure compliance with this pro-

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vision, the department shall adopt regulations setting forth a median labor cost base on a per patient-day basis for each reimbursement category. The median labor base shall include salaries, wages, and benefits but shall be exclusive of registry and contract labor. The labor cost base shall be developed from the data used to derive the 1988–89 Medi-Cal reimbursement rates. The department shall compute the amount of the annual rate increases attributable to salaries, wages, and benefits by reimbursement category. Each long-term care facility whose projected labor cost for nonadministrative employees is less than the projected labor median for its respective reimbursement category shall spend a minimum of 75 percent of the 1988–89 Medi-Cal rate increase attributable to labor for salaries, wages, and benefits to the extent the facility expenditures reach or exceed the projected median labor cost per patient-day established by the department for July 31, 1988.

(c) The department shall provide a waiver to these 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, 1988, and decisions rendered by February 1, 1989. 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.

(d) The department shall develop the specific methodology and procedures necessary to implement this act with consultation from labor, providers, and legislative committee representatives. Facilities shall be provided with complete instructions and monitoring guidelines prior to implementation of the procedures which specify whether a facility is above or below the medians established by the department for its respective reim-

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bursement category.

(e) Long-term care facilities shall document, in a certification submitted to the department by October 1, 1989, their 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 reimbursement period of August 1, 1988, through July 31, 1989. In assessing facility compliance with these provisions, the department shall compare labor costs per patient-day during the reimbursement period to facility spending during the preceding 12-month period. The department shall also consider additional registry, contract labor, one-time retroactive payments made within 60 days of the close of the reimbursement period and documented operational efficiencies which impact overall labor costs in this comparison. Facilities shall be allowed to carry over any excess or any shortage within 25 percent of their pass-through obligation to the next reimbursement period.

4260-106-890—For local assistance, Department of Health Services, 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 52,820,000

Schedule:

(a) 50.11-Benefits (Medical Care and Services) (for transfer to Item 4260-101-890) 52,820,000

4260-111-001—For local assistance, Department of Health Services 1,188,605,200

Schedule:

(a) 11-Preventive Medical Services.... 8,086,200
(b) 15-AIDS 49,549,000
(c) 20-Family Health Services..... 144,210,000
(d) 40-Rural and Community Health..... 986,760,000

Provisions:

1. Program 11-Preventive Medical Services:
   (a) Funds appropriated in this item for the pur-

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pose 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 the study defined in Chapter 1421 of the Statutes of 1987.

(c) Of the amount appropriated in this item, $170,200 shall be used for a groundwater testing program.

(d) The department shall contract for a study to assess whether intensive lifestyle changes (including stress management training, psychological support, smoking cessation, exercise, and a diet with less than 10% fat and less than 5mg/day dietary cholesterol) can reverse coronary heart disease without using cholesterol-lowering drugs or surgery. The study shall be directed by a physician-researcher with demonstrated expertise in motivating patients to change their lifestyle in these ways and with the capability to scientifically assess and analyze the results using quantitative coronary angiography. The total cost of the study shall not exceed $250,000 during the 1988–89 fiscal year. The department shall report every six months on the interim findings of the study; the final report shall be made by July 1, 1989.

(e) Of the amount appropriated in this item, $100,000 shall be used to increase rates in the dental disease prevention program.

2. Program 15-AIDS:

(a) Upon order of the Department of Finance, the State Controller shall transfer funds not to exceed $200,000 from Item 4260-111-001 to Item 4260-001-001 for AIDS program support.

(b) The department shall require any county which receives funds under the AIDS block grant to submit a plan which assesses present needs and resources along with a

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	projection of how those needs and resources are likely to change over the ensuing three years. The plan shall, at a minimum, include the following components: (1) central participatory planning involving consultation with an advisory body consisting of various groups affected by AIDS and specifically including community based organizations involved with AIDS; (2) prevention and testing programs; (3) epidemiologic surveillance; (4) treatment and supportive services; and (5) coordination of financing mechanisms. The plans shall include county services as well as services provided by community based organizations. The department shall encourage all other counties to prepare these three year plans.	
(c)	The Department of Alcohol and Drug Programs and the Department of Health Services, Office of AIDS, shall pursue coordination of activities related to AIDS and intravenous drug users at the county level. This shall include, but not be limited to, encouraging each county's health officer and each county's drug program administrator to meet and confer on expenditure plans addressing prevention and education activities (including outreach) related to AIDS and intravenous drug users.	
(e)	The department shall report to the fiscal committees by January 1, 1989, on the funding needed to support the anonymous test sites program. If the test sites are experiencing fewer tests per month than the department anticipated in establishing its 1988–89 funding request, the department shall reallocate funds to (1) reduce waiting lists and (2) expand hours at the test sites or ensure access to testing.	
(f)	The department shall work with counties to ensure that the anonymous test sites are accessible and are serving high risk persons. In conducting the review of the 1989–90 Budget, the Legislative Analyst's office shall comment on the extent to which the test sites are meeting these goals.	

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	(g) In conducting the review of the 1989–90 Budget, the Legislative Analyst shall evaluate the adequacy of reimbursement levels for the Alternate Test Site Program.	
	(h) The Office of AIDS, in allocating and processing contracts and grants, shall comply with the same requirements as are established for contracts and grants for other public health programs. Specifically, (1) the office shall develop request-for-proposals which include the standards pursuant to which the proposals will be evaluated; (2) the office shall use an evaluation and selection committee consisting of persons with expertise in reviewing proposals; (3) it may negotiate the terms and conditions of the contracts and grants; (4) it may reject any and all contracts or grants; and (5) it shall publish a timetable and develolp appropriate outreach efforts to assure that the request for a proposal reaches appropriate recipients of funds. The contracts or grants administered by the Office of AIDS shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of Finance and the State Department of General Services prior to their execution.	
	(i) The department shall allocate $500,000 to establish one or more resource centers for its AIDS prevention and education contractors to provide technical assistance on training of health professionals and on management and programmatic issues.	
	(j) The department shall allocate $2,000,000 in additional contracts for education in publicly-funded clinics. In allocating these funds, the department shall give priority to the clinics serving high-risk populations.	
	(k) The department shall allocate $750,000 to evaluate the various prevention activities funded by the Office of AIDS to assess their effectiveness in reducing the spread of HIV infection.	
	(*l*) By March 15, 1989, the department shall allocate a proportionate share of the $227,000 of General Fund moneys budgeted for con-	

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tractor's costs associated with administration of the AIDS Home and Community Based Waiver for home and community-based services for AIDS patients, if implementation of the waiver is delayed beyond January 1, 1989.

(m) During hearings on the 1989–90 fiscal year budget, the department shall present an analysis of the advantages and disadvantages of incorporating the treatment program for HIV infected children into the California Children's Services Program.

(n) By January 1, 1989, the department shall project the costs of treating HIV infected children. To the extent that costs are less than the $1,100,000 budgeted for that purpose, the department shall reallocate the funds for noninstitutionalized treatment services for persons with AIDS or ARC.

(o) Because outpatient treatment programs are beginning to be available for people with HIV infection and establishing these treatment programs will sustain the health and productivity of people so infected as well as giving public health authorities the opportunity to routinely provide information on how to avoid transmission of the virus, the department shall establish health screening programs for asymptomatic HIV infected people.

Specifically:

1. The department shall allocate $4,000,000 to expand followup health screening programs for persons infected with the human immunodeficiency virus (HIV) in six counties. Of this amount, the department may spend up to 3 percent for its own administrative costs and 3 percent to provide or arrange for technical assistance, professional consultation, and staff training. The director shall designate the six counties. Followup programs funded shall include the same elements as those programs funded by the department in the 1987–88 fiscal year. Further, the department shall require funded programs to adopt the same confidentiality protec-

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tions as those used by the existing contractors.

The department shall establish a reimbursement process for counties within 60 days after the effective date of this act for services funded through the followup program.

2. If a county fails to apply to the state to implement health screening services, the director may authorize a community-based organization, or a consortium of community-based organizations to provide these services.

(p) The department shall allocate $100,000 for a demonstration project to assess the feasibility of serving persons with AIDS in an adult day health care setting. The department shall report its findings to the Legislature 12 months after the project begins operation.

(q) The department shall fund two demonstration projects, one in San Francisco and one in Los Angeles, to assess the need to provide support funding to lawyers providing pro bono services to indigent persons with AIDS and HIV infection. The department shall report its findings to the Legislature 12 months after the projects begin operation. The department may enter into an interagency agreement for allocation of these funds if the director deems it appropriate.

(r) The department shall allocate $1,500,000 for increased early intervention services to intravenous drug users. The funds shall be allocated based on the estimated number of intravenous drug users in treatment.

3. 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.

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	(b) Collections of family repayments by CCS and GHPP in excess of the appropriation for family repayments 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) As a condition of receiving General Fund support from the Maternal and Child Health program, contractors shall bill the Medi-Cal program for services provided to Medi-Cal eligibles. The department shall assess contractors' compliance with this requirement and report by April 15, 1989, on compliance status and the estimated savings resulting from increased Medi-Cal billing. The department shall redirect any General Fund savings associated with increased Medi-Cal reimbursement to expand services for children, pregnant women, and mothers which are provided by MCH contractors.	
	(f) Of the funds appropriated by this item, up to $425,000 may be allocated for matching funds to support the operation of school-based health clinics in California. Special consideration shall be given to currently-existing clinics.	
	(g) The department shall take all necessary steps to ensure that family planning funds unexpended at the end of fiscal year 1988–89 be redistributed to 1988–89 family planning contract agencies.	
	(h) The department shall allocate $1,000,000 to the Office of Family Planning to fund the testing of, limited examination, and treatment for chlamydia of individuals who are eligible for services pursuant to Section 14503 of the Welfare and Institutions Code.	
	(i) The department shall allocate $1,000,000 for outreach to high-risk pregnant women to	

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encourage them to obtain prenatal care within the first trimester. Of this amount, $500,000 shall be spent on outreach to eligible legalized aliens.

(j) The department shall allocate $2,000,000 appropriated in this item to fully fund the expansion of health screening for children of 13 to 29 months of age as provided for by the Governor's 1987 Child Health Initiative. The department shall ensure that children in this age group receive all three of the health screenings recommended by pediatricians.

4. 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 claims for retroactive aid to the totally disabled shall be transferred from the Health Care Deposit Fund to the county medical services program without regard to fiscal year.

(c) 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, ad-

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vance payment of patient liability, or notices.

(d) 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 of priorities listed above. If there are insufficient savings to fully fund the categories, the director shall make proportionate reductions to each category.

(e) In order to maintain small rural and medium sized county hospitals, the State Department of Health Services shall establish a program of technical and fiscal support for these facilities no later than October 1, 1988. Critical areas of technical assistance need shall be identified and the assistance shall commence no later than January 1, 1989. Of funds appropriated in this item, $200,000 shall be available to the department for this program. The department may transfer no more than $100,000 of this amount to Item 4260-001-001 for the administration of the program. The remaining $100,000 shall be expended for loans, grants, and the provision of technical assistance through contract to county hospitals. No loan or grant shall exceed $50,000 and the department may require the county to match any grant or loan with county funds. Loans may be for a peri-

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od not to exceed two years and the interest rate may be no more than the rate currently earned through the State Pooled Money Investment Account.		
4260-111-137—For local assistance, Department of Health Services		520,000
4260-111-890—For local assistance, Department of Health Services, payable from the Federal Trust Fund		29,072,000
Schedule:		
(a) 20-Family Health Services	28,487,000	
(b) 40-Rural and Community Health	585,000	
Provisions:		
1. Subdivisions (a) and (c) of Provision 3 of Item 4260-111-001 are also applicable to this item.		
4260-116-001—For cost-of-living increases, Department of Health Services, to be transferred to and in augmentation of Item 4260-111-001, upon approval of the Department of Finance, in accordance with the following schedule		31,829,000
Schedule:		
(a) 40-Rural and Community Health	21,829,000	
4260-121-001—For local assistance, Department of Health Services, Program 11.20, Chronic Diseases (Alzheimer's Program)		9,964,250
4260-301-036—For capital outlay, Department of Health Services, payable from the Special Account for Capital Outlay		732,000
Schedule:		
(1) 94.50.010-Minor Projects	109,000	
(2) 94.70.045-Berkeley: Additional Space and Renovation—Preliminary Plans	623,000	
Provisions:		
1. Of the amount appropriated in category (2) for preliminary plans for the Berkeley laboratory addition, funds shall be made available for purposes of an independent value engineering study directed at minimizing design, construction, and operating costs for the laboratory addition. The Department of Health Services shall submit the independent value engineering study and completed preliminary plans to the Legislature for its review as part of the 1989–90 Budget. As part of the 1989–90 Budget process, the Department of Health Services also shall review and report to the Legislature on the feasi-		

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bility of financing energy-related elements of the laboratory addition through energy revenue bonds and the parking structure through the Motor Vehicle Parking Facilities Account or other financing arrangements to be reimbursed by parking fees.

4260-490—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the unencumbered balance of the following appropriation is hereby reappropriated for the purposes specified in that appropriation, and shall be available for expenditure until June 30, 1991, subject to the following provisions:

(1) For construction of the San Francisco General Hospital Multidisciplinary AIDS Research Center, the $5,700,000 appropriated for that purpose in Item 4260-111-001 of the Budget Act of 1987:

The department shall only allocate the $5,700,000 for construction of a multidisciplinary AIDS research center at the San Francisco General Hospital to the City and County of San Francisco after the department submits a notification pursuant to Section 28.00 of this act, which includes the project's 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 request pursuant to Section 28.00.

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 1988–89 fiscal year.

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It is the intent of the Legislature that the remaining $4,800,000 in estimated construction costs for this project shall be funded in the 1989 Budget Act. The City and County of San Francisco is requested to let a single contract for the project which provides for phased construction award and phased construction.

The department shall contract with the Department of General Services, Office of Project Development and Management, for assistance in expediting and reviewing preliminary plans and any subsequent changes in project scope or cost.

The department shall provide monthly progress reports to the Chairperson of the Joint Legislative Budget Committee and the members of the fiscal subcommittee of each house that considers the department's annual budget. The monthly reports shall fully explain any delays in implementing the project schedule submitted to the Legislature and dated February 25, 1988. In addition, the department shall brief appropriate representatives of the Legislative Analyst every two months on the status of the project and the design and construction work.

(2) Any unexpended funds remaining from the 1987–88 fiscal year for the implementation of the study defined in Chapter 1421 of the Statutes of 1987 shall be available for encumbrance and expenditure in the 1988–89 fiscal year.

(3) Notwithstanding any other provision of law, any unexpended funds associated with AIDS programs remaining in Items 4260-001-001 and 4260-111-001 of Chapter 135, Statutes of 1987, is reappropriated to support additional AIDS programs. The department shall spend the funds on any of the following AIDS programs: (a) support of home and community-based services to people with AIDS; (b) outreach services to intravenous drug users; and (c) education of high-risk people served in publicly funded clinics. The department shall notify the Legislature's fiscal committees by October 15, 1988, of its expenditure plans for the funds.

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4260-491—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, $2,000,000 of the following appropriation is reappropriated, on the effective date of this act, for the purposes specified in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1989:			
001—General Fund			
(1) For support of human clinical trials for AIDS vaccine research, $2,000,000 of the $6,000,000 appropriated for that purpose by Chapter 1463, Statutes of 1986.			
4260-492—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the following appropriation is reappropriated for the purposes specified, in the amount specified, and shall be available for expenditure until June 30, 1989:			
710—Hazardous Substance Cleanup Fund			
For support of the underground tank cleanup oversight contracts, $1,565,185 of the amount appropriated by Item 4260-012-710 of the Budget Act of 1987.			
4260-495—Reversion, Department of Health Services. As of June 30, 1988, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.			
710—Hazardous Substance Cleanup Fund			
(1) Chapter 1439, Statutes of 1985, $31,355,000 appropriated for site cleanup.			
4270-001-001—For support, California Medical Assistance Commission			929,000
Schedule:			
(a) 100000-Personal Services		1,372,000	
(b) 300000-Operating Expenses and Equipment		486,000	
(c) Reimbursements		−929,000	
4300-001-001—For support of Department of Developmental Services			13,422,000
Schedule:			
(a) 10-Community Services Program		10,313,000	
(b) 20-Developmental Centers Program		7,067,000	
(c) 35.01-Administration		17,171,000	
(d) 35.02-Distributed Administration		−17,171,000	
(e) Reimbursements		−948,000	

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(f)	Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-172)	−131,000
(g)	Amount payable from the Federal Trust Fund (Item 4300-001-890)	−2,879,000

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.

1.5. On or before February 1, 1989, the Department of Developmental Services shall submit an interim report to the Legislature on Early Intervention which describes its proposed expenditure plan for direct services, including an estimate of ineligible populations statewide, types of resources required to meet these needs, and the appropriate agency to be responsible for providing the services needed.

2. As part of its expenditure plan for demonstration project funds in the Early Intervention Services Program, the department shall develop a project or projects related to federal personnel standards and development requirements.

3. In implementing Public Law 99-457, the designated lead agency shall, during the 1988–89 fiscal year, allocate direct service funds to local interagency planning bodies for the specific purpose of serving infants at high risk of developmental delays due to perinatal substance exposure. The allocation shall be based upon the needs identified by local interagency groups in their response to the local planning and coordination Request for Proposal (RFP). At a minimum, local expenditure plans for direct services shall address the following:
   (1) Services to infants born at high risk of developmental delay because of maternal use of drugs during pregnancy, or documented history of drug abuse in the immediate family.
   (2) Family outreach and training activities specific to this population.
   (3) Interagency data collection and tracking of long-term client outcomes.

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4. The Department of Developmental Services shall not apply for third year funding for the Early Intervention Program under Public Law 99-457, without 30-day notification of and consideration by the Joint Legislative Budget Committee. Upon approval from the Director of the Department of Finance, the department may submit a letter of intent for third year federal funding, if required by the federal government. By April 1, 1989, the Department of Developmental Services shall report to the Joint Legislative Budget Committee, the fiscal, and the relevant policy committees of the Assembly and Senate on the status of: (a) the objectives as defined in the approved federal grant under Public Law 99-457; and (b) the Department's activities and timelines for addressing the federal requirements pursuant to Section 676(b) of P.L. 99-457.
5. The department shall report to the Joint Legislative Budget Committee and the fiscal and policy committees on all of the following:
   (1) The administration's recommended options for defining "developmental delay."
   (2) The estimated cost of implementing the federally mandated program for Early Intervention Services utilizing these definitions.
   (3) The administration's recommendation on whether or not to apply for third-year funding.
   (4) The aspects of the proposal which require legislative action.
   (5) The department shall only submit this report if the federal government requires states to submit a comprehensive application for third-year funds during the 1988–89 fiscal year.
6. The department shall establish a Hispanic Advisory Committee composed of department personnel to accomplish the following activities: (a) an evaluation of the department's current affirmative action program; (b) an evaluation of the current process for determining bilingual service needs and any recommendations for process improvements; and (c) an assessment of the affirmative action requirements that the de-

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partment uses in contracting for outside services.

7. The department shall, to the extent allowed by current law, include minority employment parity goals and guidelines in: (a) all department contracts including regional centers; and (b) state developmental center staffing plans. Guidelines shall include the development of contractor-specific employee affirmative action plans and outreach to minority businesses.

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 131,000

4300-001-890—For support of Department of Developmental Services, for transfer to Item 4300-001-001, payable from the Federal Trust Fund..... 2,879,000

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.
2. Any provision of Item 4300-001-001 relevant to this item shall be applicable to this item also.

4300-002-001—For the purpose of a report to the Legislature which shall include written notification of approval of the State Plan and written assurances of eligibility for federal reimbursement for case management services under the Medicaid/Case Management Program (Title XIX) as allowed under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 or approval of a request pursuant to Section 27.00 of this act..... 6,795,000

Schedule:

(a)	10-Community Services Program	5,789,000
(b)	20-Developmental Centers Program	3,356,000
(c)	Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-172)	−64,000
(d)	Amount payable from the Federal Trust Fund (Item 4300-001-890) ..	−2,286,000

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Provision:		
1. Upon order of the Director of Finance, the State Controller shall transfer the funds appropriated in this item to, and in augmentation of, Item 4300-001-001, no earlier than 30 days after (a) written notification of approval of the State Plan and written assurances of eligibility for federal reimbursement for case management services under the Medicaid/Case Management Program (Title XIX) as allowed under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, or (b) notification of the Department of Finance's intent to approve a request pursuant to Section 27.00 of this act is received by the Joint Legislative Budget Committee.		
4300-002-172—For support of Department of Developmental Services, for transfer to Item 4300-002-001, payable from the Developmental Disabilities Program Development Fund		64,000
4300-002-890—For support of Department of Developmental Services, for transfer to Item 4300-002-001, payable from the Federal Trust Fund		2,286,000
4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers		428,857,000
Schedule:		
10.10-Regional Centers		
(a) 10.10.010-Operations	133,098,000	
(b) 10.10.020-Purchase of services	325,522,000	
(c) 10.20.010-Program Development	3,774,000	
(d) 10.20.030-Cultural Center for the Handicapped	146,000	
(e) Reimbursements	−28,983,000	
(f) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-172)	−4,700,000	
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		

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	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 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.	

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(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, 1989, and May 15, 1989. 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.

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.

7. Without regard to fiscal year, a loan shall be made available from the General Fund to the Department of Developmental Services not to exceed a cumulative total of $7,000,000. The loan funds shall 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 is subject to the repayment

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provisions of Section 16314 of the Government Code.

8. Of the amount appropriated in this item, $1,100,000 in General Fund moneys shall be made available to fund regional center rent increases already negotiated in multiyear leases. The amount in federal reimbursements to be received in fiscal year 1988–89 for case management services provided by regional centers in 1987–88 shall be made available for regional center operations.

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 4,700,000

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 Developmental Centers 39,397,000

Schedule:

(a) 20-Developmental Centers Program 493,591,000
(b) Reimbursements ..... −453,338,000
(c) Amount payable from the Federal Trust Fund (Item 4300-111-890) .. −856,000

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 and 4440-011-001.
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

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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. Of this item, $1,000,000 shall be used for recurring maintenance and shall not be diverted to other purposes.
5. When allocating the $3,800,000 in special repair funds, the Department of Developmental Services shall fund the State Developmental Centers' highest priority projects, which may include recurring maintenance projects.
6. Any reimbursements in this item that (1) are received as a result of the Medi-Cal long-term care cost-of-living adjustment and (2) exceed $22,309,000, shall revert to the General Fund.

4300-111-890—For local assistance, Department of Developmental Services, for transfer to Item 4300-111-001, payable from the Federal Trust Fund 856,000

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 4300-001-890.

4300-495—Reversion, Department of Developmental Services. After June 30, 1988, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.

001—General Fund

(1) Chapter 873, Statutes of 1987, appropriated for settlement costs.

4300-301-036—For capital outlay, Department of Developmental Services, payable from the Special Account for Capital Outlay 14,078,787

Schedule:

(1) 55.10.205-Minor Projects.....	1,496,000
(1.5) 55.20.210-Camarillo: Construct Children's Unit—Additional Construction.....	798,787

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(2)	55.20.260-Camarillo: Fire and Life Safety and Environmental Improvements, Units 18, 19, 30, 31, 32, and 33—Construction	7,032,000
(3)	55.20.270-Camarillo: Fire and Life Safety and Environmental Improvements, Units 20, 21, 22, 23, 26, 27, 28, and 29—Preliminary Plans and Working Drawings	935,000
(4)	55.25.205-Fairview: Upgrade 5kv Electrical Distribution System, Phase II—Preliminary Plans, Working Drawings, and Construction	310,000
(5)	55.25.215-Fairview: Install New Water Distribution System—Construction	1,439,000
(6)	55.25.220-Fairview: Remodel Lab —Construction	283,000
(7)	55.65.200-Statewide: DD Units Personal Alarm Systems, Phase II-Preliminary Plans, Working Drawings, and Construction	1,785,000

Provisions:

1. Notwithstanding Section 13332.11 of the Government Code, the following limits shall apply with regard to augmentation of projects in Schedule (2) and (3) of this item:
   (a) The State Public Works Board shall defer all augmentations in excess of 15 percent of the amount appropriated for each capital outlay project until the Legislature makes additional funds available for the specific project. This augmentation limit, however, may be increased to a maximum of 20 percent by 1-percent increments for each percentage point by which the rate of increase of the base construction cost index used for budgeting projects in the Budget Act of 1988 exceeds 3 percent per year from July 1, 1988.
   (b) The augmentation limit in subdivision (a) is not applicable to any asbestos mitigation portion of these projects. For the asbestos mitigation work, Section 13332.11 of the Government Code shall apply. Except as otherwise provided in this provision, all

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provisions of Section 13332.11 of the Government Code shall apply to the administration of each project funded by this item.		
4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated for the purposes provided for in that appropriation, and shall be available for expenditure until June 30, 1989.		
036—Special Account for Capital Outlay:		
(1) Item 4300-301-036(8) Budget Act of 1987, 55.65.100—Statewide: DD Units Personal Alarm System, Phase I—Preliminary Plans, Working Drawings and Construction.		
4300-491—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citations are reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1989:		
General Fund:		
(1) Item 4300-001-001, Budget Act of 1987, $1,395,000 in Program 20, Developmental Centers for the acquisition, modification, and implementation of a cost recovery system.		
(2) Item 4300-101-172, Budget Act of 1987, $500,000, Program Development Funds for Intermediate Care Facilities/Developmentally Disabled-Nursing (ICF/DD-N).		
4440-001-001—For support of Department of Mental Health		23,594,000
Schedule:		
(a) 10-Community Services	17,898,000	
(b) 20-State Hospital Services	8,213,000	
(c) 35.01-Departmental Administration	9,045,000	
(d) 35.02-Distributed Departmental Administration	−9,045,000	
(e) Reimbursements	−1,669,000	
(f) Amount payable from the Primary Prevention Fund (Item 4440-001-845)	−217,000	
(g) Amount payable from the Federal Trust Fund (Item 4440-001-890)	−631,000	

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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 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.	
3. 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.	
4440-001-845—For support of Department of Mental Health, for transfer to Item 4440-001-001, payable from the Primary Prevention Fund	217,000
4440-001-890—For support of Department of Mental Health, for transfer to Item 4440-001-001, payable from the Federal Trust Fund	631,000
4440-011-001—For support of the State Hospitals, Department of Mental Health	313,648,000
Schedule:	
(a) 20.10-Lanterman-Petris-Short Act	190,711,000
(b) 20.20-Penal Code and Judicially Committed	122,937,000
(c) 20.30-Other State Hospital Services	40,486,000
(d) Reimbursements	−40,486,000
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.	

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	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.	
	5. Of the amount appropriated in Schedule (b), and following approval by the Department of Mental Health, up to $560,000 is available to reimburse counties for the cost of treatment and legal services to patients in the four Department of Mental Health State Hospitals, pursuant to Section 4117 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 or the fiscal year in which the Controller issues the warrant. Provided further, that claims filed by local jurisdictions for legal services may be scheduled by the Controller for payment.	
	6. No funds from this item shall be expended by the Department of Mental Health for psychiatric services at the California Medical Facility at Vacaville on behalf of the Department of Corrections without an interagency agreement. The agreement shall include, but not be limited to: (1) criteria for the admission, discharge, and transfer of patients treated in the psychiatric program; (2) the arrangements for custody and security within the units; (3) a description of the inpatient and day care treatment programs; and (4) provisions for the reimbursement of services provided.	
4440-016-001—For support, Department of Mental Health, for Conditional Release Services		18,091,000

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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 and 4440-011-001 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		524,934,000
Schedule:		
(a) 10.15-Community Residential Treatment System	15,910,000	
(b) 10.25-Community Services—other treatment	547,702,000	
(c) 10.55.020-Targeted Supplemental Services: Alternatives to inappropriate jail placement	5,032,000	
(d) 10.55.030-Targeted Supplement Services: Priority population services	4,844,000	
(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		
(e) 10.65-Residental Care Services	16,057,000	
(f) 10.75-Homeless Mentally Disabled	19,654,000	
(g) 10.85-AIDS	5,060,000	
(h) Reimbursements	−89,325,000	
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		

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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.
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. 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 (e).

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6. Notwithstanding any other provisions of law, funds identified in Item 4440-101-001 of the Budget Act of 1987, for rollover by the counties in fiscal year 1988–89, shall be used only for the specified purpose for which they were allocated or for capital outlay purposes, subject to the review and approval of the Department of Mental Health. Community services programs shall not be reduced to provide funds to rollover for capital outlay purposes.
7. Notwithstanding any other provisions of this act, no funds in category (a), (c), (d), (e), (f) or (g) shall be transferred to other categories within this item or to any other items except as specified in Provision 8.
8. In order to provide relief from administrative requirements and budget restrictions which would create an undue hardship, small counties may combine allocations from categories (c), (d), and (f) 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.

9. Augmentations to reimbursements in this item from the Office of Emergency Services for Disaster Relief are exempt from the provisions of Section 28, Budget Act of 1988. The Department of Mental Health will provide written notification to the Joint Legislative Budget Committee describing the nature and planned

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expenditure of such funds.

10. 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 1988–89 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.
    (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.
11. Subject to approval by the federal Health Care Financing Administration of the Department of Mental Health's proposal for case management services, and to the extent that counties begin claiming federal financial participation for case management services, the Department of Mental Health shall reduce each county's Short-Doyle allocation by 50% of the total amount of federal financial participation for case management services estimated by the Department of Mental Health to be collected by each county.
12. Of the funds appropriated in this item, $25 million shall be used as follows:
    (a) $489,000 shall be allocated to fund the balance of the costs associated with the continuation of the Ventura project.
    (b) $5,511,000 shall be allocated exclusively for Children's Services which shall be used to continue existing community service delivery models, such as that exemplified by Chapter 1361 of the Statutes of 1987, the Ventura County Model for Children's Mental Health Services, or to develop new and alternative community mental health services for children who are mentally ill and their families.
    (c) $1,500,000 shall be allocated for prevention

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	services for coordinated, interagency services for infants and preschoolers who are at high risk of becoming emotionally disturbed, or who are currently exhibiting delays in interpersonal, social/emotional, language, and/or cognitive development emanating from psychosocial causes.	
	(d) $1,000,000 shall be allocated for start-up costs for the community pilot service delivery systems proposed in Assembly Bill 3777 of the 1987–88 Regular Session of the Legislature. This shall include development of program guidelines and evaluation procedures, selection of and provision of technical assistance to pilot counties and community agencies, and submission of necessary federal waivers for implementation of these pilot projects.	
	(e) $500,000 shall be allocated for the implementation of Chapter 617 of the Statutes of 1987, for two model programs establishing a continuum of services in a comprehensive, integrated, and coordinated manner for seniors and functionally disabled persons.	
	(f) $16,000,000 shall be allocated for a base augmentation for a broad continuum of community-based services for seriously and chronically mentally ill adults.	
4440-101-845—For local assistance, Department of Mental Health, payable from the Primary Prevention Fund		738,000
4440-101-890—For local assistance, Department of Mental Health, payable from the Federal Trust Fund		19,124,000
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.	

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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 1988–89. 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.
5. The Department of Mental Health, in consultation with the California Conference of Local Mental Health Directors, shall develop a methodology for the allocation of funds received pursuant to the Stewart B. McKinney Homeless Assistance Act of 1987. To the extent possible, the department shall ensure that these funds are expended in coordination with other funds available, both federal and state, for homeless chronically mentally disabled persons.

   Funds may be allocated by the department for the following purposes: outreach, community mental health, diagnostic services, administrative costs, supportive and supervisory services to clients in residential settings, habilitation/rehabilitation care, referrals, staff training, and case management.

   Not more than 4 percent of the funds allocated to counties may be used for administrative costs associated with increased program services, unless a county can document to the Department of Mental Health that a program needs in excess of 4 percent.

   The department shall encourage counties to utilize these funds for services to the following chronically mentally disabled homeless target populations: (a) substance abusers, and (b) women.

   Up to $500,000 of the funds available to the department through the Stewart B. McKinney Homeless Assistance Act of 1987 shall be allocated to fund not more than three homeless demonstration projects. The target populations to be serviced by demonstration projects shall be

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severely mentally disabled persons who are homeless and (a) substance abusers or (b) women.

Selection and funding of demonstration projects shall be through a request for a proposal, as developed and specified by the department, and funding for the projects shall only be awarded to local mental health agencies or nonprofit organizations. Priority for demonstration projects shall be given to those projects that incorporate residential housing as part of their programs. To the extent possible, the department shall coordinate with both the demonstration projects and the Department of Housing and Community Development to obtain adequate funding, pursuant to Chapter 36 of the Statutes of 1987, for transitional or long-term housing for demonstration project clients. If requested, the department shall provide any additional guidance and assistance necessary to ensure the success of the demonstration projects.

6. It is the intent of the Legislature that of the funds allocated to Los Angeles County from the funds appropriated in this item from the Stewart B. McKinney Homeless Assistance Act of 1987, $140,000 shall be allocated to People in Progress, Inc. to fund the Bette Ripp Women's Center.

4440-111-001—For local assistance, Department of Mental Health, for services to brain damaged adults .. 5,357,000

Provisions:

1. Of the funds appropriated in this item, $1,000,000 shall provide increased support for the statewide resources consultant, the Regional Resources Center for Brain Impaired Adults and the Department of Mental Health pursuant to Chapter 1658 of the Statutes of 1984. The highest priority for the use of these funds shall be to expand services to underserved geographic areas and provide vouchered services, such as respite care for clients on waiting lists.

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2. Of the amount referred to in Provision 1, the department may make available up to $200,000 to the Statewide Resources Consultant under Chapter 1658 of the Statutes of 1984, as a "sole source contract" which would be available for individuals with acquired brain injuries, who are served by regional resource centers under Chapter 1658 of the Statutes of 1984 and who need day programs.	
4440-131-001—For local assistance, Department of Mental Health, for services to special education pupils	15,116,000
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 15,791,000	
(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, 1989.	
4440-141-001—For local assistance, Department of Mental Health, for services provided in institutions for mental diseases.....	55,689,000
Schedule:	
(a) 10.95 Institutions for Mental Diseases 65,459,000	
(b) Reimbursements ..... −9,770,000	

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Provisions:

1. The funds appropriated in this item shall be used to provide mental health services for persons who are 64 years of age and under, in skilled nursing facilities/special treatment programs (SNF/STP/IMD) in accordance with Division 5 (commencing with Section 5000) of the Welfare and Institutions Code and as approved for funding by the Department of Mental Health.
2. Notwithstanding any other provision of law, counties shall not be required to match funds in this item.
3. Until such time as funds in this item are allocated to counties, the Department of Mental Health may contract with SNF/STP/IMD facilities for the provision of services.
4. Allocations from this item shall not be subject to Section 5600 of the Welfare and Institutions Code. The Department of Mental Health may also limit the number of beds which will be reimbursed with the funds provided.
5. Notwithstanding any other provision of law, the Department of Mental Health may authorize estimated or advanced payments to existing SNF/STP/IMD programs until such time as a permanent allocation/payment system is implemented. These payments will be adjusted, as necessary, to reflect actual utilization and be offset by revenues. These payments shall not be limited to nonprofit facilities.
6. The operation of SNF/STP/IMD programs shall be consistent with Department of Mental Health policies and regulations for 24-hour care facilities.
7. Prior to any payment being made, a provider shall enter into a placement agreement with each county from which it accepts a patient.
8. Notwithstanding any provision of Article 4 (commencing with Section 10335) of Chapter 2 of Part 3 of Division 2 of the Public Contract Code, the Department of Mental Health may enter into sole source contracts with SNF/STP/IMD facilities.

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9. 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/IMD 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/IMD program.

10. Rates of payment for SNF/STP/IMDs in this item shall be limited to the Medi-Cal SNF/STP rate. In order to receive this level of payment, SNF/STP/IMDs 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.

11.5. Without regard to fiscal year, a loan shall be made available to the Department of Mental Health from the General Fund, subject to approval by the Department of Finance, not to exceed a cumulative total of $5,000,000. The loan funds shall be transferred to this item as needed to meet cash flow needs due to delays in the collection of SSI/SSP reimbursements, and subject to the repayment provisions of Section 16351 of the Government Code.

12.5. To the extent that collected reimbursements exceed the amount projected by the Department of Mental Health (DMH), the resulting savings shall revert to DMH for reallocation to Community Services (Item 4440-101-001) in the 1988–89 budget year, unless, 30 days prior to any proposed expenditure, notification is provided to the Joint Legislative Budget Committee. The use of these funds shall be limited to adjustments necessary to ensure full reimbursement for contracted beds.

13. The Department of Mental Health shall develop, by January 1, 1989, in consultation with the County Mental Health Directors and providers of IMD services, an equitable system of allocation and expansion of SNF/STP/IMD services, and report to the Legislature by January 1, 1989, on the system so developed.

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4440-301-036—For capital outlay, Department of Mental Health, payable from the Special Account for Capital Outlay		18,293,000
Schedule:		
(1) 55.10.205-Minor Projects	733,000	
(3) 55.18.230-Atascadero: Improve Security Control—Preliminary Plans, Working Drawings and Construction	1,225,000	
(4) 55.18.240-Atascadero: Additional Warehouse Space—Preliminary Plans	36,000	
(6) 55.35.225-Metropolitan: Remodel Laundry Building—Construction	487,000	
(7) 55.35.235-Metropolitan: Install Personal Alarm System, CTW Building—Construction	545,000	
(8) 55.35.240-Metropolitan: Patient Support Modules—Preliminary Plans, Working Drawings and Construction	241,000	
(9) 55.40.230-Napa: Fire and Life Safety and Environmental Improvements, Building 199—Construction	13,048,000	
(10) 55.40.240-Napa: Fire and Life Safety and Environmental Improvements, Building 197—Preliminary Plans	214,000	
(11) 55.45.225-Patton: Fire and Life Safety and Environmental Improvements, 30 Building—Working Drawings	465,000	
(12) 55.45.245-Patton: Renovate Kitchen, N Building—Preliminary Plans, Working Drawings and Construction	1,299,000	
Provisions:		
2. Notwithstanding Section 13332.11 of the Government Code, the following limits shall apply with regard to augmentation of projects funded in this item of appropriation:		
(a) The State Public Works Board shall defer all augmentations in excess of 15 percent of the amount appropriated for each capital outlay project until the Legislature makes additional funds available for the specific		

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project: This augmentation limit, however, may be increased to a maximum of 20 percent by 1 percent increments for each percentage point by which the rate of increase of the base construction cost index used for budgeting projects in the Budget Act of 1988 exceeds 3 percent per year from July 1, 1988.

(b) The augmentation limit in subdivision (a) is not applicable to any asbestos mitigation portion of these projects. For the asbestos mitigation work, Section 13332.11 of the Government Code shall apply. Except as otherwise provided in this provision, all provisions of Section 13332.11 of the Government Code shall apply to the administration of each project funded in this item of appropriation.

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 purpose (and subject to the limitations, unless otherwise specified) provided for in this appropriation and shall be available for expenditure until June 30, 1989:

001—General Fund

(1) Item 4440-001-001—Budget Act of 1987, for support of the Department of Mental Health, provided that the amount of the reappropriation is not to exceed $125,000 for the procurement of programming services to enable the department to continue to utilize tapes and outputs from the Department of Developmental Services' revised Cost Recovery System.

4440-491—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, 1989:

036—Special Account for Capital Outlay Budget Act of 1987, Item 4440-301-036:

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(3) 55.18.220-Atascadero: Fire and Life Safety Improvements and Remodel Patient Living Areas—Preliminary Plans and Working Drawings.	
(4) 55.18.225-Atascadero: Fire and Life Safety Improvements, Support Areas—Preliminary Plans, Working Drawings, and Construction.	
4440-495—Reversion, Department of Mental Health. After June 30, 1988, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.	
001—General Fund	
(1) Chapter 1440, Statutes of 1985, appropriated for the payment of interest.	
5100-001-001—For support of Employment Development Department, for transfer to Item 5100-001-870	29,753,000
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	7,025,000
5100-001-185—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the Employment Development Contingent Fund	23,553,000
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, 1989, which is in excess of the $1,000,000 reserve required by Section 1590 of the Unemployment Insurance Code.	
5100-001-514—For support of Employment Development Department, for transfer to Item 5100-001-870 payable from the Employment Training Fund	79,338,000

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Provisions:

1. Notwithstanding Section 2 of this act, any unexpended balance in the Employment Training Fund as of June 30, 1988, 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 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 1988–89 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, 1989, of the actual amount of funds appropriated pursuant to this provision.
5. The Employment Training Panel shall advise groups and organizations assisting eligible legalized individuals in meeting the requirements of permanent resident status under the Immigration Reform and Control Act (Public Law 99-603) to direct qualified eligible aliens to panel programs. Of the amount appropriated pursuant to Provision 1, $4,000,000 shall be appropriated for assistance to these groups and organizations in securing and training qualified eligible aliens in panel programs.

   Of the amount appropriated pursuant to this provision, funds shall be available to Job Training Partnership Act Title IV-A Section 402 grantees to provide training for farmworkers. The amount of funds for this purpose shall be in proportion to the percentage of farmworkers in the newly legalized population.

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5100-001-588—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the Unemployment Compensation Disability Fund 65,885,000

Provisions:

1. The Employment Development Department 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.
3. To the extent that projected savings of DI Phase II Automation fail to materialize, additional funds are hereby appropriated to this item from the DI Fund to support the additional costs.

5100-001-869—For support of state programs under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund 67,829,000

Schedule:

(a) 60.11-Administrative Cost Pool 9,441,000

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(b) 60.20-Incentive and Technical Assistance	10,237,000	
(c) 60.30-Older Workers	5,433,000	
(d) 60.40-Educational Linkages	14,487,000	
(e) 60.51-Special Local Projects	364,000	
(f) 60.60-Displaced Workers	27,067,000	
(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 342,690,000

Schedule:

(a) 10-Employment and Employment Related Services	149,558,000	
(b) 20-Tax Collection and Benefit Payments	348,700,000	
(c) 30.01-General Administration	33,864,000	
(d) 30.02-Distributed General Administration	−31,415,000	
(e) 50-Employment Training Panel	77,461,000	
(ex) Unallocated Reduction	−300,000	
(f) Reimbursements	−29,109,000	
(g) Amount payable from the General Fund (Item 5100-001-001)	−29,753,000	
(h) Amount payable from the Employment Development Department Benefit Audit Fund (Item 5100-001-184)	−7,025,000	
(i) Amount payable from the Employment Development Contingent Fund (Item 5100-001-185)	−23,553,000	
(j) Amount payable from the Employment Training Fund (Item 5100-001-514)	−79,338,000	
(k) Amount payable from the Unemployment Compensation Disability Fund (Item 5100-001-588)	−65,885,000	
(*l*) Amount payable from the School Employees Fund (Item 5100-001-908)	−515,000	

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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.
4. It is the intent of the Legislature that Service Delivery Areas provide training for individuals eligible for permanent resident status under the Immigration Reform and Control Act (Public Law 99-603). Therefore, the State Job Training Coordinating Council and the Employment Development Department shall advise all Ser-

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vice Delivery Areas that individuals who (a) are eligible for permanent resident status and (b) meet existing eligibility requirements for participation in Job Training Partnership Act programs can be served in these programs. In addition, the State Job Training Coordinating Council and the Employment Development Department shall provide any technical assistance necessary to assist Service Delivery Areas in serving these individuals.	
5100-001-908—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the School Employees Fund	515,000
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, the State Controller shall transfer $5,000,000 to the General Fund from the School Employees Fund effective June 30, 1988.	
5100-011-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund	(342,690,000)
5100-021-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund	(67,829,000)
5100-101-588—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Compensation Disability Fund	1,428,580,000
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.	

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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 Employment Development Department shall submit on October 1 and April 20, to the Department of Finance for its review and approval, an estimate of expenditures for both current and budget years, including the assumptions and calculations underlying EDD projections for benefits payable from this item. The Department of Finance shall approve, or modify the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of benefit expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the DOF approved estimate. Revisions reported pursuant to this provision are not subject to the provisions of Section 28.00.

5100-101-869—For local assistance under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund 209,832,000
Schedule:
(a) 60.70-Adult and Youth Training Programs 141,251,000
(b) 60.80-Summer Youth Programs 68,581,000

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.

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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	2,047,775,000
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	(209,832,000)
5100-101-908—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the School Employees Fund	16,322,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of the Department of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for benefits pursuant to Section 822 of the Unemployment Insurance Code.	
3. Provision 3 of Item 5100-101-588 is also applicable to this item.	
5100-111-890—For local assistance, Employment Development Department, payable from the Federal Trust Fund	(2,050,685,000)
Schedule:	
(a) For transfer to the Federal Unemployment Fund (871) .... (2,047,775,000)	
(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	242,000

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5100-301-588—For capital outlay, Employment Development Department, payable from the Unemployment Compensation Disability Fund, for transfer to the Unemployment Administration Fund—Federal	107,000
5100-301-870—For capital outlay, Employment Development Department, payable from the Unemployment Administration Fund—Federal	837,000
Schedule:	
(.5) 80.10.001—Bakersfield: Office Renovation and Handicapped Accessibility Improvements to Restrooms Construction	199,000
(1) 80.37.040—Minor Projects	638,000
Provisions:	
1. For the Bakersfield office renovation project in category (.5), up to $78,000 from the unspent balance of the appropriation in Items 5100-301-870 and 5100-301-185, Budget Act of 1986, shall be available for preliminary plans, working drawings, and construction.	
5100-301-890—For capital outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal	(488,000)
5100-490—Reappropriation, Employment Development Department. As of June 30, 1988, the unexpended balance of the appropriation made by Item 5100-101-869, Budget Act of 1987, is hereby appropriated for transfer to and in augmentation of Item 5100-101-869, Budget Act of 1988, and shall be available for encumbrance and expenditure through June 30, 1989.	
Provisions:	
1. The Employment Development Department shall notify the Legislature by December 1, 1988, of the actual amount of 1987–88 Federal Job Training Partnership Act local assistance funds carried forward into 1988–89 for expenditure.	
5100-491—Reappropriation, Employment Development Department. Notwithstanding any other provision of law, the balance of the appropriation provided for 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, 1989:	

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870—Unemployment Administration Fund—Federal: Budget Act of 1987, Item 5100-301-870:		
(1) 80.23.001—Chico: Handicapped Access and Alterations—Preliminary Plans, Working Drawings, and Construction.		
5160-001-001—For support of Department of Rehabilitation		22,562,000
Schedule:		
(a) 10-Vocational Rehabilitation Services	148,849,000	
(b) 20-Habilitation Services	2,371,000	
(c) 30-Support of Community Facilities	5,332,000	
(d) 40.01-Administration	11,709,000	
(e) 40.02-Distributed Administration	−11,709,000	
(ex) Unallocated Reduction	−228,000	
(f) Reimbursements	−5,229,000	
(g) Amount payable from the Federal Trust Fund (Item 5160-001-890)	−128,533,000	

Provisions:

1. 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.
2. The State Department of Rehabilitation shall commit staff and associated funds to consolidate current activities and develop, expand, and implement cooperative agreements with local programs where possible. To the extent that local programs or cooperative agreements are implemented, any funds appropriated in this item that are in excess of the amount needed to match the available federal funds shall revert to the General Fund.
3. The Department of Rehabilitation shall take all necessary steps to work with other agencies to secure matching funds and apply for federal funds available under the Rehabilitation Act of 1973, as amended, for the purpose of using all such funds which are available.

   In addition, the department shall take the necessary steps to submit plans and get federal approval to use any and all such funds which

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could be available for independent living centers or services.			
The department shall annually prepare a priority list of projects which it would fund if additional federal funds become available.			
In the event that the department does not apply for those federal funds or expects to return any such federal funds, it shall notify, in writing immediately upon making its determination, the fiscal committees of both houses of the Legislature and shall provide, at a minimum, all specific reasons for not applying for or using those funds.			
4. In developing a written plan to be submitted to the federal government for approval of the expenditure of funds under the Rehabilitation Act Amendments of 1986 (Public Law 99-506), Title VII, Part A, the department shall consult with and obtain written recommendations from its Independent Living Advisory Commission (ILAC). The department shall report to the Joint Legislative Budget Committee and fiscal committees within 60 days after receipt of the ILAC recommendations on the extent to which the department concurs with the recommendations and its reasons for any disagreement. The department shall provide to the Legislature on or before July 15, 1988, written assurances from appropriate federal government decision makers on the extent to which California's plan to use Title VII, Part A, funds during the current federal fiscal year will be approved. The department shall provide similar written assurances on or before February 1, 1989, for the funds available in the federal fiscal year commencing October 1, 1988.			
5160-001-890—For support of Department of Rehabilitation, for transfer to Item 5160-001-001, payable from the Federal Trust Fund			128,533,000
5160-101-001—For local assistance, Department of Rehabilitation			77,936,000
Schedule:			
(a) 10-Vocational Rehabilitation Services		532,000	
(b) 20-Habilitation Services		71,939,000	
(1) 20.10 Work Activity Program	57,824,000		

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(2) 20.30 Counselor-Teacher and Reader Services	102,000	
(3) 20.40 Supported Employment Services	14,013,000	
(c) 30-Support of Community Facilities		5,465,000

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.
3. Of the amount appropriated in this item, up to $50,000 shall be made available for the independent living centers serving Contra Costa, Santa Cruz, and Nevada Counties to the extent they qualify pursuant to Chapter 1566 of the Statutes of 1984, and Chapter 273 of the Statutes of 1985, based upon their first 12 months of state funding.

5180-001-001—For support of Department of Social Services		80,230,000
Schedule:		
(a) 10-Welfare Program Operations ..	56,792,000	
(b) 20-Social Services Programs	27,413,000	
(c) 30-Community Care Licensing	34,996,000	
(d) 40-Disability Evaluation Program	108,236,000	
(f) 60.01-Administration	73,967,000	
(g) 60.02-Distributed Administration	−67,115,000	
(gx) Unallocated Reduction.....	−800,000	
(h) Reimbursements	−9,120,000	
(i) Amount payable from the Federal Trust Fund (Item 5180-001-890)	−144,139,000	

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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, $35,000 is for payment of attorney fees pursuant to Section 10932 of the Welfare and Institutions Code.
3. The Department of Social Services shall exert maximum possible effort toward obtaining enhanced federal funds participation in the state support costs and county administrative costs of each of the projects included in the Standardized Automated Welfare System (SAWS) plan. The Director of Finance shall notify the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee of the receipt of enhanced federal funds participation for the SAWS projects. The notice shall provide for increases in the federal funds appropriated in Items 5180-001-890 and 5180-141-890 and offsetting reductions in the General Fund amount appropriated in this item and Item 5180-141-001 for the SAWS projects to reflect the increased rate of federal funds participation.
4. The Director of Finance may authorize the transfer of General Fund moneys from Item 5180-001-001(b) to Item 5180-151-001(d), Adoptions, in order to allow counties to perform the adoption programs function.
5. Notwithstanding any other provision of law, in the event federal administrative funds budgeted in Item 5180-001-890 are inadequate to fund costs incurred in the administration of cash assistance programs provided to time-eligible refugees, the department shall provide necessary funds to ensure adequate program administration.

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6. Of the amount appropriated in Section 22.00 of this act, $50,000 is for the support of an interagency contract between the Department of Social Services (DSS) and the Employment Development Department (EDD). This amount shall be matched with $50,000 in federal Title IV-A funds in this item. To the extent federal funding is not available, an additional amount up to $50,000 shall be available for this purpose from Section 22.00. The interagency contract shall 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.
7. Of the amount appropriated in this item, no later than January 1, 1989, funds shall be allocated for, and expended upon, the development and production of a book on Mexican Sign Language.
8. The State Department of Social Services shall establish an Hispanic Advisory Committee (HAC), composed of department personnel, to accomplish the following activities:
(1) an evaluation of the current process for determining bilingual service needs and any recommendations for process improvements; and
(2) an assessment of the affirmative action requirements that DDS uses in contracting for outside services.

5180-001-890—For support of Department of Social Services, for transfer to Item 5180-001-001, payable from the Federal Trust Fund 144,139,000

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.

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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.
3. The Director of Finance may authorize the transfer of Federal Funds from this item to Item 5180-151-890, in order to allow counties to perform the adoption programs function in Social Services.

5180-101-001—For local assistance, Department of Social Services 2,209,922,000
Schedule:
(a) 10.04.005-Aid to Families with Dependent Children 4,290,985,000
(b) 10.04.010-Child Support Incentives 48,787,000
(c) 10.04.015-Aid for Adoption of Children/Adoption Assistance Program 30,126,000
(d) Reimbursements ..... —2,477,000
(e) Amount payable from the Federal Trust Fund (Item 5180-101-890) ..... —2,157,499,000
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

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which the expenditure limitations were prepared, or any additional factors relating to the fiscal integrity of such program or the state's fiscal situation.

Notwithstanding the provisions of Sections 26.00 and 28.00, the availability of funds contained in this item for welfare rules, regulations, or all-county letters which add to program costs funded from the General Fund in excess of $500,000 on an annual basis, including those that are the result of a federal regulation but excluding those that are (a) specifically required as a 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, 1988, 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 1988–89 fiscal year.

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3. There is hereby established for the next two quality control review periods, a dollar error rate standard of 4 percent, pursuant to Section 15200.4 of the Welfare and Institutions Code.

   For the purposes of state sanctions pursuant to Section 15200.4 of the Welfare and Institutions Code, the error rate estimate that shall be used to measure the quality performance of each county shall be the low point estimate of the confidence interval estimated by combining the results from the two quality review samples conducted during the two subsequent quality 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 1988–89 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 $113,000,000 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

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time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.	
6. Pursuant to subdivision (b) of Section 903.7 of the Welfare and Institutions Code, the Department of Social Services shall authorize the quarterly transfer of the state share of collections attributable to Sections 903, 903.4, and 903.5 of the Welfare and Institutions Code to the Foster Children and Parent Training Fund. From these collections, and prior to any transfer of funds, there shall be a deduction for the appropriate amount of county child support collection incentives.	
5180-101-890—For local assistance, Department of Social Services, for transfer to Item 5180-101-001, payable from the Federal Trust Fund	2,157,499,000
Provisions:	
1. Provisions 1–4, inclusive, of Item 5180-101-001 are also applicable to this item.	
5180-111-001—For local assistance, Department of Social Services	1,890,480,000
Schedule:	
(a) 10.08-SSI/SSP 1,901,916,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-111-890) —11,436,000	
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	11,436,000
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	3,170,000
Schedule:	
(a) 10.12-Special Adult Programs 3,245,000	
(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.	

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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	26,323,000
5180-141-001—For local assistance, Department of Social Services, Program 10.20—County Administration	166,876,000
Schedule:	
(a) 10.20-County Administration 617,354,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-141-890) ..... —450,478,000	
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.	
2. During the 1988–89 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.	

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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 SAWS systems.
7. 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:
   (a) 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.
   (b) A description of the methodology that would be used to set county targets utilizing the results of the study.
   (c) An estimate of the cost of fully implement-

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	ing 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.	
	(d) Other options for implementing the study findings and the fiscal impacts related to each option.	
	(e) 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.	
	8. Notwithstanding any other provision of law, if federal administrative funds budgeted in Item 5180-141-890 are inadequate to fund costs incurred in the administration of the Refugee Cash Assistance Program provided to time eligible refugees, the department shall share those costs equally with each affected county.	
5180-141-890—For local assistance, Department of Social Services, for transfer to Item 5180-141-001, payable from the Federal Trust Fund		450,478,000
Provisions:		
	1. Provisions 1–5, inclusive, of Item 5180-141-001 are also applicable to this item.	
5180-151-001—For local assistance, Department of Social Services, Program 20—Social Services Programs		775,398,000
Schedule:		
(a) 20.30-Other County Social Services	390,240,000	
(1) 20.30.010-Child Welfare Services Grant	321,415,000	
(2) 20.30.030-County Services Block Grant	68,825,000	
(b) 20.35-Specialized Adult Services	566,939,000	
(1) 20.35.220-In-Home Supportive Services	561,243,000	
(2) 20.35.240-Maternity Care	2,254,000	

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(3) 20.35.250-Access Assistance for the Deaf	3,442,000	
(c) 20.40-Employment Services		232,410,000
(d) 20.42-Adoptions		27,049,000
(e) 20.45-Refugee Assistance Services		35,935,000
(f) 20.47-Child Abuse Prevention		20,450,000
(fx) Reimbursements		−3,051,000
(g) Amount payable from the Federal Trust Fund (Item 5180-151-890)		−494,474,000

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 county funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, and for prevention of child abuse and neglect as provided by Chapter 11, Part 6 of Division 9 of the Welfare and Institutions Code.
2. Provision 1 of Item 5180-101-001 is also applicable to this item.
3. In accordance with the provisions of Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, $601,386,000, consisting of $578,540,000 scheduled in (b)(1) of this item and $22,846,000 in county funds is the designated level of funding for the In-Home Supportive Services Program for fiscal year 1988–89.

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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.
8. The Department of Social Services shall submit 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

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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.

9. 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. The department shall develop the allocation formulas in consultation with the County Welfare Directors' Association (CWDA).
10. 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.
11. Recognizing that the availability of child care is essential to economic self-sufficiency, it is the intent of the Legislature to fund child care services as necessary to support the goal of full employment.

    When a child care provider under contract with the State Department of Education (SDE) provides child care services to GAIN participants who are enrolled in a GAIN component or awaiting enrollment in a GAIN com-

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ponent, 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.

12. The Director of Finance may authorize the transfer of amounts from this Item to Item 5180-001-001, Program 20 Social Services programs, in order to allow the state to perform the adoption programs function in the event the counties fail to perform such functions.

13. County expenditures related to the Independent Adoption program funded in Item 5180-151-001 (d) 20.42-Adoptions, shall not exceed 1987–88 levels. Of the increased funding in Item 5180-151-001 (d) 20.42-Adoptions, $3,815,000 shall be expended for Relinquishment Adoption Program activities.

16. Of the funds appropriated for this item, the department shall allocate $5,400,000 based on projected workloads, with increased weighting of those yardstick items that are critical elements of workload related to performance, including homes approved, children freed for adoption, and placements. The department shall prepare a report to the Legislature by March 1, 1989, in cooperation with the County Welfare Directors Association, that proposes: (a) a new allocation methodology that will emphasize critical elements of workload related to performance and staffing needs, and (b) ad-

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ministrative procedures to improve performance and efficiency.

17. No funds appropriated by this act for the Greater Avenues for Independence (GAIN) program shall be used by any county which implements any portion of the GAIN Act of 1985 by contracting out discretionary functions of the program, except for those functions specifically authorized by the GAIN Act to be contracted out, including, but not limited to, utilizing contracts with employees of private contractors appointed as deputies without compensation under the county charter.
18. Funds appropriated to Program 20.35.240—Maternity Home Care shall be allocated to contractors as follows: (1) contractors in operation for a full year during 1987–88 shall receive an amount equal to their 1987–88 actual expenditures adjusted by a cost-of-living adjustment, (2) the contractor that began operation during 1987–88 shall receive an allocation determined by the department based on anticipated full year funding, and (3) the remaining funds shall be allocated among contractors based on increased caseload.
19. Of the amount appropriated in Schedule (c), 20.40, Employment Services, for the Greater Avenues for Independence (GAIN) program, the Director of Finance may authorize the transfer of up to $5,000,000 to Item 5180-101-001, Schedule (a), 10.04.005, Aid to Families with Dependent Children, for increased grant costs resulting from reduced funding for the GAIN program.

5180-151-890—For local assistance, Department of Social Services, for transfer to Item 5180-151-001, payable from the Federal Trust Fund 494,474,000

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.
3. 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 Adoption programs functions in the Social Services program in the event the counties fail to perform such function.

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5180-161-001—For local assistance, Department of Social Services		9,429,000
Schedule:		
(a) 30-Community Care Licensing	14,804,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-161-890) ..	−5,375,000	
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.		
5180-161-890—For local assistance, Department of Social Services, for transfer to Item 5180-161-001, payable from the Federal Trust Fund		5,375,000
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, 1988, in accordance with the following schedule		228,534,000
Schedule:		
(a) 10.04.005—Aid to Families with Dependent Children (for transfer to Item 5180-101-001)	213,237,000	
(b) 10.08—SSI/SSP (for transfer to Item 5180-111-001)	124,262,000	
(c) 10.24—Refugee cash assistance (for transfer to Item 5180-131-890)	1,251,000	
(d) 10.20—County Administration (for transfer to Item 5180-141-890)	20,610,000	
(e) 20—Social Services Program (for transfer to Item 5180-151-001)	2,887,000	
(f) Amount payable from the Federal Trust Fund (Item 5180-181-890) ..	−133,713,000	

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Provisions:

1. Of the amount appropriated in this item, $9,995,000, consisting of $6,580,000 from the General Fund and $3,415,000 from the Federal Trust Fund, is to provide a 4.7 percent cost-of-living increase for foster family homes.

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, 1988 133,713,000

5180-490—Reappropriation, Department of Social Services. (a) Notwithstanding any other provisions of law, the appropriation provided in Chapter 1159, Statutes of 1985, for 1987–88 is reappropriated for the same purposes for 1988–89. (b) Notwithstanding any other provision of law, the unexpended balance, as of June 30, 1988, of the appropriation scheduled for the GAIN program in Item 5180-151-001(c) of Chapter 135, Statutes of 1987, is hereby reappropriated as follows:

1. The first two million dollars ($2,000,000) shall be used for planning and implementation costs of the GAIN program and shall be available for encumbrance until June 30, 1989.
2. Any amount in excess of two million dollars ($2,000,000) shall revert to the General Fund.

5180-495—Reversion, Department of Social Services. Notwithstanding any other provision of the law, as of June 30, 1988, the unencumbered balance in the General Fund for the appropriation provided for in Section 22.00 of the Budget Act of 1987 shall revert to the unappropriated surplus of the fund.

YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-001—For support of Department of Corrections 1,414,178,000

Schedule:

(a) 21-Institution Program 1,423,106,160
(b) 31-Community Correctional Program 173,367,840
(c) 41.01-Administration 125,307,221
(d) 41.02-Distributed Administration—125,307,221
(dx) Unallocated Reduction ..... —117,920,000
(e) Reimbursements ..... —13,260,000

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(g) Amount payable from 1988 Prison Construction Fund (Item 5240-001-747) ..... —30,328,000
(h) Amount payable from Federal Trust Fund (Item 5240-001-890) .. —213,000
(i) Amount payable from Inmate Welfare Fund (Item 5240-001-917) .... —20,575,000

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. 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.
4. Of the amount appropriated in Schedule (a), up to $6,930,000 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 1988–89 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 1988–89 fiscal year may be filled prior to 30 days' advance notification to the Department of Finance, 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.

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7. The Department of Corrections shall submit to the legislative fiscal committees and the Joint Legislative Budget Committee by November 1 of each year an annual report which discusses the following: (1) the department's progress toward implementing a preventive maintenance program, including a timetable for statewide implementation, (2) the estimated resources needed to implement the program and the estimated savings resulting from the program, (3) the number of department staff assigned to develop the program, and (4) the department's plan to monitor compliance with the program.
8. No funds from this item shall be expended by the Department of Corrections for psychiatric services provided at the California Medical Facility at Vacaville by the Department of Mental Health without an interagency agreement. The interagency agreement shall include, but shall not be limited to, (1) criteria for the admissions, discharge, and transfer of patients treated in the psychiatric program, (2) the arrangements for custody and security within the units, (3) a description of the inpatient and day care treatment programs, and (4) provisions for the reimbursement of services provided.
9. Of the amount appropriated in category (a), $696,000 is provided for payment to the Department of Mental Health to support CDC inmates in 25 additional acute psychiatric beds, beginning on January 1, 1989. Funds not used for this specific purpose shall revert to the General Fund.
10. If directed by court order, the department shall redirect sufficient funds within this item to provide five pharmacy positions and one dietetic services position at the California Medical Facility, Vacaville.

5240-001-747—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from 1988 Prison Construction Fund 30,328,000

Provisions:

1.5 Notwithstanding any other provision of law, the Department of Corrections shall seek a qualified program manager to provide program management services effective July 1, 1989, for all new prison projects. The depart-

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	ment may enter into a contract with the existing program manager for a transition period not to exceed one year. The department shall enter into a new contract based on the findings of an audit of the current construction program management firm. Program management services shall include all services provided by the department's capital expenditure manager to assist in the planning and implementation of the department's new prison construction program. The department shall include in the request for qualifications a description of the format which submittals shall follow and the elements they shall contain and the basis on which the selection shall be based. The qualifications shall include, but not be limited to, a proposed approach to assisting the department in managing the planning and design of new prison facilities, experience of key professional staff, experience in the planning and design of correctional facilities, experience and capability for managing capital project schedules and budgets, and experience and capability for value engineering. The firm or firms shall provide rate and fee information and expected profit margins for informational purposes. The request for qualifications, the criteria for selection and the scoring and evaluation methodology shall be submitted for review to the chairperson of the fiscal committees in each house of the Legislature and to the Chairperson and Vice Chairperson of the Joint Legislative Budget Committee 30 days in advance of release to the public.	
	2. Of the amount appropriated in this item, $300,000 is provided to reimburse the Auditor General for the costs of contracting for an audit of the Department of Corrections' contract with Kitchell CEM for program management services.	
5240-001-890—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from Federal Trust Fund		213,000
5240-001-917—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from Inmate Welfare Fund		20,575,000

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5240-003-001—For support of Department of Corrections		29,195,000
Provisions:		
1. Of the amount appropriated in this item, $12,471,000 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), and $16,724,000 is provided for lease payments and insurance costs as required in connection with issuance of Lease Revenue Bonds, 1986 Series A (Mule Creek State Prison).		
5240-101-001—For local assistance, Department of Corrections		31,210,000
Schedule:		
(a) 21-Institution Program	6,791,000	
(b) 31-Community Correctional Program	24,419,000	
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,		

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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 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, 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 ad-

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justments 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.

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 these contracts are cost effective.

5240-301-724—For capital outlay, Department of Corrections, payable from the 1984 Prison Construction Fund 8,504,000

Schedule:

(1) 61.08.514-California Institution for Men-Hospital Licensure—Construction 1,969,000

(2) 61.09.002-California Medical Facility-Hospital Licensure—Construction 4,733,000

(3) 61.14.030-California Men's Colony-Hospital Licensure—Construction 1,802,000

Provisions:

1. Upon the completion of working drawings for each of the hospital licensure projects funded by this item, and prior to proceeding to bid on each project, the Director of the Department of Corrections shall secure written statements from the Department of Health Services certifying that, upon completion of the work as indicated in the working drawings, the physical facilities at the respective hospitals would meet the most recent licensing requirements. Prior to approving construction contract change orders for any of the hospital licensure projects funded by this item, which, in the estimation of the Department of Corrections, may affect the licensing requirements of a facility, the Department of Corrections shall secure a statement from the Department of Health Services certifying that, upon completion of the work, as indicated by

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the change order, the physical facilities at the respective hospitals would meet the most recent licensing requirements.		
5240-301-746—For capital outlay, Department of Corrections, payable from the 1986 Prison Construction Fund		2,241,000
Schedule:		
(1) 61.06.005-Deuel Vocational Institution-Rehabilitate Sewage Treatment Plant, Phase II—Construction	585,000	
(2) 61.14.030-Minor Projects	1,487,000	
(3) 61.15.410-California Rehabilitation Center, Norco-New Domestic Water Supply System-Preliminary Plans and Working Drawings	114,000	
(4) 61.15.411-California Rehabilitation Center, Norco-Primary/Secondary Electrical Distribution System—Study	55,000	
5240-301-747—For capital outlay, Department of Corrections, payable from the 1988 Prison Construction Fund		12,238,000
Schedule:		
(1.5) 61.01.017-McCain Valley Conservation and Maintenance Camp-Kitchen Improvements-Working Drawings and Construction	503,000	
(2) 61.03.200-California Correctional Center, Susanville—Emergency Electrical System Improvements—Construction	376,000	
(3) 61.04.200-California Correctional Institution, Tehachapi—Emergency Electrical System Improvements—Construction	377,000	
(5) 61.05.200-Correctional Training Facility—Emergency Electrical System Improvements—Construction	2,381,000	
(6) 61.05.360-Correctional Training Facility—Replace Primary and Secondary Electrical Distribution System—Preliminary Plans and Working Drawings	117,000	

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(9) 61.06.008-Deuel Vocational Institution—Replace Locking Device System, East and West Halls—Preliminary Plans and Working Drawings	95,000
(10) 61.06.200-Deuel Vocational Institution—Emergency Electrical System Improvements—Construction	867,000
(11) 61.06.502-Deuel Vocational Institution—Upgrade Electrical Distribution System—Preliminary Plans	24,000
(12) 61.07.200-California State Prison, Folsom—Emergency Electrical System Improvements—Construction	903,000
(13) 61.07.201-California State Prison, Folsom—Construct Two Security Processing Facilities—Construction	1,214,000
(14) 61.08.008-California Institution for Men—Renovate Locking Devices, Birch Hall—Working Drawings	18,000
(15) 61.08.200-California Institution for Men—Emergency Electrical System Improvements—Construction	1,221,000
(17) 61.08.517-California Institution for Men—Reception Center/Visitor Processing Building and Parking—Preliminary Plans and Working Drawings	105,000
(19) 61.09.200-California Medical Facility—Emergency Electrical System Improvements—Construction	776,000
(20) 61.10.400-California Men's Colony—Emergency Electrical System Improvements—Construction	800,000
(22) 61.12.018-San Quentin State Prison—Ranch Dorms, Phase II—Construction	275,000
(23) 61.12.400-San Quentin State Prison—Emergency Electrical System Improvements—Construction	577,000

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(24) 61.13.200-California Institution for Women—Emergency Electrical System Improvements—Construction	312,000
(26) 61.15.200-California Rehabilitation Center, Norco—Emergency Electrical System Improvements—Construction	712,000
(28) 61.16.200-Sierra Conservation Center, Jamestown—Emergency Electrical System Improvements—Construction	507,000
(29) 61.16.201-Sierra Conservation Center, Jamestown—Security Locks, Doors and Window Sashes, Calaveras Unit—Preliminary Plans and Working Drawings	78,000

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, 1989, for the 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, 1989.

723—New Prison Construction Fund

(1) Item 5240-301-723(11), Budget Act of 1985, 61.08.200-California Institution for Men-Emergency Electrical System Improvements—Preliminary Plans and Working Drawings reappropriated by Item 5240-490, Budget Acts of 1986 and 1987.

(2) Section 57, Chapter 10, Statutes of 1983 (First Extraordinary Session), 61.06.04-Deuel Vocational Institution-Remodel Locking Devices—Construction, reappropriated by Item 5240-490, Budget Acts of 1985, 1986, and 1987.

724—1984 Prison Construction Fund

(3) Item 5240-301-724(7), Budget Act of 1986, 61.04.201-California Correctional Institution-Brine Ponds—Preliminary Plans, Working Drawings, and Construction, reappropriated by Item 5240-490, Budget Act of 1987.

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(4) Item 5240-301-724(9), Budget Act of 1986, 61.05.501-Correctional Training Facility-Expand Domestic Water System—Construction, reappropriated by Item 5240-490, Budget Act of 1987.

(5) Item 5240-301-724(12), Budget Act of 1986, 61.13.505-California Institution for Women—Purchase Additional Sewage Capacity, reappropriated by Item 5240-490, Budget Act of 1987.

(6) Item 5240-301-724(3), Budget Act of 1984, 61.05.033.841-Correctional Training Facility-Sewage Treatment Plant Expansion—Construction, reappropriated by Item 5240-490, Budget Act of 1985, 1986, and 1987.

746—1986 Prison Construction Fund

(7) Item 5240-301-746(9), Budget Act of 1987, 61.06.007-Deuel Vocational Institution-New Domestic Water Supply—Working Drawings and Construction.

(8) Item 5240-301-746(11), Budget Act of 1987, 61.07.200-California State Prison-Folsom-Emergency Electrical System Improvements —Working Drawings.

(9) Item 5240-301-746(12), Budget Act of 1987, 61.07.201-California State Prison-Folsom-Construct Two Security Processing Facilities—Study, Preliminary Plans, and Working Drawings.

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, 1989, for the purposes provided in these 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, 1989.

Schedule:

001—General Fund

(1) Chapter 933, Section 8.5(b)(2)(A), Statutes of 1985, as amended by Chapter 932, Section 13, Statutes of 1985, 61.01.025—Purchase New Camp Trailers or Modular Units.

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723—New Prison Construction Fund	
(2) Item 5240-301-723(3), Budget Act of 1985, 61.19.501-Northern California Women's Facility, San Joaquin County—Equipment.	
(3) Chapter 932, Section 10, Statutes of 1985, 61.17.004-California State Prison-Avenal-3,000 Bed Facility—Site Acquisition, Site Studies and Suitability Reports, Environmental Studies, Master Planning, Architectural Programming, Schematics, Preliminary Plans, Working Drawings, Construction, Long Lead, and Equipment Items.	
(4) Item 5240-311-723(2), Budget Act of 1983, 61.07.004.001-California State Prison-Folsom-Maximum Security Units A, B, and C—Working Drawings and Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(5) Item 5240-311-723(7.2), Budget Act of 1983, 61.11.005-California State Prison-San Diego-Offsite Development and Utilities—Preliminary Plans, Working Drawings, and Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987 (1988/89 reappropriation includes associated reimbursements).	
(6) Chapter 958, Section 10(D)(2), Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.09.011-California Medical Facility, South-One 1,200 Bed Level III Facility—Preliminary Plans, Working Drawings, and Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(7) Chapter 958, Section 10(D)(3), Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.09.012-California Medical Facility, South—Long Lead Items reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(8) Chapter 958, Section 10(E)(1), Statutes 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.18.021-California State Prison-Ione-One 1,200 Bed Levels I and III Facility—Studies, Sites Acquisition, Preliminary Plans, Working Drawings, and Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	

Item	Amount
(9) Chapter 958, Section 10(E)(2), Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.18.022-California State Prison-Ione—Long Lead Items reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(10) Chapter 958, Section 10(E)(3), Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.18.023-California State Prison-Ione-Offsite Development and Utilities—Preliminary Plans and Working Drawings reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(11) Chapter 958, Section 10(F)(2) Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.17.002-California State Prison-Avenal—Long Lead Items reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(12) Chapter 958, Section 10(G), Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.01.017-Conservation and Maintenance Camps—Preliminary Plans, Working Drawings, and Construction reappropriated by Item 5240-490, Budget Act of 1986 and 1987.	
(13) Item 5240-301-723(4.1), Budget Act of 1982, 61.04.003-Southern Maximum Security Complex, Tehachapi-Support Services Facilities—Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(14) Item 5240-301-723(9), Budget Act of 1982, amended by Chapter 1743, Statutes of 1984, 61.20.008-California State Prison-Los Angeles-Medium Facility #1—Land Acquisition, EIR, Initial Studies, Planning, Master Planning, and Schematics reappropriated by Item 5240-491, Budget Act of 1985 and 1987.	
(15) Item 5240-301-723(14), Budget Act of 1982, 61.01.014-New Camps—Land Acquisition, EIR, Initial Studies, Schematics, Preliminary Plans, Working Drawings, and Construction reappropriated by Item 5240-490, Budget Act of 1985 and 1987.	

Item	Amount

724—1984 Prison Construction Fund

(16) Chapter 932, Section 7(a), Statutes of 1985, 61.17.003-California State Prison-Avenal-3,000 Bed Facility in the Vicinity of Avenal, Kings County—Site Acquisition, Site Studies and Suitability Reports, Environmental Studies, Master Planning, Architectural Programming, Schematics, Preliminary Plans, Working Drawings, Construction, Long Lead, and Equipment Items.

(17) Chapter 933, Section 8.5(a)(1), Statutes of 1985, amended by Chapter 532, Section 8, Statutes of 1986, 61.16.012-Construction of 500 Level III Beds at Sierra Conservation Center at Jamestown.

(18) Chapter 933, Section 8.5(b)(4), Statutes of 1985, amended by Chapter 532, Section 8, Statutes of 1986, 61.03.100-Construction of 500 Level III Beds at California Correctional Center at Susanville.

(19) Item 5240-301-724(46), Budget Act of 1984, 61.19.010.842-Northern California Women's Facility, San Joaquin County-Total Facility—Working Drawings reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

(20) Item 5240-311-724(1), Budget Act of 1984, 61.07.004.841-California State Prison-Folsom-Minimum Security Support Services Complex—Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

(21) Item 5240-311-724(4), Budget Act of 1984, 61.17.001.050-California State Prison-Avenal-Site Development—Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

(22) Item 5240-311-724(5), Budget Act of 1984, 61.17.002.050-California State Prison-Avenal-3,000 Bed Level I/II Facility—Long Lead Items reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

(23) Item 5240-311-724(10), Budget Act of 1984, 61.09.500-California State Prison-Solano-Construction Facilities and Offsite Development/Utilities for Level II/III Facilities reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

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(24) Item 5240-311-724(11), Budget Act of 1984, 61.09.510-California State Prison-Solano—Equipment Level II/III Facilities reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

(25) Item 5240-311-724(13), Budget Act of 1984, 61.07.017-Conservation Camps—Construction/Maintenance Equipment reappropriated by Item 5240-491, Budget Act of 1987.

(26) Item 5240-311-724(15), Budget Act of 1984, 61.19.020-Northern California Women's Facility, San Joaquin County-Total Facility—Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

(27) Item 5240-311-724(17), Budget Act of 1984, 61.11.500.841-California State Prison-San Diego-Level I Support Services Complex and Level III Facilities—Construction reappropriated by Item 5240-491, Budget Act of 1985 and 1987.

(28) Item 5240-311-724(18), Budget Act of 1984, 61.11.500.842-California State Prison-San Diego-Level I Support Services Complex and Level III Facilities—Equipment reappropriated by Item 5240-491, Budget Act of 1987.

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. This provision shall apply to all reappropriated projects in this item except for projects scheduled as 1, 2, 3, 16, 17, and 18.
2. At least 30 days prior to the encumbrance of funds reappropriated in this item for projects scheduled as 2, 10, 19, 24, 25, and 28 for purposes beyond the scope of the project as approved by the Joint Legislative Committee on Prison Construction and Operations pursuant to Section 7003 of the Penal Code, the Department of Corrections shall notify the Chairpersons of the Joint Legislative Committee on Prison Con-

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struction and Operations, the Joint Legislative Budget Committee, and the fiscal committee of each house of the need for the encumbrance of funds; in addition, the department shall provide quarterly reports to the Joint Legislative Budget Committee on all encumbrances from the cited reappropriations.

5240-496—Reversion, Department of Corrections. Notwithstanding any other provision of law, the specified balances of the following appropriations shall be reverted to the unappropriated surpluses of the respective funds, as specified:

Schedule:

723—New Prison Construction Fund:

(1) Item 5240-311-723(2), Budget Act of 1983, 61.07.004 California State Prison at Folsom-Maximum Security Units A, B, and C-Working Drawings and Construction, $1,000,000

724—1984 Prison Construction Fund:

(2) Item 5240-311-724(7), Budget Act of 1984, 61.07.009-California State Prison at Folsom-Total Facility—Equipment, $2,100,000

(3) Chapter 932, Section 7(b), Statutes of 1985, 61.23.002-California State Prison, Corcoran-3,000-Bed Facility—Planning and Construction, $18,071,000

746—1986 Prison Construction Fund:

(4) Chapter 532, Section 10(e)(1), Statutes of 1986, 61.04.006-California Correctional Institution, Tehachapi, 500-Bed Addition, Phase II—Support Services Facilities, $541,000

(5) Chapter 532, Section 10(e)(2), Statutes of 1986, 61.03.101-California Correctional Center, Susanville, 500-Bed Addition, Phase II—Support Services Facilities, $1,505,000

(6) Chapter 532, Section 10(e)(3), Statutes of 1986, 61.16.013-Sierra Conservation Center, Jamestown, 500-Bed Addition, Phase II—Support Services Facilities, $954,000

(7) Chapter 532, Section 10(c), Statutes of 1986, 61.22.020-California State Prison, Riverside County—2,000-Bed Facility, $8,000,000

(8) Chapter 1314, Section 5(a), Statutes of 1986, 61.12.405-San Quentin—Renovation, $1,500,000

Item		Amount
(9) Chapter 1314, Section 5(c), Statutes of 1986, 61.07.203-California State Prison at Folsom, Kitchen Renovation, $707,000		
5430-001-001—For support of Board of Corrections		501,000
Schedule:		
(a) 11-Standards for Detention Facilities	501,000	
(b) 12-County Jail Construction Financing Program	1,750,000	
(c) 21-Standards and Training for Local Officers	1,768,000	
(d) Program 31.01-Administration	214,000	
(e) Program 31.02-Distributed Administration	−214,000	
(f) Amount payable from the Corrections Training Fund (Item 5430-001-170)	−1,768,000	
(g) Amount payable from the County Jail Capital Expenditure Fund, Bond Act of 1981 (Item 5430-001-725)	−113,000	
(h) Amount payable from the County Correctional Facility Capital Expenditure Fund, Bond Act of 1986	−1,637,000	
5430-001-170—For support of Board of Corrections, for transfer to Item 5430-001-001, payable from Corrections Training Fund		1,768,000
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		1,637,000
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		113,000
5430-011-214—For transfer by the Controller, notwithstanding any other provision of law, from the Restitution Fund to the Corrections Training Fund on July 1, 1988		(2,783,000)
5430-101-170—For local assistance, Board of Corrections, payable from Corrections Training Fund, Program 21		12,774,000
5440-001-001—For support of Board of Prison Terms, Program 10		10,038,000
(a) 10-Board of Prison Terms	10,243,000	
(b) Unallocated Reduction	−205,000	

Item		Amount
5450-001-001—For support of Youthful Offender Parole Board, Program 10		1,988,000
Schedule:		
(a) 10-Youthful Offender Parole Board	2,049,000	
(b) Unallocated Reduction	−61,000	
Provisions:		
1. The Youthful Offender Parole Board shall prepare, in conjunction with the Department of the Youth Authority, an analysis of the trends in ward recidivism, institutional length of stay, and juvenile arrest rates for the past 10 years, in order to determine any relationship among these factors. As part of this report, the Youthful Offender Parole Board shall determine how changes in guidelines for parole consideration dates conform to changes in recidivism, length of stay, and juvenile arrest rates. The Department of the Youth Authority and the Youthful Offender Parole Board shall submit this report to the Joint Legislative Budget Committee and the Legislature's fiscal committees by December 1, 1988.		
5460-001-001—For support of Department of the Youth Authority		257,198,000
Schedule:		
(a) 10-Prevention and Community Corrections	4,012,000	
(b) 20-Institutions and Camps	266,754,700	
(c) 30-Parole Services	27,704,000	
(d) 50.01-Administration	15,254,000	
(e) 50.02-Distributed Administration	−15,092,000	
(ex) Unallocated Reduction	−24,165,000	
(f) Reimbursements	−16,473,700	
(g) Amount payable from the Federal Trust Fund (Item 5460-001-890)	−796,000	
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		674,000

Item		Amount
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		796,000
5460-101-001—For local assistance, Department of the Youth Authority		74,855,000
Schedule:		
(a) 10-Prevention and Community Corrections	70,255,000	
(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 1988–89 fiscal year for purposes specified in Section 1806 of the Welfare and Institutions Code.		

Item		Amount
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.		
5460-301-001—For capital outlay, Department of the Youth Authority, payable from the General Fund		91,000
Schedule:		
(1) 60.90.010—Minor Project-El Paso de Robles School: Remodel Living Unit	91,000	
5460-301-746—For capital outlay, Department of the Youth Authority, payable from the 1986 Prison Construction Fund		3,518,000
Schedule:		
(1) 60.02.020-Preston School of Industry—Pre-Camp Facility—Equipment	317,000	
(2) 60.02.025-Preston School of Industry—Electric Doors for Living Units—Working Drawings and Construction	546,000	
(3) 60.52.020-El Paso de Robles School —Living Unit and Education Facility—Equipment	368,000	
(4) 60.52.025-El Paso de Robles School —Expand and Relocate Visiting Space—Construction	631,000	

Item		Amount
(5)	60.52.030-El Paso de Robles School—Commissary Warehouse Addition—Preliminary Plans and Working Drawings	49,000
(6)	60.58.015—Ventura School-Public Service Living Unit-Equipment	505,000
(7)	60.58.025-Ventura School—New Water Line—Construction	266,000
(8)	60.67.025-Youth Training School—Consolidate Security/Business Services—Preliminary Plans and Working Drawings	54,000
(9)	60.67.030-Youth Training School—Water Supply System-Studies and Preliminary Plans	120,000
(10)	60.90.010-Minor Projects	662,000

Provisions:

1. The funds appropriated in (7) and in Item 374 (d) of the 1975 Budget Act shall be available for expenditure only upon execution of a contract between the Department of the Youth Authority and the City of Camarillo which provides the following: (1) if property owners along the proposed water pipeline extension receive water service from the pipeline after it has been installed, the state shall be reimbursed for the property owners' prorata share of pipeline design and construction costs, (2) this pro rata share shall include interest on the state's investment in the pipeline at the rate received on state funds in the Pooled Money Investment Account at the time reimbursement is made, and (3) the city shall assess the property owners through developer fees or other appropriate means in order to make the reimbursement.

5460-301-747—For capital outlay, Department of the Youth Authority, payable from the 1988 Prison Construction Fund 480,000

Schedule:

(1)	60.04.010-Northern Reception Center Clinic: New Ramona Colony Assessment District—Payment of Offsite Infrastructure Improvement Participation Fee	480,000

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5460-490—Reappropriation, Department of the Youth Authority. 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 in that appropriation and shall be available for expenditure through June 30, 1989.
Schedule:
036—Special Account for Capital Outlay: Item 5460-301-036, Budget Act of 1987: (3) 60.90.010-Minor Projects
746—1986 Prison Construction Fund: Item 5460-301-746, Budget Act of 1987: (10) 60.90.010-Minor Projects

5770-001-001—For support of the Robert Presley Corrections Research and Training Institute, Program 10 410,000

EDUCATION

6110-001-001—For support of Department of Education 42,163,000
Schedule:

(a) 10-Instruction	32,118,000
(b) 20-Instructional Support	32,572,000
(c) 30-Special Programs	13,596,000
(d) 41.00-Executive Management and Special Services	8,465,000
(e) 42.01-Department Management and Special Services	27,576,000
(f) 42.02-Distributed Department Management and Special Services	−27,576,000
(fx) Unallocated Reduction	−1,160,000
(g) Reimbursements	−4,910,000
(h) Amount payable from Federal Trust Fund (Item 6100-001-890)	−38,518,000

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 1988–89 fiscal year:
   (a) Professional development and program improvement centers.
   (b) Indian education centers.
   (c) Alternative schools.

Item	Amount
(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.	
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.	
6. Of the funds appropriated in this item, an amount not to exceed $8,602,000 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.	
7. Of the funds appropriated in this item, an amount of not less than $92,000 shall be available only for reimbursement of in-state travel expenses of the State Board of Education.	
8. Of the funds appropriated in this item, $38,000 shall be available for departmental administrative costs in implementing the Year-Round Schools Demonstration Program known as the Orchard Plan.	
12. Of the funds appropriated in this item, $182,000 shall be for the state operations costs of the department to conduct the Beginning Teacher Support and Assessment Study.	
6110-001-178—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 40070 of the Education Code, payable from the Driver Training Penalty Assessment Fund	838,000
6110-001-305—For support of Department of Education, Program 30.30—Postsecondary Education, payable from the Private Postsecondary Education Administration Fund	1,573,000

Item		Amount
Schedule:		
(a) 30.30-Postsecondary Education	1,573,000	
Provisions:		
1. Funds provided by this item are for support of the Private Postsecondary Education Division and the Private Postsecondary Education Council pursuant to Chapter 791, Statutes of 1981.		
2. Notwithstanding any other provision of law, up to $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.		
6110-001-344—For support of Department of Education, Program 20.30 Administrative Services to local educational agencies, payable from the State School Building Lease-Purchase Fund		1,204,000
Provisions:		
1. Funds appropriated by this item are for support of the activities of the School Facilities Planning 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, year-round school programs, and school site acquisition.		
6110-001-687—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		12,000,000
6110-001-862—For support of Department of Education, Program 30.10.020—Child Care Services, payable from the State Child Care Facilities Fund		111,000
6110-001-890—For support of Department of Education, for transfer to Item 6100-001-001 payable from the Federal Trust Fund		38,518,000

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Provisions:

1. Of the funds appropriated in this item, $1,164,000 of the 1988–89 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. Of the funds appropriated in this item, $47,500 is available to the Advisory Commission on Special Education for the in-state travel expenses of the commissioners and the secretary to the commission.
3. Of the funds appropriated in this item, $470,000 is available for programs for homeless youth and adults pursuant to the federal Stewart B. McKinney Act. The department will participate on the Health and Welfare Agency Homeless Task Force and will consult with the Departments of Economic Opportunity, Mental Health, Housing and Community Development, and Economic Development in operating this program.

6110-006-001—For support of Department of Education as allocated by the Department of Education to the State Special Schools, Program 10.60.040 39,009,000

Schedule:

(a) 10-Instruction 42,836,000
(b) Reimbursements ..... −3,827,000

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

Item	Amount
State Controller the information needed to make the adjustment.	
6110-007-001—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	436,000
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.	
6110-015-001—For support of Department of Education instructional materials warehousing and shipping costs, Program 20.20.020—Instructional Materials Management and Distribution	305,000
Provisions:	
1. Funds appropriated by this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1988–89 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.	
6110-021-001—For support, Department of Education, Program 30.20—Child Nutrition	588,000
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.	
6110-101-814—For local assistance, Department of Education, Program 10.10, 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

Item	Amount
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.	
6110-101-890—For local assistance, Department of Education, Federal Block Grant under Chapter 2 of the Education Consolidation and Improvement Act, payable from the Federal Trust Fund	39,734,000
Schedule:	
(a) 10-Instruction 38,298,000	
(b) 20-Instructional support 1,436,000	
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 1988–89 fiscal year on September 1, December 1, February 1, and May 1.	
6110-128-001—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	
6110-128-890—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
6110-136-890—For local assistance, Department of Education, Program 10.30.060—Chapter I–ECIA—payable from the Federal Trust Fund	333,461,000
6110-141-890—For local assistance, Department of Education, Program 10.30.010—ECIA Chapter I–Migrant Education, payable from the Federal Trust Fund	81,093,000
6110-156-890—For local assistance, Department of Education, Program 10.50.010.001—Adult Education, payable from the Federal Trust Fund	9,578,000

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6110-158-001—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.... 2,231,000

Provisions:

1. Notwithstanding any other provision of law to the contrary, the amount appropriated in this item and the amount appropriated in Item 6110-226-001 for this program shall be the maximum amount allocated for the purposes of Section 41841.5 of the Education Code.

6110-161-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children 164,548,000

Schedule:

(a) 10.60.050.010-PL 94-142, local entitlements 119,512,000
(b) 10.60.050.020-PL 94-142, direct and indirect instructional services approved in the State Plan 14,271,000
(c) 10.60.050.030-P.L. 99-457, Preschool Grant Program 26,228,000
(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

Provisions:

1. If the funds for Part B of the Education for All Handicapped Act that are actually received by the state exceed $140,260,000, at least 95 percent of the funds received in excess of $140,260,000 shall be allocated for local entitlements. Five percent (5%) of the amount received in excess of $140,260,000 may be used for state administrative expenses.

If the funds for Part B of the Education for All Handicapped Act that are actually received by the state are below $140,260,000, the reduction shall be taken in direct and indirect instructional services in the following order:

(a) Assembly Bill 520 of the 1987–88

Item	Amount
Regular Session	75,000
(b) Project WorkAbility	1,500,000
(c) LCI Impaction Growth Units	500,000
(d) Statewide teacher training needs assessment	50,000
(e) Program effectiveness/special studies	200,000
(ex) Comprehensive Personnel Development	1,072,000
(f) Extended Year, State Special Schools	1,050,000
(g) Awareness Program	400,000
(h) Assessment Centers	350,000
(i) Timpany Center	300,000
(j) Comprehensive Personnel Development	3,000,000
(k) Low incidence specialized services	1,700,000
(*l*) Project WorkAbility	1,750,000
(m) LCI Impacted Growth Units	1,000,000
(n) Infant Programs	2,324,000

2. Subject to the availability of funds in Schedule (b) of this item, up to $1,500,000 shall be used to fund licensed children's institution growth units pursuant to Section 56776. These funds are to be used for instructional units only.
3. Subject to the availability of funds in Schedule (b) of this item, up to $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. Subject to the availability of funds in Schedule (b) of this item, up to $3,250,000 shall be allocated to local education agencies for the purposes of Project WorkAbility I.
5. Subject to the availability of funds in Schedule (b) of this item, up to $1,700,000 shall be used to provide specialized services to pupils with low incidence disabilities, as defined in Section 56026.5 of the Education Code.

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6. Subject to the availability of funds in Schedule (b) of this item, up to $200,000 shall be used to analyze program effectiveness and for special studies. A list of proposed special studies must be developed with input from Department of Finance and the Legislative Analysts' office prior to expenditure of funds.
7. Subject to the availability of funds in Schedule (b) of this item, up to $50,000 shall be used to assess statewide teacher training needs. This shall include training for current teachers, preservice training and content areas.
8. Subject to the availability of funds in Schedule (b) of this item, $4,072,000 shall be used for a personnel development program. This program will include state sponsored staff development, local inservice components, bilingual, student study team, and core curriculum components. Of this amount, a minimum of $1,885,000 shall be allocated directly to special education local plan areas. The local in-service programs shall include a parent training component. All programs are to include evaluation components.
9. Subject to the availability of funds in this item for the Preschool Grant Program, $1,228,000 shall be used for in-service training programs. This program shall include state sponsored and local components.
10. Subject to the availability of funds in Schedule (b) of this item, up to $1,050,000 shall be used to conduct an extended year program at the State Special Schools for the Deaf and Blind at Fremont.
11. Subject to the availability of funds in Schedule (b) of this item, up to $400,000 shall be used for dissemination activities of the Disabilities Awareness Program.
12. Subject to the availability of funds in Schedule (b) of this item, up to $350,000 shall be used for the assessment centers at the State Special Schools.

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13. Subject to the availability of funds in Schedule (b) of this item, up to $300,000 shall be provided 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 shall certify that the funds provided from this item are used to provide services only to youth through age 21.
14. Subject to the availability of funds in Schedule (b) of this item, up to $75,000 shall be allocated for the purposes of Assembly Bill 520 of the 1987–88 Regular Session. This funding shall be made available only if Assembly Bill 520 is chaptered on or before October 2, 1988.

6110-162-001—For local assistance, Department of Education, Program 10.60.060—Alternatives to Special Education 640,000
Schedule:
(a) 10.60.060.010 Early Intervention for School Success 430,000
(b) 10.60.060.020 Pilot Project—Hyperactivity San Diego Unified School District 70,000
(c) 10.60.060.022 Pilot Project—Hyperactivity Lincoln Unified School District 70,000
(d) 10.60.060.023 Pilot Project—Hyperactivity Long Beach Unified School District 70,000

6110-166-001—For local assistance, Department of Education, Program 10.70 Vocational Education 8,153,000
Schedule:
(a) 10.70-Vocational Education 24,177,000
(b) Reimbursements ..... −16,024,000
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. $953,000 of the funds appropriated in this item are for the purpose of Article 5 of Chapter 9 of Part 29 of the Education Code, Partnership Academies Program.

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3. Notwithstanding any other provision of law, of the funds appropriated in this item, $7,200,000 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.
4. 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.
5. Funds specified in Provision 3, as well as the equivalent amount of federal Job Training Partnership Act funds for Statewide Education Coordination Grants (SECGs), shall be expended only for programs providing education services to GAIN participants.
6. In the event that GAIN is not operating in an SDA, federal SECG 8% funds may be used to provide educational programs, including necessary supportive services, to GAIN-eligibles that would be allowed if GAIN were operating in the SDA.

   For those SDAs where GAIN is not yet operating, these funds may also be used to fund startup

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	costs directly related to the delivery of education services for GAIN, including costs related to the development and implementation of a competency-based curriculum and assessment system.	
	7. Notwithstanding any other provision of law, in the event that funds specified in Provisions 5 and 6 of this item are not expended by June 30, 1989, these funds shall be recaptured by the Superintendent of Public Instruction by a proportional reduction in the SDA's subsequent-year allocation. The Superintendent of Public Instruction, in consultation with the Department of Social Services, shall reallocate these funds to other SDAs. Funds shall be reallocated to qualifying SDAs on the basis of (a) prior-year expenditures, and (b) demonstrated need for educational services in the GAIN program. It is the intent of the Legislature that the Governor's proposed budgets for the 1989–90 fiscal year continue this provision relative to the funds appropriated by this act.	
	8. Funds specified in Provision 5 of Item 6100-166-001 of the Budget Act of 1987, as well as the equivalent amount of SECG funds, which have not been spent by July 1, 1988, shall be governed by Provisions 5, 6, and 7 of this item.	
6110-166-890—For local assistance, Department of Education, Program 10.70—Vocational Education, payable from the Federal Trust Fund		71,867,000
Provisions:		
	1. Of the funds appropriated in this item, $35,309,000 of the 1988–89 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.	

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3. $308,000 of the funds appropriated in this item are for the purposes of Article 5 of Chapter 9 of Part 29 of the Education Code, Partnership Academies Program.	
6110-171-178—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	(21,236,000)
Provisions:	
1. 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.	
6110-176-890—For local assistance, Department of Education, Program 10.40.030—Refugee and Immigrant Programs payable from the Federal Trust Fund	19,603,000
Schedule:	
(a) 10.40.030.001-Emergency Immigration Education Program 14,729,000	
(b) 10.40.030.002-Transition Program for Refugee Children 4,874,000	
6110-181-001—For local assistance, Department of Education, for Educational Technology, Program 20.10.025—Technology Education	13,055,000
Provisions:	
1. 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 1988–89 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.	

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6110-181-140—For local assistance, Department of Education, Program 20.10.055—Environmental Education, payable from the California Environmental License Plate Fund			604,000
6110-183-001—For local assistance, Department of Education, Program 20.10.045—Health and Physical Education, "positive role model" pilot program			427,000
6110-183-890—For local assistance, Department of Education, Program 20.10.045—Health and Physical Education, Instructional Support—Drug Free Schools and Communities Act of 1986 (PL 99-570)			10,646,000
Provisions:			
1. Of the funds appropriated in this item, the State Department of Education shall expend $70,000 for the purpose of contracting with an outside agency, individual, firm, or organization to evaluate the impact of these funds on California's school age population.			
The department shall establish an advisory committee to assist in the design of the evaluation and the selection of the contractor. The committee shall be composed of staff from the legislative fiscal committees, the Legislative Analyst's office, the legislative education policy committees; the Department of Finance, and other appropriate administrative agencies.			
The department shall submit the results of the evaluation report to the Legislature by January 1, 1991.			
6110-196-001—For local assistance, Department of Education, Program 30.10 Child Development			319,840,000
Schedule:			
(a) 30.10.010-Preschool		35,817,000	
(b) 30.10.020-Child Care Services		284,023,000	
(1) 30.10.020.001-General child development programs	200,359,000		
(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		

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(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	32,005,000
(8)	30.10.020.008-Resource and referral	7,335,000
(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	2,500,000
(11)	30.10.020.015-Extended Day Care	15,476,000
(12)	30.10.020.016-California Child Care Initiative	250,000

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.

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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 available by the district to its child development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child development programs.
4. Until such time as new funding procedures are established by the State Department of Education, the following reimbursement factors shall remain in effect:
   (a) Under 4 hours per day: 50% of the full-time daily rate.
   (b) 4 to under 6½ hours: 75% of the full-time daily rate.
   (c) 6½ to under 10½ hours: 100% of the full-time daily rate.
   (d) 10½ hours and over: 150% of the full-time daily rate.
5. 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, 1989, 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, 1989, the amount of child development funds, by program, which have been determined after audit to be unearned. The Department of Education shall report on September 30, 1988, and on March 31, 1989, the settlement of claims payable from unearned contract funds balances by program. Further, the Department of Education shall report on September 30, 1988, and on

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March 31, 1989, the reencumbrance of unearned contract funds made pursuant to Education Code Section 8278 by program, specifying the purpose and need for each expenditure.

8. 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.

9. 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 the State Department of Education (SDE) shall enter into a memorandum of understanding that specifies a level of service requirement by SDE programs for AFDC recipients. The data collected by SDE on September 15, 1986, and certified by the Auditor General on February 25, 1987, shall establish the plateau by county against which all future surveys of AFDC participation will be measured. For the 1988–89 fiscal year, the sampling will be made by SDE on September 15 and March 15. To establish an ongoing process, SDE shall propose legislation that

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will fix these point-in-time dates in the Education Code.

If upon comparison to the plateau, the AFDC participation falls below the certified county levels by more than 5 percent, the enrollment of GAIN participants as specified in the previous paragraph shall not be deferred. Deferrals shall resume only if AFDC participation levels are again in excess of the certified plateau.

10. The State Department of Education shall, to the extent possible, grant waivers of the school-age community child care requirements at the time contracts are issued. Notwithstanding any other provision of law, the Superintendent of Public Instruction shall ensure that waiver denials issued after the time contracts are issued shall not take effect until two months after the denial decisions are provided, in writing, to affected contractors. The two-month period may be extended at the discretion of the Superintendent of Public Instruction in order to provide contractors with a reasonable amount of time to comply with school-age community child care requirements. Nothing in this provision shall be construed to apply to school-age community child care agencies that do not apply for waivers in good faith.
11. Notwithstanding any other provision of law, the Superintendent of Public Instruction shall authorize any School Age Community Child Care program agency the choice of either a child day or a child hour as the contract unit of enrollment for the purpose of reimbursement. The agency's unit of choice shall remain in effect for the 1988–89 fiscal year and shall be the basis for determining earnings under the contract.

After analysis of School Age Community Child Care providers statewide, the Superintendent shall establish an enrollment unit or units for reimbursement that will meet the needs of participating agencies.

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12. Notwithstanding Section 8278 of the Education Code, $78,389 of unearned child development contract funds shall be used in the 1988–89 fiscal year to fund the infant care and parent services components of the Youth and Family Center in Lawndale, a program which offers comprehensive services to pregnant and parenting teens and their families. This program shall be funded through a general child development contract with the State Department of Education. Through this contract, the program shall continue all services it provided during the 1987–88 fiscal year pursuant to its contract with the Centinela Valley Union High School District. A cost-of-living increase will be applied to the above amount commensurate with that afforded other child care and development programs.
13. Notwithstanding any other provision of law, for each School Age Community Child Care Program approved for funding, the Superintendent of Public Instruction shall ensure that no more than one-half of the enrollees reported are eligible for and receiving subsidization as specified under subdivision (b) of Section 8468.5 of the Education Code. Agencies which fail to meet the requirements of this provision and which do not have a Department of Education approved waiver under Section 8474 of the Education Code shall be deemed in noncompliance with the Education Code requirements. The failure of an agency to submit a corrective action plan within the timelines specified by the Department of Education to correct the deficiency shall result in the agency being placed on conditional status. Agencies on conditional status shall be monitored monthly by the Department of Education which will provide technical assistance to enable agencies to reach compliance.

It is the intent of the Legislature that the above-referenced procedures be imposed for fiscal years 1988–89 and 1989–90. On July 1, 1990, the full fiscal effect of the state participation limits shall be resumed.

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14. Notwithstanding subdivision (e) of Section 8277.7 of the Education Code, the relocatable classroom located at Jacoby Creek School for the purposes of the "latch-key" program may also be used as a part-time elementary school classroom in accordance with existing agreements among officials of that school and child care council.

15.5. The funds appropriated in (b) (10.5) of this item shall be distributed to all local service delivery areas (SDAs) which meet the criteria to participate in the Child Care Employment Act (CCEA) program. The State Department of Education and the Employment Development Department shall develop criteria for the distribution of these funds, recognizing prior participation.

Up to $150,000 of the amount appropriated in (b) (10.5) of this item shall be available for the State Department of Education for the administration of this program. The State Department of Education, in conjunction with the Employment Development Department, shall provide technical assistance to local JTPA programs to encourage participation in the CCEA program.

16. Notwithstanding any other provision of law, the State Department of Education, Child Development Division, may authorize a maximum reimbursement rate not to exceed the regional GAIN rate for child care for Alternative Payment Programs in service areas that exceeds the current statutory maximum reimbursement rate. This increased rate shall be subject to the procedures established by the State Department of Education pursuant to Section 8265.1 of the Education Code.

17. Notwithstanding Section 8278 of the Education Code, up to $100,000 of unearned child development contract funds may be used in the 1988–89 fiscal year to fund the provision of additional technical assistance to school age community child care agencies. The funds may be used by the State Department of Education to provide short-term onsite technical assistance, regional workshops, and information materials for school-age community child care contract-

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	ing and applicant agencies.	
	18. Notwithstanding Section 8278 of the Education Code, funds in excess of those required to make payments on accounts payable pursuant to subdivision (a) of Section 8278 of the Education Code shall be used, in the following priority order, for these purposes:	
	(a) Summer School-Age Child Care Program	4,000,000
	(b) Infant Media Training Materials	280,000
	(c) For the purposes of Provision 12 of this item	78,389
	(d) For the purposes of Provision 17 of this item	100,000
	(e) For the purposes of Provision 19 of this item	100,000
	(f) For the purposes of the Superintendent of Public Instruction pursuant to Section 8278 of the Education Code	2,441,611
	19. Notwithstanding Section 8278 of the Education Code, $100,000 of unearned child development contract funds shall be used to fund the family day care program in San Francisco which is operated in part with CDBG/HUD funds.	
6110-196-890—For local assistance, Department of Education, Program 30.10—Child Development, payable from the Federal Trust Fund		2,399,000
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.	
6110-201-001—For local assistance, Department of Education, Program 30.20—Child Nutrition		40,989,000
Schedule:		
	(a) 30.20.010—Child Nutrition	40,733,000
	(b) 30.20.020—Pregnant/Lactating Minors	256,000
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	

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	30, 1989, to be eligible for reimbursement.	
	2. Notwithstanding any other provisions of law, except as provided in this provision, funds appropriated by this item shall be available for allocation in accordance with provisions of Section 49536 of the Education Code, except that such allocation shall not be made on the basis of all meals served but shall be made on the basis of the number of meals that are served and which qualify as free or reduced priced meals in accordance with provisions of Sections 49501, 49550, and 49552 of the Education Code.	
	3. Notwithstanding any other provisions of law and in lieu of the reimbursement rates prescribed by Section 49559 of the Education Code for Child Nutrition and Pregnant/Lactating Minors Nutrition Programs, allowances made with funds appropriated by this item shall be available at the following reimbursement rates:	
	(a) Complete supplements shall be reimbursed at the rate of $0.5915 per meal.	
	(b) Partial breakfast or lunch supplements shall be reimbursed at the rate of $0.2957 per meal or supplement.	
	(c) For each pregnant or lactating student, the total reimbursement per day shall not exceed $0.5915.	
6110-201-890—For local assistance, Department of Education, Program 30.20—Child Nutrition, payable from the Federal Trust Fund		485,400,000
6110-209-001—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		30,000
6110-224-001—For local assistance, Department of Education, Program 10.10—Year-Round School Demonstration Program (Orchard Plan)		300,000
6110-224-344—For local assistance of Department of Education, Program 10.10-School Apportionments, for transfer to Section A of the State School Fund for funding applications received by the Office of Local Assistance by December 31, 1988 for the purposes of Sections 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		

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Lease-Purchase Fund	(30,045,000)

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. Funds made available through this item shall be used to pay claims for year-round operations during the 1988–89 fiscal year only.

2.5. Applications for year-round incentive payments pursuant to Sections 42250 and 42250.3 of the Education Code must annually be received by the Office of Local Assistance by no later than December 31 of the year in which the year-round operation occurred and for which payment is sought; applications received after that date shall not be processed. The Office of Local Assistance shall certify all eligible and approved claims to the Superintendent of Public Instruction by no later than April 1 of the following year. In the event that the funds available for a fiscal year are insufficient to fully pay all claims for that year, the Superintendent of Public Instruction shall provide all approved claims with a prorated share of the funds made available.

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 1988–89 fiscal year but only to the extent that the district incurs costs in 1988–89 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 44243.6 and 42249 of the Education Code for the 1988–89 fiscal year. Funds may be distributed during the 1988–89 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.

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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 1988–89, year-round education incentive payments calculated as follows:
   (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 (e) or (f), whichever applies, and multiply the result by .05.
   (h) The Office of Local Assistance shall divide

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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 determined 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-eight dollars ($128) per pupil in year-round education facilities. (This amount has been adjusted to include the annual inflation for the prior calendar year on the basis of the cost index for class B construction as determined by the State Allocation Board in accordance with subdivision (b) of Section 42250.3 of the Education Code.)

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.

6. $15,000,000 of the money appropriated by this item shall become available on the condition that no tidelands oil revenues intended for the purchase of portable classrooms are reduced in order to provide these funds.

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7. Subject to the approval and apportionment of funds by the State Allocation Board, $45,000 of the funds appropriated in this item shall be made available to the Trinity Central Elementary School District for site acquisition. This allocation shall be deemed a loan to the district to be repaid to the State School Building Lease Purchase Fund 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 disbursement of funds to the district.	
6110-226-001—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:	14,683,000
Schedule:	
(g) 30.10—Child Care Programs (for transfer to Item 6110-196-001)	
(1) 30.10.010—Special programs—preschool education	1,468,000
(2) 30.10.020.001—General child development programs	8,217,000
(3) 30.10.020.002—Campus children's centers	254,000
(4) 30.10.020.003—High-school age parenting and infant development.....	273,000
(5) 30.10.020.004—Migrant day care	289,000
(6) 30.10.020.005—Special allowances for rent	17,000
(7) 30.10.020.006—Special allowances for handicapped	29,000
(8) 30.10.020.007—Alternative payment program	1,310,000
(9) 30.10.020.008—Resource and referral	301,000

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(10) 30.10.020.009—Campus child care tax bailout 165,000
(11) 30.10.020.010—Protective services.... 42,000
(12) 30.10.020.015—Extended day care.... 635,000
(j) 30.20—Child Nutrition (for transfer to Item 6110-201-001):
(1) 30.20.010—Child Nutrition 1,670,000
(2) 30.20.020—Child Nutrition, Pregnant/Lactating Minors 13,000

6110-230-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts and county offices of education for the purposes of educational programs funded in the 1987–88 fiscal year, for school districts and county offices of education to carry out these purposes, in lieu of amounts otherwise provided by statute.....12,099,593,000

Provisions:

1. The Superintendent of Public Instruction shall take necessary and appropriate actions to ensure the orderly administration of local assistance programs for school districts, county offices of education, and other agencies participating in state-subsidized programs during the 1987–88 and 1988–89 fiscal years, and to carry out the purposes of this act. Actions of the superintendent pursuant to this item shall reflect the policies of the state as expressed by statute. For purposes of calculating the allocation of these funds to each school district and county office of education, the superintendent shall make the following computations:
   (a) The superintendent shall calculate the amount allocated to each school district and county office of education, including any deficits which were funded, for the 1987–88 fiscal year.
   (b) The superintendent shall compute an amount of funds for each school district and county office of education to reflect allow-

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able growth or decline in enrollment which would be provided under statute in effect as of January 1, 1988, plus an amount to reflect growth or decline which effectuates the intent of the 1988–89 Governor's Budget as introduced.

(c) (1) In lieu of the amount provided pursuant to law for annual cost-of-living adjustments, the superintendent shall compute an amount for each school district and county office of education to reflect an inflation adjustment for those programs which receive an adjustment pursuant to statute in effect as of January 1, 1988, except that this adjustment shall not exceed 2.1 percent.

(2) For the 1989–90 fiscal year, the superintendent shall calculate the base and the inflation adjustment as if the 1989 base and inflation adjustment were made pursuant to statute as of June 30, 1988.

(d) (1) Notwithstanding subdivision (c), $300,000,000 of the amount in this item shall be available for the purpose of providing cost-of-living adjustments up to 4.1 percent. However, these funds shall not be available for expenditure if the Director of Finance fails to certify to the Controller by August 1, 1988, that the amount of General Fund revenues available for the 1988–89 fiscal year is at least $36,100,000,000 not counting the enactment of any legislation which would increase General Fund revenues.

(2) The superintendent shall calculate an amount for each school district and county office of education to reflect an inflation adjustment for those programs which would receive an adjustment pursuant to statute in effect as of January 1, 1988, except that this adjustment shall not exceed 4.1 percent, including the amount in subdivision (c).

(e) The allocation of each school district and county office of education shall be first the amount computed pursuant to subdivision

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(a), then the amount computed pursuant to subdivision (b), and last the amount computed pursuant to subdivisions (c) and (d).

6110-401—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.

6110-490—Reappropriation, Department of Education. Notwithstanding any other provision of law the specified and non-specified balances of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and any additional purposes provided in this section, and shall be available for expenditure until June 30, 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 6100-166-001, Provision 5, Budget Act of 1987, for the purpose of matching Job Training Partnership Act funds.

(3) 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.

(4) Chapter 1376, Statutes of 1985, for the purpose of completing the learning disability report and forwarding it to the Legislature.

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.

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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.)		
6110-495—Reversion, Department of Education. After June 30, 1988, the following amounts of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made.		
001—General Fund		
(1.5) Item 6100-191-001 (h), Chapter 135, Statutes of 1987, School Business Office Training	$210,000	
(2) Item 6100-191-001 (g), Budget Act of 1986 as reappropriated by Chapter 135, Statutes of 1987	$50,000	
(3) Item 6100-101-001, Budget Act of 1987, for the purpose of PERS Rate reduction savings	$15,400,000	
6120-011-001—For support of Department of Education, California State Library, Division of Libraries, and California Library Services Board		11,637,000
Schedule:		
(a) 50-Library Services	13,360,000	
(b) Reimbursements	−22,000	
(c) Amount payable from the Federal Trust Fund (Item 6120-011-890)	−1,701,000	
6120-011-890—For support of Department of Education, for transfer to Item 6100-011-001, payable from the Federal Trust Fund		1,701,000
6120-211-001—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development		13,606,000

Item	Amount
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, $4.387 million shall be expended for the Transaction Based Reimbursement (TBR) Program of the California Library Services Act.	
6120-211-890—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
6120-221-001—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development—Public Library Foundation Program	21,100,000
Provisions:	
1. $900,000 of the amount appropriated by this item is for a cost-of-living adjustment.	
2. Notwithstanding the provisions of Section 18025 of the Education Code, any city and county which reduces local revenues appropriated for the public library for the 1988–89 fiscal year shall continue to receive state funds appropriated by this item for the 1988–89 fiscal year only, provided that:	
(a) Reductions in appropriations for the public library are part of reductions of more than $35 million in total city and county general fund appropriations for operating expenditures; and	
(b) The city and county shall maintain in the 1988–89 fiscal year local spending for the public library greater than 130 percent of the statewide foundation level.	
6120-301-036—For capital outlay, Department of Education, California State Library, payable from the Special Account for Capital Outlay	180,000
Schedule:	
90.55.010—Minor Projects 180,000	
6255-001-001—For state operations, California State Summer School for the Arts	642,000

Item	Amount
Provisions:	
1. Funds appropriated in this item are in lieu of the amount that would otherwise be provided pursuant to subdivision (a) of Section 18 of Chapter 1131, Statutes of 1985. However, funds appropriated by this item are subject to all other provisions of Chapter 1131, Statutes of 1985.	
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	142,626,000
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. After June 30, 1989, the unencumbered balance of this appropriation shall not be available for encumbrance.	
6320-001-001—For support of California State Council on Vocational Education	96,000
Schedule:	
(a) 10-State Council on Vocational Education 321,000	
(b) Amount payable from the Federal Trust Fund (Item 6320-001-890) .. −225,000	
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	225,000
6330-001-890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund	104,000
(a) 10-California Occupational Information Coordinating Committee 114,000	
(b) Reimbursements −10,000	
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

Item	Amount
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.	
6360-001-001—For support of the Commission on Teacher Credentialing	1,100,000
Provisions:	
1.3. The funds appropriated by this item and $1,718,000 in Item 6110-230-001 are for a joint study of alternative models of beginning teacher support and assessment by the Commission on Teacher Credentialing and the Department of Education (DOE). The study shall establish alternative models of beginning teacher support and assessment mechanisms in school districts and evaluate the costs and benefits of the alternative models. These funds shall be expended only upon the approval of the Director of Finance and shall be contingent upon development of a joint program and expenditure plan by the Commission and the Department of Education. The plan shall contain reporting requirements and include the counsel of the higher education community.	
2. Of the amount appropriated in this item, $300,000 shall be available only for the Commission on Teacher Credentialing to contract for an independent evaluation of the new teacher retention and assessment pilot projects. Notwithstanding Section 1213 of the State Administrative Manual or any other provision of law, the commission shall convene an advisory committee to develop the Request for Proposal (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 Department of Finance, the Office of the Legislative Analyst, and other members the commission chooses to include.	
6360-001-407—For support of Commission on Teacher Credentialing, payable from the Teacher Credentials Fund	6,405,000

Item		Amount
Schedule:		
(a) 10-Standards for Preparation and Licensing of Teachers	6,405,000	
(b) 10.60.01-Departmental Administration	1,354,000	
(c) 10.60.02-Distributed Departmental Administration	−1,354,000	
6360-001-408—For support of Commission on Teacher Credentialing, payable from the Test Development and Administration Account of the Teacher Credentials Fund		3,135,000
Schedule:		
(a) 10-Standards for Preparation and Licensing of Teachers	3,135,000	
(b) 10.60.01-Departmental Administration	150,000	
(c) 10.60.02-Distributed Departmental Administration	−150,000	
6420-001-001—For support of California Postsecondary Education Commission		3,442,000
Schedule:		
(a) 100000-Personal Services	2,695,000	
(b) 300000-Operating Expenses and Equipment	955,000	
(bx) Unallocated Reduction	−70,000	
(c) Reimbursements	−47,000	
(d) Amount payable from the Federal Trust Fund (Item 6420-001-890)	−91,000	
Provisions:		
1. In cooperation with the statewide offices of the public secondary and postsecondary institutions, the California Postsecondary Education Commission shall develop and implement a strategy to assess the impact of intersegmental programs designed to improve the preparation of secondary school students for college and university study. The purposes of the report shall be to identify those programs and institutional activities which are successful and to recommend priorities for future state funding to improve student preparation. In preparing this report, the commission shall utilize data gathered by the statewide offices based on an evaluation framework developed cooperatively by the commission and statewide office staff. Prior to December 1, 1988, the commission shall prepare a list of the programs and institutional efforts to		

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be included in this study, a statement of the specific objectives and the appropriate measures of effectiveness for each program and institutional effort to be reviewed, and a list of the data to be collected and supplied by the statewide offices to the commission. Prior to October 1, 1989, and again the following year, the commission shall submit a preliminary report on the relative effectiveness of these programs and efforts. Prior to October 1, 1991, the commission shall submit a final report identifying those programs which have been most effective in achieving their objectives and recommending priorities for future state funding to improve student preparation.		
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		1,940,021,000
Schedule:		
(a) Support	1,916,696,000	
(b) Charles Drew Medical Program	6,713,000	
(c) Podiatry Program	1,263,000	
(d) Center for Global Peace	550,000	
(e) Mathematics, Engineering and Science Achievement (MESA)	1,803,000	
(f) Acquired Immune Deficiency Syndrome (AIDS) Research	10,850,000	
(g) Energy Service Contracts	196,000	
(h) Animal Use Alternatives	50,000	
(i) Forestry and Range Watershed	400,000	
(j) Alzheimer and Geriatrics	500,000	
(k) Janitor Staffing	1,000,000	
Provisions:		
1. The appropriations from these funds are exempt from Section 31 of this act.		

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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, university, and electronics or semiconductor, or both, industry representatives, for the purposes of advancing appropriate research and graduate education in microelectronics research, including innovative research in microelectronics technology, its applications in computer and information sciences, and its necessary antecedents in other physical science disciplines.

The expenditure of the $4,080,000 available for

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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 resolution by the Regents of the University of California declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when the Director of Finance certifies that the systemwide enroll-

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	ment 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. 10. The amount appropriated in Schedule (h), $50,000 shall be allocated to plan a center for the development of alternatives to the use of animals in research, teaching, and testing.	
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
6440-001-785—For support of University of California payable from the 1988 Higher Education Capital Outlay Bond Fund		3,000,000

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Provisions:

1. The funds appropriated by this item are for the purpose of removing asbestos-containing materials.
2. The University of California shall obtain air samples of all spaces 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.

6440-001-814—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.

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 15,000,000

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 40,553,000

6440-011-001—For support of University of California, for augmentation for employee compensation 44,249,000

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

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	General Fund, to receive any such increases provided by the Regents of the University of California.	
	2. Amounts proposed for employee compensation increases constitute the total increase in compensation as specified above for employees of the University of California for the 1988–89 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.	
	3. Of the funds appropriated in this item, $13,200,000 shall be for faculty salaries.	
	4. Of the funds appropriated in this item, $16,785,000 shall be for salary increases and special salary adjustments.	
	5. Of the funds appropriated in this item, $14,264,000 shall be available to the University of California for faculty and nonfaculty benefits.	
	6. (a) Notwithstanding the provisions of Section 6.50 of this act, funds appropriated in this item for faculty and non-faculty salary increases may not be transferred between these categories. (b) Funds may be transferred between either the faculty or nonfaculty salary increase items and other items within the university's budget only insofar as deemed necessary to mitigate or allay layoffs on account of the unallocated reduction. If redirection of funds is necessary to avoid or mitigate layoffs, the university shall prepare a plan for redirection in consultation and cooperation with the employee organizations and shall submit this plan to the Legislature at least 30 days prior to implementation.	
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 Provisions:		8,000,000

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1.5. It is the intent of the Legislature that after a review of staffing levels and staff employee compensation by the appropriate legislative budget committees, up to $9,000,000 will be appropriated in the 1989 Budget Bill for transfer to the University of California, upon the order of the Director of Finance, to offset net losses incurred at the Davis, Irvine, and San Diego teaching hospitals for the 1988–89 fiscal year.

6440-025-001—For support of University of California, upon order of the Department of Finance, the State Controller shall make reductions to one or more of the following items:

(a) 6440-001-001
(b) 6440-003-001
(c) 6440-006-001
(d) 6440-011-001
(e) 6440-016-001

Provisions:

1. The reduction shall equal 3.4 percent of the total of the General Fund appropriation made to the University of California in the above specified Items.
2. It is the intent of the Legislature that resident fees for the 1988–89 school year not be increased as a result of the reduction.

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. 62,403,000

Schedule:

Berkeley Campus:

(1) 99.01.060.880-Construct Northwest Animal Facility 13,395,000

Davis Campus Health Sciences:

(2) 99.03.235.880-Working drawings and construct UCD Medical Center intensive care unit expansion 2,345,000

(3) 99.03.240.880-Working drawings and construct UCD Medical Center operating room expansion 4,902,000

Irvine Campus Health Sciences:

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(4) 99.09.220.880-Equip UCI Medical Center cancer center module	1,014,000	
(5) 99.09.225.880-Construct UCI Medical Center psychiatric inpatient facility	14,691,000	
San Diego Campus Health Sciences:		
(6) 99.06.205.880-Construct UCSD Medical Center inpatient tower completion and modernization	26,056,000	
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, and any additional amount, as shall be authorized by the board to pay the cost of financing, 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 1986 Higher Education Capital Outlay Bond Fund		3,000,000
Schedule:		
Universitywide:		
(1) 99.00.005.880-Minor capital outlay	3,000,000	
Provisions:		
1. Of the amount appropriated in category (1) $100,000 shall be allocated to the highest priority projects to provide access for handicapped persons on the Los Angeles campus.		
6440-301-785—For capital outlay, University of California, payable from the 1988 Higher Education Capital Outlay Bond Fund		122,200,000
Schedule:		
Universitywide:		
(1) 99.00.005.880-Minor capital outlay	3,528,000	
(2) 99.00.010.880-Project programming and preliminary plans	200,000	
(3) 99.00.020.880-Construct Northern Regional Library Facility, phase 2	7,836,000	
Berkeley Campus:		
(4) 99.01.005.880-Equip genetics and plant biology building	1,380,000	
(5) 99.01.015.880-Working drawings for life science building renovation	2,603,000	

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(6) 99.01.070.880-Construct seismic safety corrections, California Hall	2,642,000
(7) 99.01.075.880-Working drawings handicapped access improvements, step 5	87,000
(8) 99.01.080.880-Preliminary plans and working drawings for campus electrical distribution system expansion and renovation, step 3	470,000
Davis Campus:	
(9) 99.03.015.880-Construct Hart Hall replacement	7,678,000
(10) 99.03.025.880-Construct Asmundson Hall and Mann Laboratory remodel	4,770,000
(11) 99.03.070.880-Construct electrical system modification and expansion	2,787,000
(12) 99.03.075.880-Preliminary plans for engineering unit 2	1,315,000
(13) 99.03.080.880-Working drawings food science and technology remodel	102,000
(13.1) 99.03.085.880-Davis: AIDS Research Center—Preliminary plans, working drawings, and construction	850,000
Irvine Campus:	
(14) 99.09.020.880-Equip physical sciences unit 2	4,488,000
(15) 99.09.060.880-Preliminary plans and working drawings for Steinhaus Hall renovation	944,000
(16) 99.09.065.880-Preliminary plans for science library	952,000
(17) 99.09.070.880-Preliminary plans and working drawings for campus roadway improvements, step 1	240,000
Los Angeles Campus:	
(18) 99.04.020.880-Working drawings for School of Engineering and Applied Sciences retrofit	740,000
(19) 99.04.030.880-Construct chemistry and biological sciences addition	32,929,000

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(20)	99.04.035.880-Working drawings and construct Fowler Museum academic space	1,836,000
Riverside Campus:		
(21)	99.05.035.880-Working drawings and construct Fawcett Laboratory renovation	1,335,000
San Diego Campus:		
(22)	99.06.015.880-Equip instruction and research facility	2,911,000
(23)	99.06.040.880-Equip Graduate School of International Relations and Pacific Studies	608,000
(24)	99.06.045.880-Working drawings for central library addition	1,079,000
(25)	99.06.050.880-Construct Urey Hall renovations	1,864,000
(26)	99.06.055.880-Construct computer science renovations	1,038,000
(27)	99.06.060.880-Working drawings handicapped access improvements, step 2	59,000
(28)	99.06.065.880-Preliminary plans and working drawings for Undergraduate Sciences Building renovation and seismic corrections	404,000
(29)	99.06.070.880-Preliminary plans for sciences building	1,530,000
(30)	99.06.075.880-Working drawings and construct central plant chilled water system improvements	2,515,000
Santa Barbara Campus:		
(31)	99.08.030.880-Working drawings for physical sciences building	970,000
Santa Cruz Campus:		
(32)	99.07.010.880-Equip natural sciences unit 3	1,819,000
(33)	99.07.015.880-Working drawings handicapped access improvements, step 4	25,000
(34)	99.07.020.880-Construct science library	11,789,000
(35)	99.07.025.880-Construct natural sciences alterations	8,974,000
(36)	99.07.030.880-Construct College Eight academic unit	3,909,000

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(37) 99.07.040.880-Preliminary plans and working drawings for earth and marine sciences building..... 2,790,000

(38) 99.07.045.880-Preliminary plans and working drawings for Meyer Drive extension, phase 1 204,000

6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balance, as of June 30, 1988, of the appropriation made in Item 6440-001-001 of the Budget Act of 1987, is hereby reappropriated for replacement of instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance until June 30, 1989.

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, 1988, of Item 6440-001-001 of the Budget Act of 1987, by September 30, 1988, and the expenditures made pursuant to this item by September 30, 1989.
2. The University of California shall return to the State Controller state general funds appropriated in the Budget Act of 1987 in an amount equal to the General Fund portion of federal contract and grant overhead funds in excess of the 1987–88 budgeted amount, less the $6,000,000 already included in this budget act.

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, 1989.

525—High Technology Education Revenue Bond Fund:

Item 6440-301-525, Budget Act of 1986:

(1) 99.01.005.860—Berkeley, Construct genetics and plant biology building

(2) 99.09.020.860—Irvine, Construct physical sciences unit 2

(7) 99.08.010.860—Santa Barbara, Construct biotechnology seawater laboratory

(8) 99.07.010.862—Santa Cruz, Construct natural sciences unit 3

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782—Higher Education Capital Outlay Bond Fund: Item 6440-301-782, Budget Act of 1986:	
(3) 99.01.025—Berkeley, Construct and equip Etcheverry Hall alterations	
(5) 99.01.040.860—Berkeley, Construct, seismic safety corrections, South Hall	
(6) 99.01.045.860—Berkeley, Construct, campus electrical system, step 1	
(7) 99.01.055—Berkeley, Equip life sciences building addition	
(9.1) 99.03.065.860—Davis, Construct chlorination/dechlorination facility	
(10) 99.03.200—Davis Health Sciences, Construct heat recovery incinerator, UCD Medical Center	
(11) 99.03.205—Davis Health Sciences, Construct emergency department remodel, UCD Medical Center	
(12) 99.03.210—Davis Health Sciences, Construct energy conservation improvements, UCD Medical Center	
(13) 99.03.215—Davis Health Sciences, Purchase duplication equipment, UCD Medical Center	
(14) 99.03.220—Davis Health Sciences, Construct and equip ambulatory surgery unit expansion, UCD Medical Center	
(15) 99.03.225—Davis Health Sciences, Purchase and install digital electronic system, UCD Medical Center	
(16) 99.09.015.860—Irvine, Equip engineering laboratory	
(17) 99.09.040—Irvine, Construct central plant chiller expansion, step 1	
(19) 99.09.055.860—Irvine, Construct campus primary electrical expansion	
(20) 99.09.200—Irvine Campus Health Sciences, construct diagnostic services module expansion, UCI Medical Center	
(21) 99.09.205—Irvine Campus Health Sciences, Construct and equip pathology laboratory consolidation, UCI Medical Center	
(22) 99.09.210—Irvine Campus Health Sciences, Construct energy conservation programs, UCI Medical Center	
(23) 99.09.215—Irvine Campus Health Sciences, Construct and equip outpatient services facility, UCI Medical Center	

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(26) 99.04.005—Los Angeles, Construct law school addition and related alterations	
(29) 99.05.005.860—Riverside, Construct replacement of greenhouses 1–5	
(30) 99.05.010.860—Riverside, Construct and equip hazardous waste facility	
(31) 99.06.015.860—San Diego, Construct instruction and research facility	
(32) 99.06.025—San Diego, Construct Urey Hall air handling system improvements	
(33) 99.06.035.860—San Diego, Equip engineering building, unit 1	
(35) 99.06.200—San Diego Health Sciences, Construct multipurpose administrative facility, UCSD Medical Center	
(39) 99.10.005.860—Agriculture and Natural Resources, Construct Kearney Agricultural Center development	
782—Higher Education Capital Outlay Bond Fund: Item 6440-301-782, Budget Act of 1987:	
(11) 99.09.050.871—Irvine, Working drawings for Physical Sciences Unit 1 renovation	
(16) 99.06.050.871—San Diego, Working drawings for Urey Hall renovations	
6440-495—(a) Reversion, University of California. As of June 30, 1988, the unencumbered balance of the appropriation provided in Chapter 432, Statutes of 1987 shall revert to the unappropriated surplus of the General Fund.	
(b) Reversion, University of California. As of June 30, 1988, the unencumbered balance of the appropriation provided in Item 6440-016-001, Budget Act of 1987, shall revert to the unappropriated surplus of the General Fund.	
6600-001-001—For support of Hastings College of the Law	11,765,000
Provisions:	
1. The appropriations from these funds are exempt from Section 31.00 of this act.	
6600-001-785—For support of the Hastings College of the Law payable from the 1988 Higher Education Capital Outlay Bond Fund	588,000
Provisions:	
1. The funds appropriated by this item are for the purpose of removing asbestos-containing materials.	

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2. Hastings College of the Law shall obtain air samples of all spaces 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.	
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.	
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	286,000
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, 1989, by the Directors of Hastings College of the Law.	

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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 1988–89 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.
3. Of the funds appropriated in this item, $77,000 shall be for faculty salary increase.
4. Of the funds appropriated in this item, $138,000 shall be for salary increases and special salary adjustments.
5. Of the funds appropriated in this item, $71,000 shall be available to the Directors of Hastings College of the Law for faculty and nonfaculty benefits.
6. (a) Notwithstanding the provisions of Section 6.50 of this act, funds appropriated in this item for faculty and nonfaculty salary increases may not be transferred between these categories.
(b) Funds may be transferred between either the faculty or nonfaculty salary increase item and other items within the University's budget only insofar as deemed necessary to mitigate or allay layoffs on account of the unallocated reduction. If redirection of funds is necessary to avoid or mitigate layoffs, the University shall prepare a plan for redirection in consultation and cooperation with the employee organizations and shall submit this plan to the Legislature at least 30 days prior to implementation.

6600-025-001—For support of Hastings College of the Law, upon order of the Department of Finance, the State Controller shall make reductions to one or more of the following items:

1. 6600-001-001
2. 6600-006-001
3. 6600-011-001

Provisions:

1. The reduction shall equal 3.7 percent of the total of the General Fund appropriation made to the Hastings College of the Law in the above specified Items.

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2. It is the intent of the Legislature that resident fees for the 1988–89 school year not be increased as a result of the reduction.

6600-490—Reappropriation, Hastings College of the Law. Notwithstanding any other provision of law, the unencumbered balance, as of June 30, 1988, of the appropriation made in Item 6600-001-001 of the Budget Act of 1987, is hereby reappropriated for instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance until June 30, 1989.

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, 1988, of Item 6600-001-001 of the Budget Act of 1987, by September 30, 1987, and the expenditures made pursuant to this item by September 30, 1989.

6610-001-001—For support of Trustees of the California State University and the California State University 1,482,068,000

Schedule:

(a) 01-Instruction	1,070,182,000
(b) 03-Public Service	1,191,000
(c) 04-Academic Support	190,700,444
(d) 05-Student Service	149,448,000
(e) 06-Institutional Support	369,074,000
(f) 07-Independent Operations	71,511,000
(g) 11-Provisions for Allocation	−9,992,444
(h) Reimbursements	−33,414,000
(i) Amounts payable from the General Fund (Item 6610-010-001)	−326,632,000

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

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which funds are appropriated for the support of the California State University.

Any transfer of funds made under the above exceptions shall be reported to the Department of Finance and Joint Legislative Budget Committee within 30 days after the end of each quarter in which such transfer was approved.

2. The funds appropriated in this item may be reallocated upon order of the Trustees of the California State University subject to being reported to the Department of Finance; provided that no instructional faculty positions authorized for the 1988–89 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 6610-310-785 may be used by the Trustees of the California State University to reclassify instructional capacity space, administrative space, library space, or faculty offices to other uses unless and until any such proposed reclassification is first approved by the Department of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.
5. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the California State University declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the state university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when the Director of Finance certifies that the systemwide enroll-

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ment of the California State University exceeds by 2 percent or more the enrollment upon which the budget for the state university was based; provided, that no increased expenditure may exceed $6,000,000 in the aggregate for both the California State University and the University of California or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

In the event that the systemwide enrollment of the California State University is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

Based upon fall annualized full-time equivalent (FTE) students, all surplus funds withdrawn from any campus consistent with the policy of the California State University (CSU) system due to fluctuations in student enrollments, shall be returned:

(a) To campuses with enrollments in excess of the budgeted level consistent with the CSU policy and

(b) To all campuses for allocation to the programs of "Instruction" and "Academic Support".

"Surplus" is defined as those funds in excess of that returned to the state pursuant to this section. No exceptions to the above prescribed allocation may be made unless prior approval is given by the Department of Finance and is reported to the Chairperson of the Joint Legisla-

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tive Budget Committee, and the financial necessity of any such exception shall be identified.

6. The funds appropriated in this item for Program 05—Student Service, to provide financial aid to California State University students, shall be used to provide financial aid to needy students according to the nationally accepted needs analysis methodology.
7. Of the amount appropriated in Schedule (g), $220,400 is available for transfer to the California State University and Colleges Special Projects Fund, pursuant to the provisions of Public Resources Code Section 25008.5, which allows state agencies to retain 50% of the financial benefits realized through energy savings projects.
8. Of the amount appropriated in Schedule (e), $316,000 is provided for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.

6610-001-785—For support of Trustees of the California State University and the California State University, payable from the 1988 Higher Education Capital Outlay Bond Fund 10,600,000

Provisions:

1. The funds appropriated by this item are for the purpose of removing asbestos-containing materials identified in categories C, D and F in the recently completed CSU Asbestos Abatement Feasibility Study.
2. California State University shall obtain air samples of all spaces 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.

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 Educa-

Item		Amount
tion Fund		(22,502,000)
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		79,974,000
6610-002-001—For support of Trustees of the California State University and the California State University for transfer to and in augmentation of Item 6610-001-001, for the purpose of providing stipends and related benefits and administrative overhead expenses for the Assembly, Senate and Executive Fellows program		1,461,000
Schedule:		
(a) Assembly Fellows	484,000	
(b) Senate Fellows	484,000	
(c) Executive Fellows	358,000	
(d) CSU administrative costs	135,000	
6610-003-001—For support of Trustees of the California State University and the California State University for transfer to and in augmentation of Item 6610-001-001, for payment of lease-purchase payments to be allocated upon order of the Director of Finance no sooner than necessary to allow the California State University to make the required lease-purchase payment		2,274,000
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.		

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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	326,632,000
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.	
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, 1990.	
6610-025-001—For support of Trustees of the California State University and the California State University, upon order of the Department of Finance, the State Controller shall make reductions to one or more of the following items:	
1. 6610-001-001	
2. 6610-002-001	
3. 6610-003-001	
4. 6610-006-001	
5. 6610-021-001	
6. 6610-031-001	
Provisions:	
1. The reduction shall equal 3.3 percent of the total of the General Fund appropriation made to the Trustees of the California State University in the above-specified items.	
2. It is the intent of the Legislature that resident fees for the 1988–89 school year shall not be increased as a result of the reduction.	
6610-031-001—For support of Trustees of the California State University and the California State University, for augmentation for employee compensation	43,778,000

Item		Amount
Schedule:		
(a) 97.20-Faculty Salary Increase		19,868,000
(b) 97.20-Nonfaculty Salary Increase..		11,438,000
(c) 97.20-Nonfaculty Special Salary and Other Adjustments		2,859,000
(d) 97.20-Benefit Maintenance		9,613,000

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.
2. Amounts proposed for employee compensation increases constitute the total increase in compensation for all employees of the California State University for the 1988–89 fiscal year. Funds appropriated for employee compensation increase are to be allocated by executive order of the Department of Finance to the Trustees of the California State University in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in units not yet certified, or in units that are certified but are not bargaining for a 1988–89 memorandum of understanding as of the date of this act, in accordance with salary and benefit schedules established by the Trustees of the California State University.
3. Of the funds appropriated in Schedule (a), $19,868,000 shall be for a faculty salary increase.
4. Of the funds appropriated in Schedule (b), $11,438,000 shall be for a nonfaculty salary increase.
5. Of the funds appropriated in Schedule (c), $2,859,000 shall be for nonfaculty special salary and other adjustments.
6. Of the funds appropriated in Schedule (d), $9,613,000 shall be to maintain faculty and nonfaculty benefits.

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7. 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.		
8. (a) Notwithstanding the provisions of Section 6.50 of this act, funds appropriated in this item for faculty and nonfaculty salary increases may not be transferred between these categories.		
(b) Funds may be transferred between either the faculty or nonfaculty salary increase item and other items within the University's budget only insofar as deemed necessary to mitigate or allay layoffs on account of the unallocated reduction. If redirection of funds is necessary to avoid or mitigate layoffs, the University shall prepare a plan for redirection in consultation and cooperation with the employee organizations and shall submit this plan to the Legislature at least 30 days prior to implementation.		
6610-301-782—For capital outlay, Trustees of the California State University and the California State University, payable from the 1986 Higher Education Capital Outlay Bond Fund		2,324,000
Schedule:		
Systemwide-Trustees of the California State University:		
(1) 06.48.315-Statewide Minor Capital Outlay, preliminary planning, working drawings, construction, and equipment	2,000,000	
California State University, San Francisco:		
(2) 06.84.059-Construction, Faculty Office Addition to Science Building	324,000	
6610-301-785—For capital outlay, Trustees of the California State University and the California State University, payable from the 1988 Higher Education Capital Outlay Bond Fund		105,679,000

Item	Amount
Schedule:	
Systemwide—Trustees of the California State University:	
(1) 06.48.313—Statewide Preliminary Planning for selected 1989–90 projects	400,000
(2) 06.48.314—Statewide Architectural Services	200,000
(3) 06.48.315—Statewide Minor Capital Outlay, preliminary planning, working drawings, construction and equipment	2,000,000
(5) 06.48.321—Statewide—Feasibility Studies for Energy Retrofits	120,000
California State University, Bakersfield:	
(6) 06.50.047—Equipment, Gymnasium	184,000
(7) 06.50.051—Preliminary planning and working drawings, Campus Entry Development	58,000
California State University, Chico:	
(8) 06.52.093—Construction, Plumas Hall Addition	9,799,000
(9) 06.52.094—Working drawings, O'Connell Technology Center	287,000
California State University, Dominguez Hills:	
(10) 06.54.057—Preliminary planning, working drawings Educational Resources Center for Library Remodeling	51,000
California State University, Fresno:	
(11) 06.56.067—Preliminary planning, Music Building Remodel and Addition	190,000
(12) 06.56.077—Working drawings, Engineering East Addition	246,000
(13) 06.56.078—Working drawings and construction, Remodel Speech Arts Building	2,173,000
(14) 06.56.079—Working drawings, University Farm Laboratory	250,000
California State University, Hayward:	
(16) 06.64.070—Preliminary planning and working drawings, Contra Costa Off-Campus Center, Initial Facility	505,000

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Humboldt State University:	
(17) 06.67.084—Preliminary planning, Founders Hall Rehabilitation	199,000
California State University, Long Beach:	
(18) 06.71.081—Equipment, North Campus Library Addition	575,000
(19) 06.71.082—Preliminary planning, Library Addition	198,000
(20) 06.71.083—Preliminary planning, Renovate Engineering Buildings	185,000
(21.5) 06.71.084—Preliminary Planning, Auditorium	202,000
(22.5) 06.71.084—Preliminary Planning, Dance Facility	331,000
(23) 06.71.091—Working drawings and construction, School of Business	12,272,000
(24) 06.73.077—Construction, Arts Complex.....	12,380,000
California State University, Northridge:	
(25) 06.82.056—Equipment, Library II	933,000
(26) 06.82.057—Equipment, Science Addition and Remodel.....	1,299,000
(27) 06.82.058—Preliminary planning, Business Administration/Economics and Education Building..	496,000
(28) 06.82.059—Preliminary planning, South Library Conversion.....	101,000
(29) 06.82.061—Preliminary planning, Ventura Site, Master Plan, Phase I and II.....	200,000
California State Polytechnic University, Pomona:	
(30) 06.98.089—Equipment, Library Addition	889,000
(31) 06.98.090—Equipment, Music Building/Office Addition.....	341,000
(32) 06.98.091—Working drawings, Classrooms/Laboratories/Administration Building, Phase I.....	695,000
California State University, Sacramento:	
(33.1) 06.76.075—Equipment, Engineering/Computer Science Addition	2,190,000
(34) 06.76.083—Construction, Classroom Building	10,466,000

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	California State College, San Bernardino:	
(35)	06.78.068—Construction, Classroom/Faculty Office/Student Services Building	16,364,000
	San Diego State University:	
(36)	06.80.102—Equipment, Classroom/Faculty Office/Student Services Building	756,000
(37)	06.80.108—Equipment, Women's Gymnasium Rehabilitation	314,000
(38)	06.80.109—Working Drawings, construction, Chemistry/Geology Building Addition—Chilled Water System Expansion	120,000
(41)	06.80.115—Working drawings North San Diego Campus, Infrastructure/Site Development	330,000
(42)	06.80.116—Preliminary planning, working drawings, North San Diego Campus, Initial Facility	869,000
(43)	06.80.117—Preliminary planning, North San Diego Campus, Academic Building I	291,000
(44)	06.80.118—Preliminary planning, working drawings, North San Diego Campus, Physical Plant/Corporation Yard	105,000
	San Francisco State University:	
(46)	06.84.085—Working drawings, Remodel Arts and Industry and Addition	386,000
	San Jose State University:	
(47)	06.86.078—Equipment, Renovate Old Science Building	564,000
(48)	06.86.088—Construction, Renovate Dwight Bentel Hall	3,358,000
(49)	06.86.089—Construction, Central Plant Expansion	1,597,000
	California State Polytechnic University, San Luis Obispo:	
(50)	06.96.086—Working Drawings, physical education addition	240,000
(51)	06.96.087—Working drawings, Dairy Science I, Instructional Center	150,000
(52)	06.96.097—Construction, Student Service Building	2,142,000

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(53)	06.96.098—Construction, Remodel and Addition Business Administration and Education	13,086,000
(54)	06.96.099—Working drawings and construction, Faculty Offices I	2,995,000
(54.1)	06.96.089—Preliminary planning, Poultry Science Facility	
Sonoma State University:		
(55)	06.90.055—Equipment, Theatre Arts Building	692,000
California State College, Stanislaus:		
(56)	06.92.050—Equipment, Library II	905,000

Provisions:

1. The funds appropriated under category 21.5 for preliminary plans for a 1,200-seat auditorium at Long Beach shall not be allocated until (1) the Trustees of the California State University (CSU) have adopted a policy statement and selection criteria for evaluating if and when such projects are to be proposed for campuses within the CSU and (2) the chancellor's office applies the policy statement and selection criteria to all campuses and the Long Beach auditorium is demonstrated to be the highest unmet priority need for auditoria systemwide. The CSU shall submit its policy statement and selection criteria to the Legislature for review prior to requesting additional auditoria.
2. Funds appropriated in category (1) for statewide preliminary planning 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 1989–90 Governor's Budget and for which preliminary plans and cost estimates can be developed prior to legislative hearings on the 1989–90 Budget Bill, except that a maximum of $200,000 shall be available for expenditure on July 1, 1988, for utility and site development for major capital outlay projects and for development of benefit/cost analyses of planning alternatives and detail project programs for proposed 1989–90 and 1990–91 capital outlay projects.

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3. The $200,000 appropriated for the Master Plan of the Ventura campus site shall not be encumbered unless and until the State Public Works Board has approved purchase documents and authorized the California State University to acquire the site.
4. The funds appropriated in category (50) for California State Polytechnic University, San Luis Obispo—working drawings, physical education addition, shall not be allocated for expenditure by the California State University (CSU) sooner than 30 days after the CSU has submitted completed preliminary plans, construction specifications, and detailed cost estimates to the Chairperson of the Joint Legislative Budget Committee and the chairs of the legislative fiscal committee in each house which consider appropriations, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.

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, 1988, of the appropriation made in Item 6610-001-001 of the Budget Act of 1987, is hereby reappropriated for replacement of instructional equipment, student EDP workstations, 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, 1990.

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, 1988, of Item 6610-001-001 of the Budget Act of 1987, by September 30, 1988, and the expenditures made pursuant to this item by September 30, 1989, and September 30, 1990.
2. The first $1,868,000 made available by this item shall be used, in conjunction with funds in Item 6610-001-001, for instructional equipment replacement, to fully fund the instructional equipment funding model.

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6610-491—Reappropriation, California State University. Notwithstanding any other provisions of law, the balances 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, 1989.

660—Public Buildings Construction Fund:

(2) 06.82.052—Northridge, construction library II

(3) 06.76.058.870—Sacramento, working drawings and construction library II

782—Higher Education Capital Outlay Bond Fund:

Item 6610-301-782, Budget Act of 1986:

(10) 06.62.066—Fullerton, construct engineering building addition

(13) 06.71.089.863—Long Beach, construct, renovate chemistry labs

(14) 06.73.080.861—Los Angeles, construct, remodel fine arts building

(20) 06.80.102.861—San Diego, construct classroom/faculty/student services building

(21) 06.80.105—San Diego, construct life science building rehabilitation

(23) 06.80.136—San Diego, construct elevator for physically handicapped

(31) 06.96.085.862—San Luis Obispo, preliminary plans and working drawings, remodel engineering east

(33) 06.98.089—Pomona, construct library addition

(34) 06.98.090—Pomona, construct music/office building addition

Item 6610-301-782, Budget Act of 1987:

(3) 06.48.322—Land acquisitions-North San Diego and Ventura off-campus centers

(5) 06.48.330.870—Preliminary plans and working drawings, Contra Costa off-campus center infrastructure and landscape/initial multipurpose facility

(8) 06.48.318—Minor projects-energy conservation retrofits, preliminary planning, working drawings, construction and equipment

(10) 06.52.089.872—Chico, working drawings and construction, renovate Ayres Hall

(14) 06.54.001.873—Dominguez Hills, construction. storm drainage

Item		Amount
(20) 06.67.082.873—Humboldt, working drawings and construction, student and business services building		
(23) 06.67.085.871—Humboldt, preliminary plans, working drawings, and construction, engineering/biological science building retrofit		
(25) 06.71.089.874—Long Beach, working drawings and construction, renovate chemistry laboratories, phase II		
(28) 06.73.077.872—Los Angeles, working drawings, arts complex		
(32) 06.80.108.872—San Diego, construction, women's gymnasium rehabilitation		
(36) 06.84.085.872—San Francisco, working drawings, remodel arts and industry addition		
(37) 06.84.059.872—San Francisco, equipment, faculty office addition to science building		
(38) 06.86.078.872—San Jose, construction, renovate old science building		
(40) 06.86.089.871—San Jose, preliminary planning and working drawings, central plant expansion		
(41) 06.96.085.872—San Luis Obispo, construction, remodel engineering east		
Item 6610-491-782, Budget Act of 1987:		
(25) 06.82.057—Northridge, Construct science addition and remodel		
(26) 06.84.059—San Francisco, Working drawings and construction, Faculty Offices		
6860-001-001—For support of California Maritime Academy		6,376,000
Schedule:		
(a) 10-Instruction	4,707,000	
(b) 20-Academic Support	1,357,000	
(c) 30-Student Services	3,228,000	
(d) 40.01-Administration	2,182,000	
(e) 40.02-Distributed Administration	−2,182,000	
(ex) Unallocated Reduction	−250,000	
(f) Reimbursements	−2,180,000	
(g) Amount payable from the California Maritime Academy Continuing Education Revenue Fund (Item 6860-001-519)	−55,000	
(h) Amount payable from the Federal Trust Fund (Item 6860-001-890)	−401,000	

Item		Amount
(i) Amount payable from California Maritime Academy Trust Fund, pursuant to Section 70038 of the Education Code	−30,000	

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 an amount of up to $422,000. The Director of Finance shall report these changes to the Joint Legislative Budget Committee.
2. It is the intent of the Legislature that resident student fees shall not be increased to offset an unallocated reduction of 3.7 percent.

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 55,000

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 1988–89 for the purchase of fuel oil.

6860-301-785—For capital outlay, California Maritime Academy, payable from the 1988 Higher Education Capital Outlay Bond Fund 280,000

Schedule:

(1) 70.68.005—Minor projects 280,000

Item		Amount
6860-490—Reappropriation, California Maritime Academy. Notwithstanding any other provision of law, the balance, as of June 30, 1988, of the appropriation made in Item 6860-001-001 of the Budget Act of 1987, is hereby reappropriated for replacement of instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance until June 30, 1989.		
Provisions:		
1. The California Maritime Academy shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1988, of Item 6860-001-001 of the Budget Act of 1987, by September 30, 1988, and the expenditures made pursuant to this item by September 30, 1989.		
6870-001-001—For support of Board of Governors of the California Community Colleges		10,622,000
Schedule:		
(a) 10-Apportionments	2,004,000	
(b) 20-Special Services and Operations	11,448,000	
(c) 30.01-Administration	5,185,000	
(d) 30.02-Administration—Distributed	−5,185,000	
(e) Reimbursements	−1,993,000	
(f) Less amount funded in Local Assistance	−837,000	
Provisions:		
1. Upon certification by the chancellor, the Controller shall transfer up to $132,000 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.		
2. Upon certification by the chancellor, the Controller shall transfer up to $56,000 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		

Item		Amount

provision shall not be considered in the calculation of any apportionment deficit.

3. Of the amount appropriated in this item, $155,000 is for support of intersegmental projects under the auspices of the California Education Round Table.
4. Of the amount in this item, $250,000 is for discretionary purposes of the new chancellor. These funds shall be made available on a one-time basis through June 30, 1990.
5. Of the amount appropriated in this item, $66,000 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.
6. 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.

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 711,000

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 1,375,662,000

Schedule:

(a)	10-Apportionments	1,251,843,000
(b)	20.10.010-Extended Opportunity Programs and Services and Special Services	47,322,000
(c)	20.10.020-Disabled Students	31,039,000
(d)	20.10.050-Transfer Centers	1,903,000
(e)	20.10.060-Foster Parent Training..	947,000
(f)	20.10.070-Matriculation	20,900,000

Item		Amount
(g)	20.20.020-Partial Financing of the Academic Senate for the Community Colleges	117,000
(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	4,746,000
(j)	20.30.035-Vocational education allocations	31,883,000
(k)	20.30.037-Transfer Education and Articulation	685,000
(*l*)	20.40.020-Deferred maintenance	15,000,000
(m)	20.40.040-Hazardous Substances	5,000,000
(n)	Reimbursements	—36,259,000

Provisions:

1. The funds appropriated in Schedule (a) are for transfer by the State Controller during the 1988–89 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 1988–89 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 5 of Part 50 of the Education Code.
2. (a) Of the amount appropriated in Schedule (a), up to $6,775,000 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 8152 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 October 1, 1988, on the amount of

Item		Amount
	funds expended for and the hours of related and supplemental instruction offered in the apprenticeship program during the 1987–88 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. In addition, the report shall identify the hours of related and supplemental instruction proposed for the 1988–89 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.	
	(c) 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.	
	(d) For any apprentice program offered pursuant to Section 8152 of the Education Code that in 1988–89 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 6110-101-001 an amount equal to the number of hours for which the apprentice program received funding in 1987–88 times $3.76. Any transfers authorized pursuant to this provision shall be subject to Section 28.00 of this act.	

Item Amount

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, any funds allocated pursuant to Section 84707 of the Education Code or Section 22 of this act shall not be considered as part of the base revenues for community college districts in computing the 1989–90 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.
5. (a) The funds appropriated in Schedule (b) are for transfer by the State Controller during the 1988–89 fiscal year to Section B of the State School Fund.
   (b) Of the amount in Schedule (b), $29,973,000 is for the Extended Opportunity Programs and Services in accordance with the provisions of Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code; $13,420,000 is for the Board Financial Aid Program; $1,472,000 is for the Cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029, Statutes of 1982; and $157,000 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 1987–88 support level 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.

Item Amount

6. The funds appropriated in Schedule (c) are for transfer by the State Controller during the 1988–89 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 1988–89 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.
7. 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.
8. (a) 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.
   (b) 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 $1,047,000 shall be transferred from the Foster Children and Parent Training Fund to 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.
9. The funds appropriated in Schedule (h) shall be expended only for grants.
10. 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.
11. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by category (*l*) shall be available for expenditure until June 30, 1990.

Item	Amount
12. Notwithstanding any other provision of law, an amount equal to 10 percent of the statewide total adjustment computed for credit ADA pursuant to Section 84704 of the Education Code 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.	
13. 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.	
14. The funds appropriated in Schedule (f) are for the purpose of student matriculation, as specified in Chapter 1467, Statutes of 1986.	
15. Notwithstanding any other provision of law, $5,000,000 of the funds appropriated in Schedule (a) shall be for allocation to community college districts in the 1988–89 fiscal year for the purposes of funding, beyond the statutory ADA growth limit, needs in basic skills, including English as a second language course. The chancellor shall develop criteria for allocating funds for instruction in basic skills.	
16. Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall, in the 1988–89 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 1988–89 retirement benefits as adopted by the Board of Administration of the Public Employees' Retirement System. The total amount of this reduction shall equal $3,600,000 and each district's proportionate share shall be based upon 1987–88 employer contributions to the Public Employees' Retirement System.	

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18. 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, 1989, on any waivers granted.
19. The amount appropriated in Schedule (h) is in lieu of any amount which otherwise would be appropriated or reallocated pursuant to Education Code Section 84384.
20. Of the amount appropriated in Schedule (c), $175,000 shall be for allocation to "Recording for the Blind" in support of its program to loan taped educational books to handicapped persons.
21. (a) Notwithstanding any other provision of law, an amount not to exceed $5,000,000 of the amount appropriated in Schedule (a) shall be available for allocation by the Chancellor of the California Community Colleges to community college districts in need of revenue adjustments due to declining average daily attendance (ADA) in the 1987–88 fiscal year. Those districts shall receive two-thirds of the difference between the amount computed pursuant to subdivision (c) of Section 84702 of the Education Code for ADA decline in the 1987–88 fiscal year and subdivision (a) of Section 84702 of the Education Code for ADA growth in the 1988–89 fiscal year. This amount shall not be used for purposes of apportionment computations pursuant to Sections 84700 and 84701 of the Education Code.

(b) In the event that the Budget Act of 1988 does not contain a specific augmentation for the purpose of subdivision (a), the Chancellor shall be authorized to redirect, for this purpose, an amount not to exceed $5,000,000 of the amount appropriated in Schedule (a) which would otherwise be available for regular apportionments. However, prior to that action, the Chancellor shall develop an implementation

Item Amount

plan which shall be subject to the review and approval of the Department of Finance and 30-day notification of the Joint Legislative Budget Committee. The Chancellor shall develop this plan through the Chancellor's Consultation Process, which shall include faculty representation through statewide faculty associations. The plan shall be presented to the Department of Finance no later than September 1, 1988.

22. Upon the approval of the Department of Finance, an amount up to $274,000 may be transferred from Schedule (f) to Item 6870-001-001, Schedule (b), for additional support to the Chancellor of the California Community Colleges in managing the implementation of matriculation.
23. Of the amount appropriated in Schedule (c), $1,900,000 shall be for allocation to community colleges to provide additional assessment activities and support services to students with acquired brain injuries. These funds shall be allocated pursuant to a plan to be developed by the Chancellor of the California Community Colleges.
24. The Chancellor of the California Community Colleges shall be authorized to redirect, for the purpose of funding community college ADA beyond statutory growth limits, an amount not to exceed $5,000,000 of the amount appropriated in Schedule (a) which would otherwise be available for regular apportionments.

    However, prior to that action, the Chancellor shall develop an implementation plan which shall be subject to the review and approval of the Department of Finance and 30-day notification of the Joint Legislative Budget Committee. The Chancellor shall develop this plan through the Chancellor's Consultation Process, which shall include faculty representation through statewide faculty associations. The plan shall be presented to the Department of Finance no later than September 1, 1988.

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25. Of the amount appropriated in Schedule (a), $2,000,000 shall be for allocation to community colleges for implementation of a statewide Management Information System. These funds shall be allocated pursuant to a plan to be developed by the Chancellor of the California Community Colleges.
26. Of the amount appropriated in Schedule (b), $2,300,000 shall be for allocation to community colleges for the purpose of hiring additional staff for campus financial aid offices. These funds shall be allocated pursuant to a plan to be developed by the Chancellor of the California Colleges.

6870-101-785--For local assistance, Board of Governors of the California Community Colleges, payable from the Higher Education Capital Outlay Bond Fund of 1988 33,138,000

Schedule:

(a) 20.40.30-Instructional Equipment 23,138,000
(b) 20.40.040-Hazardous Substances.... 10,000,000

Provisions:

1. The amount appropriated in Schedule (a) 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. Furthermore, these funds shall not be used for personal services costs or operating expenses.
2. The amount appropriated in Schedule (b) is for the purpose of abating asbestos hazards which have been categorized as "severe".
3. Air samples shall be obtained of all spaces 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.

Item	Amount
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.	
6870-102-001—For local assistance, Board of Governors of the California Community Colleges, 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 implementation of proposed regulations of the Board of Governors entitled "Revisions to Regulations Strengthening the Associate Degree", which were noticed on November 24, 1987, State Controller	2,000,000
Provisions:	
1. The State Controller, in consultation with the Board of Governors, shall develop a form for claiming reimbursement of these costs.	
2. The funds appropriated in this item are to be used to reimburse only the one-time costs of complying with the subject regulations. These costs principally involve expediting existing processing, coordinating and clerical functions, in order to review current courses and course outlines against the proposed new standards.	

Item	Amount
3. The Legislature specifically finds that there are no new ongoing costs mandated by the proposed regulations.	
6870-103-001—For local assistance, Board of Governors of the California Community Colleges for transfer to and in augmentation of Item 6870-101-001, for lease-purchase payments to be allocated upon order of the Department of Finance no sooner than necessary to allow selected community colleges to make the required lease-purchase payments.....	272,000
6870-105-001—For local assistance, Board of Governors of the California Community Colleges, unscheduled.....	11,862,000
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.	
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 1986 Higher Education Capital Outlay Bond Fund	109,000
Schedule:	
Santa Barbara Community College District	
Santa Barbara City College	
(1) 40.53.105-Working drawings, Student Services Center 109,000	
6870-301-785—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 1988 Higher Education Capital Outlay Bond Fund	74,320,000
Schedule:	
Allan Hancock Joint Community College District	
Allan Hancock College	
(1) 40.02.101-Equip Humanities Building 122,000	

Item	Amount
(2) 40.01.104-Equip and construct consumer education center	1,223,000
(3) 40.02.106-Working drawings, secondary effects of construct renovation	110,000
(4) 40.02.108-Working drawings and construct Performing Arts Addition	778,000
Butte Community College District	
Butte College	
(5) 40.05.101-Working drawings, construct Maintenance Warehouse	762,000
Cabrillo Community College District	
Cabrillo College	
(6) 40.06.101-Working drawings, construct and equip Photo Lab Rehabilitation	251,000
Coachella Valley Community College District	
College of the Desert	
(7) 40.10.101-Working drawings, construct removal of architectural barriers to handicapped	123,000
(8) 40.10.102-Working drawings, construct Campus Water System	301,000
Copper Mountain College	
(9) 40.10.202-Equip Vocational Education Building	177,000
Coast Community College District	
Orange Coast College	
(10) 40.11.303-Equip Biology Lab Modifications	198,000
Compton Community College District	
Compton College	
(11) 40.12.101-Working drawings, construct remodel Electronics Laboratory	208,000
Contra Costa Community College District	
Los Medanos College	
(12) 40.13.207-Working drawings Music Addition	153,000
El Camino Community College District	
El Camino College	
(13) 40.14.101-Working Drawings Removal of Architectural Barriers to Handicapped	259,000

Item	Amount
Foothill-DeAnza Community College District	
DeAnza College	
(14) 40.15.101-Working drawings Computer / Electronics / Telecomm Building	466,000
Foothill College	
(15) 40.15.201-Working drawings, construct Removal of Architectural Barriers to Handicapped	197,000
Glendale Community College District	
Glendale College	
(16) 40.18.102-Equip Faculty Office/ Classroom Building	697,000
(17) 40.18.105-Construct Renovation of Classroom Laboratory Administration Building	2,174,000
(18) 40.18.108-Working drawings Remodel to Create Classrooms	132,000
Grossmont-Cuyamaca Community College District	
Cuyamaca College	
(19) 40.19.103-Equip Learning Resource Center	436,000
(20) 40.19.106-Construct Outdoor Physical Education Facility	1,314,000
(21) 40.19.108-Equip Books for Learning Resource Center	229,000
Los Angeles Community College District	
East Los Angeles College	
(22) 40.26.101-Working drawings Vocational Building	112,000
Los Angeles Mission College	
(23) 40.26.401-Equip Instructional Administration Building	993,000
Los Angeles Southwest College	
(24) 40.26.601-Working drawings Technical Education Center	247,000
Los Rios Community College District	
Cosumnes College	
(25) 40.27.202-Equip Cafeteria	184,000
Sacramento City College	
(26) 40.27.303-Construct Performing Arts Complex	3,301,000
Mendocino-Lake Community College District	
Mendocino College	
(27) 40.29.110-Equip Child Care Center	110,000

Item	Amount
(28) 40.29.112-Construct Indoor Physical Education Facility, Phase I ..	3,499,000
Mt. San Antonio Community College District	
Mt. San Antonio College	
(29) 40.33.101-Working drawings, Construct Emergency Access.....	910,000
Mt. San Jacinto Community College District	
West Center	
(30) 40.34.203-Working drawings, Permanent Facilities I	320,000
Peralta Community College District	
Laney College	
(31) 40.40.301-Working drawing, Construct Removal of Architectural Barriers to Handicapped	112,000
Merritt College	
(32) 40.40.403-Equip Remodeled Classroom Building	106,000
Rancho Santiago Community College District	
Orange Campus	
(33) 40.41.107-Working drawings, Construct Relocate Chapman Avenue	459,000
(34) 40.41.108-Working drawings, Construct Permanent Buildings, Increment II	6,336,000
Redwoods Community College District	
College of the Redwoods	
(35) 40.42.101-working drawings, Construct Library Addition	2,216,000
Riverside Community College District	
Moreno Valley Center	
(36) 40.44.203-Working drawings, Permanent Buildings Phase I	519,000
Norco Center	
(37) 40.44.303-Working drawings, Permanent Building Phase I.....	523,000
Saddleback Community College District	
Irvine Valley College	
(38) 40.45.103-Equip Building B Cluster II	700,000
(39) 40.45.109-Working drawings, Construct Road Improvements ..	337,000

Item		Amount
San Diego Community College District		
San Diego City College		
(40) 40.47.102-Working drawings, construct Life Science, Phase I Remodel		202,000
San Diego Miramar College		
(41) 40.47.301-Equip Classroom Building		507,000
San Francisco Community College District		
San Francisco City College		
(42) 40.48.102-Working drawings, Construct Central Shops and Warehouse		2,173,000
John Adams Center		
(43) 40.48.201-Construct Removal of Architectural Barrier to Handicapped		503,000
Southeast Center		
(44) 40.48.202-Equip leased Facilities, Phase I		330,000
(45) 40.48.203-Equip leased Facilities, Phase II		338,000
San Mateo County Community College District		
Canada College		
(46) 40.52.101-Working drawings, construct Removal of Architectural Barriers to Handicapped		106,000
College of San Mateo		
(47) 40.52.201-Working drawings, and Construct Removal of Architectural Barriers to Handicapped		507,000
Skyline College		
(48) 40.52.301-Working drawings and construct Automotive Building Addition		448,000
Santa Barbara Community College District		
Wake Center		
(49) 40.53.107-Working drawings and construct Removal of Architectural Barriers to Handicapped		18,000
Schott Center		
(50) 40.53.108-Working drawings, construct Removal of Architectural Barriers to Handicapped		89,000
Santa Barbara City College		
(51) 40.53.103-Equip Learning Resource Center		948,000

Item		Amount
(52)	40.53.105-Construct Student Service Center	2,043,000
(53)	40.53.110-Working drawings, construct College Secondary Effects Renovation	304,000
(54)	40.53.106-Construct and equip Interdisciplinary Center	4,524,000
Shasta-Tehama-Trinity Joint Community College District		
Shasta College		
(55)	40.57.101-Working drawings for removal of Architectural Barriers to Handicapped	177,000
South County Community College District		
Chabot College, Valley Campus		
(56)	40.62.201-Working drawings for Learning Resources/Offices	266,000
Ventura County Community College District		
Moorpark College		
(57)	40.65.101-Construct Occupational Graphics Art Building	1,603,000
Victor Valley Community College District		
Victor Valley College		
(58)	40.66.101-Working drawings, construct Removal of Architectural Barriers to Handicapped	431,000
West Hills Community College District		
West Hills College		
(59)	40.67.101-Equip Library and Learning Resource Center	126,000
West Valley-Mission Community College District		
West Valley College		
(60)	40.69.101-Working drawings, construct Removal of Architectural Barriers to Handicapped	323,000
Yosemite Community College District		
Columbia College		
(61)	40.70.101-Construct, Equip, Gymnasium and Performing Arts	750,000
Yuba Community College District		
Woodland Center		
(62)	40.71.303-Construct, equip Permanent Building, Phase I	2,783,000
Community Colleges Statewide		
(63)	40.72.070-Preliminary Plans	250,000

Item		Amount
(64)	40.44.201-Riverside Community College District, Moreno Valley Center, Working Drawings, Construct Offsite Development	485,000
(65)	40.34.201-Mt. San Jacinto Community College District, West Center, Construct Offsite Development	1,985,000
(66)	40.44.301-Riverside Community College District, Norco Center Working Drawings, Construct Offsite Development	3,657,000
(67)	40.44.202-Riverside Community College District, Moreno Valley Center, Working Drawings, Construct Onsite Development	3,606,000
(68)	40.304.202-Mt. San Jacinto Community College District, West Center, Working Drawings, Construct Onsite Development	2,317,000
(69)	40.29.114-Mendocino-Lake Community College District, Mendocino College, Working Drawings, Construct Indoor Gymnasium	2,323,000
(70)	40.44.302-Riverside Community College District, Norco Center, Working Drawings, Construct Onsite Development	3,486,000
(71)	40.18.109-Glendale Community College District, Glendale College, Working Drawings, Construct, Equip Aviation Art Building Addition	283,000
(72)	40.45.206-Saddleback Community College District, Saddleback College, Construct Student Services Center	2,722,000
(73)	40.52.001-San Mateo County Community College District, Districtwide, Working Drawings, Construct Energy Conservation Retrofits	265,000
(74)	40.45.115-Saddleback Community College District, Irvine Valley College, Construct Student Services Center	1,505,000

Item		Amount
(84)	40.26.602-Los Angeles Community College District, Southwest College—Gymnasium, Working drawings	414,000
(86)	40.65.203-Ventura Community College District, Oxnard College —Gymnasium, Working drawings	229,000

Provisions:

1. Funds appropriated for working drawings for permanent facilities and infrastructure development (Phase I) for the new Moreno Valley, Norco, and West Center off-campus centers in Riverside County shall not be allocated to the Riverside and San Jacinto Community College Districts for expenditure until the California Postsecondary Education Commission has approved development of each individual center and recommended to the Legislature that funds be appropriated for the projects.

6870-490—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 for the purposes (and subject to the limitations unless otherwise specified) as provided below, and shall be available for expenditure until June 30, 1989.

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 in accordance with the feasibility study approved by the Department of Finance on May 19, 1987. If funds for this purpose are encumbered by June 30, 1988, then this reappropriation shall become inoperative.

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, 1988, of Schedule (a) of Item 6870-101-001 of the Budget Act of 1987 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, 1989. The amount reappropriated shall be deter-

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mined as of March 1, 1989, 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.

6870-492—Reappropriations, 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 for the purposes (and subject to the limitations unless otherwise specified) provided for in these appropriations, and shall be available for expenditure until June 30, 1989.

660—Public Building Construction Fund:

Item 6870-301-660, Budget Act of 1987:

Allan Hancock CCD, Allan Hancock College

(1) 40.02.101—Construct Humanities Building

Coast CCD, Orange Coast College

(2) 40.11.303—Working drawings, construct Biology modification

Kern CCD, Bakersfield College

(3) 40.22.101—Working drawings and equip Science Laboratories reconstruction

Lake Tahoe CCD, Lake Tahoe College

(4) 40.23.104—Equip permanent building Phase I

Los Angeles CCD, Los Angeles Mission College

(5) 40.26.401—Construct Instructional and Administrative Building

Mira Costa CCD, San Dieguito Center

(6) 40.31.205—Equip Permanent Buildings, Phase I

(7) 40.31.204—Equip initial complement of library books

Peralta CCD, College of Alameda

(8) 40.40.104—Equip Diesel Laboratory Building

San Diego CCD, San Diego Miramar College

(10) 40.47.301—Working drawings, construct instructional center

West Hills CCD, West Hills College

(14) 40.67.101—Working drawings, construct and equip Library Addition

782—Higher Education Capital Outlay Bond Fund:

Item 6870-301-782, Budget Act of 1986:

Fremont-Newark CCD, Ohlone College

Item	Amount
(2) 40.16.102—Working drawings and construction, remove architectural barriers	
Long Beach CCD, Long Beach City College	
(8) 40.24.104—Construct education support service center	
San Bernardino CCD, Crafton Hills College	
(14) 40.46.102—Construction, remove architectural barriers	
Yosemite CCD, Modesto Junior College	
(16) 40.70.203—Working drawings, construct, remove architectural barriers	
Los Angeles CCD, Los Angeles City College	
(18) 40.76.203—Construct chemistry building safety corrections	
Item 6870-301-782, Budget Act of 1987:	
Cerritos CCD, Cerritos College	
(2) 40.07.102—Working drawings, construct and equip Energy conservation measures	
Coast CCD, Golden West College	
(3) 40.11.201—Working drawings, construct and equip removal of architectural barriers	
Glendale CCD, Glendale College	
(4) 40.18.104—Working drawings, construct and equip Child Development Center	
Grossmont-Cuyamaca CCD, Grossmont College	
(7) 40.19.201—Working drawings, construct and equip Child Development Center	
Kern CCD, Cerro Coso College	
(8) 40.22.204—Equip and remodel Library Counseling Center and Student Services	
(9) 40.22.206—Working drawings, construct and equip classroom addition	
(10) 40.22.207—Working drawings, construct and equip Child Care Center	
Lake Tahoe CCD, Lake Tahoe College	
(13) 40.23.106—Working drawings, construct Site Development, Phase II	
Los Angeles CCD, Los Angeles City College	
(14) 40.26.401—Working drawings and construct Music Building Hvac	
Los Rios Community College District, American River College	
(15) 40.27.104—Working drawings, construct and equip remodel for Learning Resource Center	
Cosumnes River College	
(16) 40.27.201—Working drawings, construct and equip removal of architectural barriers	

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(17) 40.27.202—Working drawings, construct Cafeteria Building

Palomar CCD, Palomar College

(23) 40.38.104—Working drawings, construct and equip remodel seven buildings for space utilization

Peralta CCD, Merritt College

(24) 40.40.403—Working drawings, construct conversion of existing space

Redwoods CCD, Mendocino Coast Educational Center

(27) 40.42.304—Working drawings, construct and equip vocational building

Saddleback CCD, Saddleback College

(29) 40.45.205—Working drawings, construct vocational Technology Building

San Bernardino CCD, San Bernardino Valley College

(30) 40.46.201—Working drawings, construct and equip removal of architectural barriers to handicapped persons

San Diego Community College District, San Diego City College

(31) 40.47.101—Working drawings and construct, remodel existing Life Sciences facility, Phase I

San Diego Mesa College

(31.5) 40.47.201—Working drawings and construct, asbestos removal

San Francisco CCD, City College of San Francisco

(32) 40.48.101—Working drawings, construct Batmale Hall code compliance

Yosemite CCD, Columbia College

(35) 40.70.101—Construct multi-Purpose Instructional Facilities, Gymnasium

6870-495—(a) Reversion, Board of Governors, California Community Colleges. On June 30, 1988, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.

001—General Fund

(1) Chapter 1486, Statutes of 1986, appropriated for district fiscal monitoring.

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(b) Reversion, Board of Governors, California Community Colleges. Notwithstanding any other provision of law, of the funds for basic skills courses beyond statutory attendance limits provided in Provision 26 of Item 6870-101-001 of the Budget Act of 1987, $6,000,000 shall revert to the General Fund on June 30, 1988.		
7980-001-001—For support of the Student Aid Commission		6,962,000
Schedule:		
(a) 15-Financial Aid Grants Program	7,104,000	
(b) 50-California Educational Loan Program	16,206,000	
(c) 80.01-Administration and Support Services	6,075,000	
(d) 80.02-Distributed Administration and Support Services	−6,075,000	
(dx) Unallocated Reduction	−142,000	
(e) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951)	−16,206,000	
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		16,206,000
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	16,121,000	
2. Notwithstanding any other provisions of law, 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 $100,000 shall be available to advance to the State Guaranteed Student Loan Processing Contractor subject to return in accordance with terms of the service contract. The funds advanced shall be used exclusively for payment to the State Guaranteed Student Loan Processing Contractor for (1) refund of student loan		

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insurance premiums due lenders on canceled loans, (2) refund of student borrower overpayments, (3) refund of collections made in error, (4) purchase of returned borrower checks, and (5) collection service fees.	
7980-011-890—To the Student Aid Commission, Program 50, for transfer to the State Guaranteed Loan Reserve Fund, payable from the Federal Trust Fund	150,943,000
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 any other provisions 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.	
2. No authorization may become effective sooner than 10 days after notification in writing to the Joint Legislative Budget Committee.	
7980-021-951—There is hereby appropriated from the State Guaranteed Loan Reserve Fund to the Student Aid Commission for purposes of Chapter 1201, Statutes of 1977 a sum necessary to make payments to the federal Secretary of Education and to the State Guaranteed Student Loan Processing Contractor in compliance with the regulations of the Federal Guaranteed Student Loan Program and the California Educational Loan Program which require (1) payment to the federal Secretary of 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.	

Item	Amount
7980-101-001—For local assistance, Student Aid Commission	118,465,000

Schedule:

(a) 15-Financial Aid Grants Program 131,190,000

(b) Amount payable from the Federal Trust Fund (Item 7980-101-890) .. — 12,725,000

Provisions:

1. Funds appropriated in category (a) are:
   (a) 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 and,
   (b) For grant awards under provisions of Article 2 (commencing with Section 52150) of Chapter 7 of Part 28 of the Education Code and,
   (c) For graduate fellowship awards 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,
   (d) For grants under provisions of Article 16 (commencing with Section 69900) of Chapter 2 of Part 42 of the Education Code, and for grants under provisions of Section 4709 of the Labor Code and,
   (e) For CAL-SOAP contract agreements under provisions of Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of the Education Code and,
   (f) For the purchase of Loan Assumptions under provisions of Article 6.5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code and,
   (g) For new and renewal Cal Grant awards in amounts not to exceed award levels comparable to those in effect for the 1987–88 award year except as otherwise provided by law.
2. Notwithstanding any other provision of law, of the 17,400 new grants funded in Schedule (a) for Cal Grant (a) for the 1988–89 fiscal year, 500 shall be granted only to community college students who transfer to a four-year college or university.

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3. Notwithstanding any other provision of law, of the 9,250 new grants funded in Schedule (a) for Cal Grant (b) for the 1988–89 fiscal year, 250 shall be granted only to community college students who transfer to a four-year college or university.
4. Upon approval of the Director of Finance, the Student Aid Commission may transfer funds as necessary within category (a) to accommodate Program element 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.
5. If federal trust funds for the 1988–89 fiscal year exceed budgeted levels, the funds appropriated shall, to the extent allowable by federal law, be reduced on a dollar-per-dollar basis.
6. 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 $53,000 for the purposes of determining recipients for the 1988–89 award year.
7. The Student Aid Commission shall grant only renewal awards under the Bilingual Teacher program element in 1988–89. 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

7980-111-001—For local assistance, Student Aid Commission, for transfer to and in augmentation of Item 7980-101-001 3,112,000

Provisions:

1. Funds appropriated by this item shall be available only for Cal Grant (a) awards.
2. Notwithstanding any other provision of law, funds appropriated by this item shall not be allocated for any Cal Grant (a) award in excess of an average of one thousand and one hundred twenty-five dollars ($1,125) to any recipient enrolled in the University of California.

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3. Notwithstanding any other provision of law, funds appropriated by this item shall not be allocated for any Cal Grant (a) award in excess of an average of three hundred and fifty-five dollars ($355) to any recipient enrolled in the California State University.
4. Notwithstanding any other provision of law, the maximum Cal Grant (a) award shall be set at $5,200.
5. Student Aid Commission shall allocate program reductions proportionately to the extent that the amount provided in this item is insufficient to fully fund these provisions.

7980-121-001—For local assistance, Student Aid Commission, for transfer to and in augmentation of Item 7980-101-001 6,347,000

Provisions:

1. Funds appropriated by this item shall be available only for Cal Grant (b) awards.
2. Notwithstanding any other provision of law, funds appropriated by this item shall not be allocated for any Cal Grant (b) award in excess of an average of one thousand and one hundred twenty-five dollars ($1,125) for tuition and fees to any recipient enrolled in the University of California.
3. Notwithstanding any other provision of law, funds appropriated by this item shall not be allocated for any Cal Grant (b) award in excess of an average of three hundred and fifty-five dollars ($355) for tuition and fees to any recipient enrolled in the California State University.
4. Notwithstanding any other provision of law, the number of new Cal Grant (b) awards shall be increased by 3,000 to a total of 12,250 each year.
5. The maximum subsistence allowance for Cal Grant (b) awards shall be increased four and one-half percent (4.5%).
6. Notwithstanding any other provision of law, the maximum Cal Grant (b) award shall be set at $5,200.
7. The Student Aid Commission shall allocate program reductions proportionately to the extent that the amount provided in this item is insufficient to fully fund these provisions.

8100-001-001—For support of the Office of Criminal Justice Planning 4,892,000

Item		Amount
Schedule:		
(a) 20.01-Administration	2,739,000	
(b) 20.02-Distributed Administration	−2,739,000	
(c) 50-Local Project Awards	8,133,000	
(d) Amount payable from Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-241)	−68,000	
(e) Amount payable from Victim Witness Assistance Fund (Item 8100-001-425)	−1,630,000	
(f) Amount payable from the Federal Trust Fund (Item 8100-001-890)	−1,169,000	
(g) Reimbursements	−374,000	
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 20 percent federal funds and 80 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		68,000
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		1,630,000
8100-001-890—For support of the Office of Criminal Justice Planning, for transfer to Item 8100-001-001, payable from the Federal Trust Fund		1,169,000
8100-011-425—For transfer to the General Fund, payable from the Victim/Witness Assistance Fund		200,000
8100-101-001—For local assistance, Program 50, Local Project Awards, Office of Criminal Justice Planning		27,446,000
Schedule:		
(a) 50.21.040-Domestic Violence Program	1,500,000	

Item	Amount
(b) 50.21.050-Victims Legal Resources Center	380,000
(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	2,810,000
(f) 50.41.030-California Gang Violence Suppression Program	4,804,000
(fx) 50.41.045—Homeless Youth Project	920,000
(fy) 50.41.060—North East Youth Athletic League	100,000
(g) 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
(h) 50.51.020-Major Narcotic Vendors Prosecution Program	2,751,000
(i) 50.51.030-Child Sexual Assault Prosecution Program	1,498,000
(j) 50.61.010-Public Prosecutors and Public Defenders	30,000
(k) 50.61.020-Child Sexual Abuse Prevention and Training	700,000
(*l*) 50.71.010-California Career Criminal Apprehension Program	2,404,000
(m) 50.71.040-Youth Emergency Telephone Referral	211,000
(n) 50.71.055-Campaign Against Marijuana Planting	3,500,000
(o) 50.71.060-Vertical Defense	721,000
(ox) 50.71.110-Targeted Urban Crime Narcotics Task Force	150,000
(p) 50.71.080-Juvenile Sex Offender Treatment	450,000
(q) 50.71.110-Serious Habitual Offender	570,000
(r) Reimbursements	−1,370,000

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Provisions:

1. The amount appropriated in Schedule (g) 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 20 percent federal funds and 80 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.

4.5 $3,500,000 of the amount appropriated in Schedule (n) is for local assistance to Amador, Calaveras, Tuolumne, Tulare, Humboldt, Mendocino, Trinity, Kern, Mariposa, 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) Amador—$56,250; Calaveras—$56,250; Tuolumne—$56,250; Tulare—$56,250; Kern—$56,250; Mariposa—$56,250; Humboldt—$425,000; Mendocino—$425,000; Trinity—$150,000; Butte—$250,000.

(b) For the sheriff's department in each of those counties as follows: Amador—$69,000; Calaveras—$69,000; Tuolumne—$69,000; Tulare—$69,000; Kern—$68,250; Mariposa—$68,250; Humboldt—$500,000; Mendocino—$500,000; Trinity—$250,000; Butte—$250,000.

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

Item		Amount
Provisions:		
1. Notwithstanding any other provisions of law, the State Office of Criminal Justice Planning may provide up to two months' advance payment of grant 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 grant 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		28,293,000
Schedule:		
(a) 50.21.040-Domestic Violence Program	735,000	
(b) 50.21.060-Victims of Crime Act (VOCA)	3,381,000	
(c) 50.31.030-Federal Rape Prevention	380,000	
(d) 50.41.010-Juvenile Justice and Delinquency Prevention	3,745,000	
(e) 50.41.030-Gang Violence Suppression	505,000	
(f) 50.71.100-Justice Assistance Act	3,781,000	
(g) 50.71.120.000-Federal Anti-Drug Abuse Program	15,766,000	

Item		Amount
Provisions:		
1. Notwithstanding any other provisions of law, the State Office of Criminal Justice Planning may provide up to two months' advance payment of grant 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.		
2. Of the amount appropriated in Schedule (b), $146,000 shall be allocated to the Victim/Witness Assistance Program to ensure that victim services are provided in all counties, and $54,000 shall be allocated to the Rape Crisis Program to provide services in two additional counties.		
8100-490—Reappropriation, Office of Criminal Justice Planning. Notwithstanding any other provision of law, up to $500,000 of the funds available in category (m), Item 8100-101-001 of the Budget Act of 1985 shall be available for the Office of Criminal Justice Planning to provide reimbursement to the County of Calaveras for the costs associated with the investigation of the slayings in Wilseyville. The funds shall be allocated according to demonstrated need. The amount of the reimbursement shall be determined under the same standards used in making grants to local government in accordance with Item 8180-101-001.		
8120-001-268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund		7,017,000
Schedule:		
(a) 10-Standards	3,482,000	
(b) 20-Training	5,491,000	
(c) 30-Peace Officer Training Reimbursement	67,000	
(d) 40.01-Administration	2,455,000	
(e) 40.02-Distributed Administration	−2,455,000	
(f) Reimbursements	−67,000	
(g) Amount payable from the Peace Officers' Training Fund (Item 8120-011-268)	−1,956,000	
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		1,956,000

Item	Amount
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 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..	30,515,000
Provisions: 1. Funds may be transferred between this item and Item 8120-011-268 to meet the needs of local training programs. 2. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the Peace Officers' Training Fund which is in addition to the revenue appropriated by this item, not sooner than 30 days after notification in writing to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee. The director may authorize these augmentations only up to the amount needed to reach the goal of providing 100 percent salary reimbursement to the cities and counties.	
8140-001-001—For support of State Public Defender....	7,060,000
Schedule: (a) 10-State Public Defender ..... 7,208,000 (ax) Unallocated Reduction..... −144,000 (b) Reimbursements ..... −4,000	
8160-111-001—For local assistance, Assistance to Counties for Defense of Indigents, pursuant to Section 987.9 of the Penal Code, for payment by the State Controller	10,000,000
Provisions: 1.5. Claims made pursuant to this item shall be filed by the local jurisdiction within six months after the end of the month in which costs are incurred.	

Item	Amount
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.	
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

Item		Amount
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.		
3. Payment under this item is limited in amount to claims, settlements, compromises, and judgments which do not exceed $70,000, exclusive of interest, and no payment from this item exceeding that amount shall be approved by the Department of Finance or made by the Department of Justice.		
4. No payment shall be approved by the Department of Finance or made by the Department of Justice from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment upon which the payment is based.		
8200-001-001—For support of Commission for Economic Development		568,000
Schedule:		
(a) 10-Commission for Economic Development	571,000	
(b) Reimbursements	−3,000	
8260-001-001—For support of California Arts Council		2,674,000
Schedule:		
(a) 10-Artists in Residence	693,000	
(b) 20-Organizational Grants	1,223,000	
(c) 25-Performing Arts Touring/Presenting Program	388,000	
(d) 40-Statewide Projects	722,000	
(e) 45-California Challenge Program	70,000	
(f) 50.01-Administration	1,354,000	
(g) 50.02-Distributed Administration	−1,454,000	
(gx) Unallocated Reduction	−57,000	

Item		Amount
(h) Amount payable from the Federal Trust Fund (Item 8260-001-890) ..	−265,000	
8260-001-890—For support of the California Arts Council, for transfer to Item 8260-001-001, payable from the Federal Trust Fund		265,000
8260-101-001—For local assistance, California Arts Council for grants and subventions		15,081,000
Schedule:		
(a) 10-Artists in Residence	2,068,000	
(b) 20-Organizational Grants	9,277,500	
(c) 25-Performing Arts Touring/Presenting Program	690,500	
(d) 40-Statewide Projects	3,045,000	
Provisions:		
1. Funds appropriated for the local organization development, and support to prominent organizations program elements, shall not be expended unless the grant recipient provides a dollar-for-dollar cash match; provided that no matching funds shall be required for grants to individual artists.		
8260-101-890—For local assistance, California Arts Council, payable from the Federal Trust Fund		631,000
Schedule:		
(a) 10-Artists in Residence	251,000	
(b) 20-Organizational Grants	250,000	
(c) 25-Performing Arts Touring/Presenting Program	130,000	
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.		

Item		Amount
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 no matching funds shall be required for grants to individual artists.		
8260-111-001—For local assistance, California Arts Council for California Challenge Program Grants		930,000
Provisions:		
1. Funds appropriated for the California Challenge Program shall not be expended unless the grant recipient provides matching funds through new and increased private contributions based on criteria established by the California Arts Council specifically for this program.		
8280-001-001—For support of Native American Heritage Commission		307,000
Schedule:		
(a) 10-Native American Heritage Commission	307,000	
8300-001-001—For support of Agricultural Labor Relations Board		5,678,000
Schedule:		
(a) 10-Board Administration	2,523,000	
(b) 20-General Counsel Administration	3,155,000	
(c) 30.01-Administrative Services	521,000	
(d) 30.02-Distributed Administrative Services	−521,000	
8320-001-001—For support of Public Employment Relations Board		6,025,000
Schedule:		
(a) 10-Dispute Resolution	5,003,000	
(b) 20-Representation	1,145,000	
(c) 30.01-Administration	1,296,000	
(d) 30.02-Distributed Administration	−1,296,000	
(e) Unallocated Reduction	−123,000	
8350-001-001—For support of Department of Industrial Relations		94,669,000
Schedule:		
(ax) Program operations	160,176,000	
(kx) Unallocated Reduction	−23,667,000	
(*l*) Reimbursements	−2,147,000	
(m) Amount payable from the Farm Labor Contractor's Special Account (Item 8350-001-023)	−50,000	

Item		Amount
(o)	Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 8350-001-216)	−557,000
(p)	Amount payable from the Self-Insurance Plans Fund (Item 8350-001-396)	−1,474,000
(q)	Amount payable from the Elevator Safety Inspection Account, General Fund (Item 8350-001-452)	−3,188,000
(r)	Amount payable from the Pressure Vessel Inspection Account, General Fund (Item 8350-001-453)	−3,030,000
(rx)	Amount payable from the Garment Manufacturer's Special Account (Item 8350-001-481)	−50,000
(s)	Amount payable from the Employee's Account, Uninsured Employer's Fund (Item 8350-001-571)	−14,905,000
(t)	Amount payable from the Asbestos Workers Account, Uninsured Employer's Fund (Item 8350-001-572)	−313,000
(u)	Amount payable from the Federal Trust Fund (Item 8350-001-890)	−16,026,000
(v)	Amount payable from the Asbestos Abatement Account (Item 8350-001-973)	−100,000

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.
3. None of the funds appropriated in Schedule (ax) for Program Operations may be used to pay the salary of the Director of the Department of Industrial Relations.
4. Pursuant to Section 123.5 of the Labor Code, none of the funds appropriated by this item shall be expended for salaries of Workers' Compensation Judges in violation of that section.
5. The Department of Industrial Relations shall adhere to statutory requirements for timely processing of workers' compensation cases.

Item	Amount
6. The Department of Industrial Relations shall not utilize volunteers to assist in the processing of workers' compensation cases unless specifically authorized in statute.	
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	557,000
8350-001-396—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Self-Insurance Plans Fund	1,474,000
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	3,188,000
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	3,030,000
8350-001-481—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Garment Manufacturer's Special Account	50,000
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	14,905,000
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	313,000
8350-001-890—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Federal Trust Fund	16,026,000
8350-001-973—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Asbestos Abatement Fund	100,000
8350-011-001—For support of Department of Industrial Relations, for transfer to Item 8350-001-571, payable from the General Fund	13,400,000
8380-001-001—For support of the Department of Personnel Administration	7,287,000
Schedule:	
(a) 100000-Personal Services 7,782,000	

Item		Amount
(b) 300000-Operating Expenses and Equipment	2,907,000	
(c) Apprenticeship Training	24,000	
(cx) Unallocated Reduction	−149,000	
(d) Reimbursements	−2,442,000	
(e) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-915)	−835,000	

Provisions:

1. No funds appropriated by this act may be expended to support any activity related to drug testing of individuals except in accordance with approved regulations. The department shall provide 30-day written notice to the appropriate policy and fiscal committees in each house prior to implementation of regulations authorizing drug testing of individuals. The notice shall summarize: (a) the criteria for testing, (b) the classifications or individuals subject to testing, (c) provisions for protection of the constitutional, confidentiality, and privacy right of individuals tested, (d) provisions for counseling and rehabilitation treatment for employees with drug problems, and (e) the fiscal impact of the drug testing program.

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 835,000

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) Prelitigation Expenses	170,000	
(d) Support, Department of Industrial Relations	688,000	
(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.

Item	Amount
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 1988–89, 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
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	927,000
Schedule:	
(a) 10-Board of Chiropractic Examiners 930,000	
(b) Reimbursements ..... −3,000	

Item		Amount
8510-001-264—For support of Board of Osteopathic Examiners of the State of California, payable from the Board of Osteopathic Examiners Contingent Fund		488,000
Schedule:		
(a) 10-Board of Osteopathic Examiners	490,000	
(b) Reimbursements	−2,000	
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		445,000
Schedule:		
(a) 10.01 Support	148,000	
(b) 10.02 Training	297,000	
8540-001-114—For support of California Auctioneer Commission, Program 10, payable from the Auctioneer Commission Fund		246,000
8550-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund		6,748,000
Schedule:		
(a) 100000-Personal Services	1,946,000	
(b) 300000-Operating Expenses and Equipment	5,112,000	
(c) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-942)	−310,000	
Provisions:		
1. On June 30, 1988, the remaining fund balances in the Other Regulatory Licenses and Permits Fund and any other amounts received during the 1988–89 fiscal year are hereby transferred to the Fair and Exposition Fund to supplement purses at fairs pursuant to Sections 19596.5 and 19596.5(h) of the Business and Professions Code.		
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, 1989		(1,490,000)

Item			Amount
8560-001-510—For support of California Exposition and State Fair, provided that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the California Exposition and State Fair Enterprise Fund by the California Exposition and State Fair			13,759,000
Schedule:			
(a) 100000-Personal Services		6,159,000	
(b) 300000-Operating Expenses and Equipment		8,465,000	
(c) Reimbursements		−600,000	
(d) Amount payable from the Fair and Exposition Fund		−265,000	
Provisions:			
1. The amount appropriated by subdivision (a) of Section 19622 of the Business and Professions Code shall be transferred by the State Controller to this item.			
2. The Director of Finance may authorize 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 Schedule (b), $75,000 shall be made available for payment of attorney fees.			
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			70,563,000
Schedule:			
(a) 10-Pesticide Regulatory Program		26,853,000	

Item	Amount
(b) 20-Plant Pest and Disease Prevention	26,008,000
(c) 25-Animal Pest and Disease Prevention/Inspection Services	19,729,000
(d) 30-Agricultural Marketing Services	4,660,000
(e) 40-Food and Agricultural Standards and Inspection Services	1,953,000
(f) 50-Measurement Standards	2,385,000
(g) 60-Financial and Administrative assistance to local fairs	1,274,000
(h) 70.01-Exec. Mgmt. and Admin. Svcs.	7,953,000
(i) 70.02-Distributed Exec. Mgmt. and Admin. Svcs.	−7,105,000
(j) 80-Gen. Agriculture Activities and Emergency Funding	8,425,000
(k) Reimbursements	−2,882,000
(kx) Unallocated Reduction	−3,746,000
(*l*) Amount payable from the Agricultural Fund (Item 8570-001-111)	−10,392,000
(m) Amount payable from the Fair and Exposition Fund (Item 8570-001-191)	−1,172,000
(n) Amount payable from the Agriculture Building Fund (Item 8570-001-601)	−1,232,000
(o) Amount payable from the Federal Trust Fund (Item 8570-001-890)	−1,668,000
(p) Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-112)	−363,000
(q) Amount payable from the Environmental License Plate Fund (Item 8570-001-140)	−117,000

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. The Department of Food and Agriculture shall request the Department of General Services to sell 24 general purpose vehicles remaining from the terminated apple maggot eradication program. The proceeds from the sale of these vehicles shall be deposited in the General Fund. In addition, funds appropriated in Item 8570-001-001 shall be used to purchase five gas chromatographs for food safety screening and to replace an electron microscope.	
8570-001-111—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Agricultural Fund	10,392,000
8570-001-140—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the California Environmental License Plate Fund	117,000
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	1,172,000
8570-001-601—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Agriculture Building Fund	1,232,000
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	1,668,000
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	363,000
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)
8570-012-192—For support of Department of Food and Agriculture, Financial and Administrative Assistance to Local Fairs Program	263,000
8570-101-001—For local assistance, Department of Food and Agriculture	11,042,000
Schedule: (a) 10-Pesticide Regulatory Program 2,915,000 (b) 20-Plant Pest and Disease Prevention 7,686,000	

Item		Amount
(c) 50-Measurement Standards	475,000	
(d) 60-Financial and Administrative Assistance to local fairs	4,890,000	
(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)	−4,890,000	
(h) Payable from the General Fund (Item 8570-111-001)	−383,000	

Provisions:

1. In providing assistance to counties under category (c) of this item, the department shall require each county to (1) use these funds for 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 4,890,000

Provisions:

1. The funds appropriated in this item are for the following:
   (a) Unemployment insurance at local fairs 1,150,000
   (b) Health and safety improvements 3,000,000
   (c) Other local fair projects 740,000
2. The funds in Provision 1 (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 unem-

Item		Amount
ployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.		
3. The funds in Provision 1 (b) and (c) are in lieu of the appropriation made in Section 19630 of the Business and Professions Code.		
4. The Department of Food and Agriculture may only allocate the funds appropriated in Provision 1 (c) for the purposes described in Section 19630 of the Business and Professions Code.		
5. The Department of Food and Agriculture may only allocate the funds contained in Provision 1 (b) for health and safety repairs at local fairs. 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.		
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.		
8570-111-001—For local assistance, Department of Food and Agriculture, for transfer to Item 8570-101-001 Provisions:		383,000
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		196,000
Schedule:		
(1) 90.90.010—Minor Projects	196,000	
8620-001-001—For support of the Fair Political Practices Commission		1,110,000
Schedule:		
(a) 10.10-Local enforcement	800,000	
(b) 10.20-Legal, technical assistance and state enforcement	310,000	

Item		Amount
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		2,056,000
Schedule:		
(a) 10-Secretary of State (for transfer by the State Controller to Item 0890-001-001)	658,000	
(b) 20-Franchise Tax Board (for transfer by the State Controller to Item 1730-001-001)	1,088,000	
(c) 30-Attorney General (for transfer by the State Controller to Item 0820-001-001)	318,000	
(d) 40-Fair Political Practices Commission	(2,739,000)	
(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		1,592,000
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		2,274,000
8660-001-412—For support of Public Utilities Commission, payable from the Transportation Rate Fund		17,986,000
Schedule:		
(a) 100000-Personal Services	48,915,000	
(b) 300000-Operating Expenses and Equipment	19,122,000	
(c) Reimbursements	−2,524,000	
(d) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-042)	−1,592,000	
(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-046)	−2,274,000	
(f) Amount payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund (Item 8660-001-461)	−4,031,000	

Item		Amount
(g) Amount payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund (Item 8660-001-462)	−39,370,000	
(h) Amount payable from the Federal Trust Fund (Item 8660-001-890)	−260,000	

Provisions:

1. The Public Utilities Commission shall notify the Legislative Analyst, the Chief Clerk of the Assembly, and the Secretary of the Senate of any proposed reduction of program activities from the levels described in the Governor's 1988–89 Budget for Regulation of Transportation, as approved in this act. The Public Utilities Commission shall not implement any reduction of the program activities pending notification and pending approval by the Legislature of a reduced level of activity through an amendment to this act reducing appropriated funds accordingly.
2. The Public Utilities Commission shall notify the Legislative Analyst and appropriate legislative policy committees of any significant permanent or temporary redirection of authorized positions from within the commission's Transportation Division at the time it submits its request for approval to the Department of Finance.
3. The Public Utilities Commission shall report to the Legislature no later than December 1, 1988, on the activities and expenditures funded from fees paid by motor carriers of passengers during fiscal year 1987–88.

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	4,031,000
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	39,370,000
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	940,000

Schedule:

(a) 11-Citizens Indemnification	18,813,000
(b) 21-Hazardous Substance Claims	21,000

Item		Amount
(c)	31-Civil Claims Against the State	1,063,000
(d)	46-SWPR Interagency Agreement	46,000
(e)	51.01-Administration	1,017,000
(f)	51.02-Distributed Administration	−290,000
(g)	Reimbursements	−289,000
(h)	Amount payable from the Restitution Fund (Item 8700-001-214)	−13,088,000
(i)	Amount payable from the Federal Trust Fund (Item 8700-001-890)	−6,353,000

Provisions:

1. The Board of Control shall not routinely notify all local agencies and school districts regarding its proceedings. However, for each of its meetings the board shall notify all parties whose claims or proposals are scheduled for consideration and any party requesting notice of such proceedings.

8700-001-214—For support of State Board of Control, for support services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, for transfer to Item 8700-001-001, payable from the Restitution Fund 13,088,000

Provisions:

1.5. The Board of Control shall report to the Joint Legislative Budget Committee within 30 days after the end of each month on the status of the Victims of Crime program. This report shall include, but not be limited to, the number of claims received, the number of claims processed, the status of any claim backlog, the status of the claim processing time, staff vacancies, and the condition of the Restitution Fund.

2. Compensation for medical and mental health expenses incurred by or on behalf of minors adjudged dependents of a county, who otherwise qualify under the Victims of Crime Act pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, shall be treated in accordance with the board's rules and procedures pertaining to all other victims of crime who may seek reimbursement from the fund.

8700-001-890—For support of the State Board of Control, for transfer to Item 8700-001-001, payable from the Federal Trust Fund 6,353,000

Item		Amount
8730-001-001—For support of Commission on State Finance, Program 10		817,000
8780-001-001—For support of Commission on California State Government Organization and Economy		553,000
Schedule:		
(a) 10-Commission on California State Government Organization and Economy	555,000	
(b) Reimbursements	−2,000	
8800-001-001—To the State Controller for support of memberships		643,400
Schedule:		
(a) 10-Council of State Governments	303,200	
(b) 20-National Conference of State Legislatures	243,200	
(c) 30-Western States Legislative Forestry Task Force	22,000	
(d) 40-Governmental Accounting Standards Board	67,000	
(e) 50-State and Local Legal Center..	8,000	
Provisions:		
1. Of the amount appropriated by this item, $75,000 is provided for allocation by the Director of Finance as a loan to the Council of State Governments. It is the intent of the Legislature that this $75,000 be repaid to the General Fund by November 30, 1990.		
8820-001-001—For support of Commission on the Status of Women		613,000
Schedule:		
(a) 100000-Personal Services	380,000	
(b) 300000-Operating Expenses and Equipment	233,000	
8830-001-001—For support of California Law Revision Commission, Program 10		576,000
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		100,000
8860-001-001—For support of Department of Finance		25,582,000
Schedule:		
(a) 10-Annual Financial Plan	11,282,000	
(b) 20-Program and Information System Assessments	6,503,000	

Item		Amount
(c) 30-Supportive Data		8,643,000
(d) 40.01-Administration		4,073,000
(e) 40.02-Distributed Administration..		−4,003,000
(ex) Unallocated Reduction		−522,000
(f) Reimbursements		−394,000

Provisions:

1. The funds appropriated in this item for CFIS/CALSTARS shall be transferred by the State Controller, upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for CFIS/CALSTARS related activities by the Department of Finance.
2. The funds appropriated in this act for purposes of CALSTARS related data processing costs may be transferred between any items in this act by the State Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS related data processing costs incurred.
3. 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.

8885-001-001—For support of Commission on State Mandates, Program 10 562,000

Item		Amount
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		118,799,000
Schedule:		
(1). 02.50.135.576—Justice court judges	27,000	
(2) 02.50.139.976—Custody of minors	1,009,000	
(3) 02.50.074.378—Judicial arbitration	5,401,000	
(4) 02.50.088.981—Lis pendens	5,000	
(5) 02.50.081.081—Parent/child counsel	117,000	
(6) 02.50.158.084—Judges' per diem	196,000	
(7) 06.90.103.280—Deaf teletype equipment	24,000	
(8) 08.20.046.278—Dental examinations	45,000	
(9) 08.20.095.276—Marijuana records	106,000	
(10) 02.50.101.879—San Francisco Superior Court Judgeship	71,000	
(11) 02.50.004.880—Marriage mediators	235,000	
(11.3) 02.50.108.882—Juvenile felony arrests	4,802,000	
(11.5) 02.50.126.278—Victims' statements	600,000	
(12) 08.20.101.184—Juvenile court records	22,000	
(13) 08.20.156.284—Firearms	27,000	
(14) 08.90.140.176—Voter purge	1,140,000	
(15) 08.90.007.778—Absentee ballots	2,512,000	
(16) 08.90.045.474—Filing fees	445,000	
(17) 08.90.049.479—Handicapped voter access	16,000	
(18) 08.90.070.475—Registration by mail	840,000	
(19) 08.90.160.382—Democratic presidential delegates	75,000	
(20) 17.30.023.874—Substandard housing	11,000	
(21) 19.00.139.874—Unused sick leave credit	1,378,000	
(22) 19.00.117.078—Increased pension	7,615,000	
(23) 19.00.103.679—Increased benefits	1,755,000	

Item	Amount
(24) 19.00.079.980—Increased death benefits	375,000
(25) 19.00.055.785—Social Security offset	86,000
(26) 22.40.114.380—Regional housing needs	272,000
(27) 34.80.999.001—Mineral resource policies	200,000
(28) 37.20.133.076—Local coastal plans	350,000
(29) 42.60.045.374—Sudden infant death syndrome	6,000
(30) 42.60.116.381—Medi-Cal beneficiary death notices	80,000
(31) 43.00.049.877—Coroners	52,000
(32) 43.00.064.480—Judicial proceeding	58,000
(33) 43.00.069.475—Attorney fees	81,000
(34) 43.00.125.380—MR representation	72,000
(35) 43.00.130.480—Conservatorship	66,000
(36) 44.40.103.678—MDSO recommitments	85,000
(37) 54.60.999.001—Detention of minors	16,000
(38) 61.00.028.279—School crossing guards	3,000
(39) 61.00.089.477—Pupil basic skills	3,731,000
(40) 61.00.096.175—Collective bargaining	12,133,000
(41) 61.00.117.677—Immunization records	1,314,000
(42) 61.00.125.375—Disciplinary procedures	1,000
(43) 61.00.134.780—Scoliosis screening	586,000
(44) 63.00.103.679—STRS benefit increase	25,552,000
(45) 63.00.128.680—STRS allowance increase	8,989,000
(46) 81.70.135.776—Guardianship/conservatorship	4,558,000
(47) 81.75.112.377—Adult felony restitution	340,000
(48) 83.50.156.882—Firefighters' cancer presumption	200,000
(49) 83.50.999.001—Personal alarm devices	172,000

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(50) 83.50.999.002—Structural and wildland firefighters' safety clothing	30,000,000
(51) 83.80.084.578—Filipino employee surveys	2,000
(52) 83.80.122.083—Personnel files	18,000
(53) 91.00.124.277—Senior citizens' property tax deferral	210,000
(54) 91.00.128.180—Involuntary lien notices	1,050,000
(55) 91.00.105.183—Mobilehome property tax deferral	7,000
(56) Amount payable from the Restitution Fund (Item 8885-101-214)	−340,000

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 (44) and (45) 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

Item		Amount
	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 21, 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.	
	5. The funds provided in Schedule (4) 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 (18) 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.	
	8. The funds provided in Schedule (50) are for reimbursement of costs expended under California Administrative Code Title 8, Sections 3401 to 3410, inclusive, to purchase protective clothing or equipment for fighting structural or wildland fires for the period commencing fiscal year 1978–79.	
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	—Notwithstanding any other provision of law, on June 30, 1988, $12,084,000 as provided in category (29) of Item 8885-101-001 of Chapter 135, Statutes of 1987, shall revert to the unappropriated surplus of the General Fund.	
8910-001-001	—For support of Office of Administrative Law	2,816,000

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Schedule:		
(a) 10—Regulatory Oversight	2,005,000	
(b) 20—Legal Information Services	898,000	
(c) 30.01—Administration	923,000	
(d) 30.02—Distributed Administration	−923,000	
(dx) Unallocated Reduction	−57,000	
(e) Reimbursements	−30,000	
8915-001-001—For support of Department of Economic Opportunity, for transfer to Item 8915-001-890		85,000
8915-001-890—For support of Department of Economic Opportunity, payable from the Federal Trust Fund		7,390,000
Schedule:		
(a) 20—Energy Programs	5,995,000	
(b) 30—Special Programs	85,000	
(c) 40—Community Services	1,529,000	
(d) 50.01—Administration	2,783,000	
(e) 50.02—Distributed Administration	−2,917,000	
(f) Amount payable from the General Fund (Item 8915-001-001)	−85,000	

Provisions:

1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant, as a percentage of the total block grant:
   (a) Administration ..... 5 percent
   The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.
2. Notwithstanding Section 16367.5(b) of the Government Code, the office may expend $5,736,000 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 1988–89 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 LI-

Item	Amount
HEAP 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	(8,361,000)
8915-101-853—For local assistance, Department of Economic Opportunity, for transfer to Item 8915-101-890, payable from the Petroleum Violation Escrow Account	10,000,000
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	105,251,000
Schedule:	
(a) 20-Energy Programs 83,895,000	
(b) 40-Community Services 31,356,000	
(c) Amount payable from the Petroleum Violation Escrow Account (Item 8915-101-853) ..... —10,000,000	
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.	

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3. 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 1988–89.		
4. Funds scheduled in Item 8915-101-890 may be transferred to Item 8915-001-890 for the administration of the Low Income Home Energy Assistance Programs, subject to approval of the Department of Finance.		
5. The $10 million in Petroleum Violation Escrow Account funds that are included in Program 20 for the Home Energy Assistance Program may be expended for other eligible Low Income Home Energy Assistance Programs, within Program 20, depending upon the final determination of total fund availability and program priorities.		
8915-111-890—For local assistance, Department of Economic Opportunity, for transfer to Item 8915-101-853, payable from the Federal Trust Fund		(10,000,000)
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, 1989, as follows:		
(a) Schedules (a) and (b) of Item 8915-101-890 of the Budget Act of 1987, Energy and CSBG funds.		
8940-001-001—For support of Military Department		20,417,000
Schedule:		
(a) 10-Army National Guard	33,966,000	
(b) 20-Air National Guard	8,416,000	
(c) 30.01-Office of the Adjutant General	5,172,000	
(d) 30.02-Distributed Office of the Adjutant General	−5,172,000	
(e) 35-Military Support to Civil Authority	172,000	
(f) 40-Military Retirement	1,974,000	
(g) 50-California Cadet Corps	523,000	
(h) 55-State Military Reserve	283,000	
(i) 60-Farm and Home Loan	31,000	

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(j) 71-California Innovative Military Projects and Career Training	1,937,000	
(jx) Unallocated Reduction	−417,000	
(k) Reimbursements	−2,094,000	
(*l*) Amount payable from the Armory Discretionary Improvement Fund (Item 8940-001-485)	−120,000	
(m) Amount payable from the Federal Trust Fund (Item 8940-001-890)	−24,254,000	

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 8940-001-001 120,000

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).

8940-001-890—For support of Military Department, for transfer to Item 8940-001-001, payable from the Federal Trust Fund 24,254,000

9100-101-001—For local assistance, Tax Relief 885,325,000

Schedule:

(a) 10-Senior Citizens' Property Tax Assistance	4,300,000	
(b) 20-Senior Citizens' Property Tax Deferral Program	7,000,000	
(c) 30-Senior Citizen Renters' Tax Assistance	18,600,000	
(d) 50-Homeowners' Property Tax Relief	350,713,000	
(e) 60-Subventions for Open Space	14,500,000	

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(f) 80-Renters' Tax Relief..... 490,000,000
(g) 90-Substandard Housing 212,000

Provisions:

1. Schedule (a) is for property tax assistance to homeowner claimants in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Any unexpended balance in Schedule (a) may be used to make payments to senior citizen renter claimants under Schedule (c).
2. Schedule (b) is for property tax postponement and assistance to claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), Division 2 of the Revenue and Taxation Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.
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.

9210-101-001—For local assistance, assistance to counties, to be allocated using the formulas and definitions specified in Sections 16265.2 and 16265.3(a) of the Government Code, for payment by the Controller upon authorization by the Director of Finance 15,300,000

9210-490—Reappropriation, Local Government Financing. 890-Federal Trust Fund:

Of the amounts appropriated by Section 24 of Chapter 1440, Statutes of 1985, the unexpended balance of $2,165,000 is hereby reappropriated to the City and County of San Francisco for expenditure for the renovation or reconstruction of the San Francisco Youth Guidance Center and Juvenile Court facilities and the planning

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and implementation of the San Francisco Superior Court's 1988 Juvenile Justice Improvement Program.		
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		160,181,000
Schedule:		
(a) Health benefit premiums	141,560,000	
(b) Dental care premiums	18,621,000	
9800-001-001—For augmentation for Employee Compensation		105,579,000
Schedule:		
(a) 10.01—Civil Service Employees—Represented	81,497,000	
(b) 10.02—Civil Service Employees—Nonrepresented	17,778,000	
(c) 10.03—Exempt/Excluded and Other Employees	2,407,000	

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(d) 10.05—Judiciary	1,342,000	
(e) 10.06—Legislative Employees	2,555,000	

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.
2. The funds appropriated in Schedules (a) to (e), inclusive, are for compensation increases and increases in benefits related thereto, 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 and the Joint Legislative Budget Committee 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, 1988, 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.
3. 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.

9800-001-494—For augmentation for Employee Compensation payable from other unallocated special funds 51,164,000

Schedule:

(a) 10.01-Civil Service Employees—Represented	41,007,000	

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(b) 10.02-Civil Service Employees—Nonrepresented	8,946,000	
(c) 10.03-Exempt/Excluded and Other Employees	1,211,000	

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.
2. 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, 1988, by the Department of Personnel Administration.
3. 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.

9800-001-988—For augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds 37,371,000

Schedule:

(a) 10.01-Civil Service Employees—Represented	29,951,000	
(b) 10.02-Civil Service Employees—Nonrepresented	6,534,000	
(c) 10.03-Exempt/Excluded and Other Employees	886,000	

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.

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2. 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, 1988, by the Department of Personnel Administration.
3. 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.

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 from this item shall only be made for state court 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.

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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.	
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.	

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2. Contingencies within the meaning of these funds are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies within the meaning of this item are hereby defined as expenditures incurred in response to conditions of disaster or extreme peril which threaten the health or safety of persons or property within the state.
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 1988–89 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

Item	Amount
the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.	
6. For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.	
9840-001-494—For Reserve for Contingencies or Emergencies, payable from unallocated special funds ..	1,500,000
Provisions:	
1. Provisions 1, 2, 3, 4, 5, and 6 for Item 9840-001-001 are also applicable to this item.	
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 1988–89 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	

Item	Amount

for the 1988–89 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)

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, 1988, the balances of the appropriations made by Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1987, shall revert to the unappropriated surplus of the General Fund, special funds, and nongovernmental cost funds, respectively.

As of July 1, 1988, the amounts reverted as of June 30, 1988, for Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1987, are reappropriated and shall be available until June 30, 1989, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies, within

Item	Amount
the meaning of said items, occurring during the 1987–88 fiscal year.	
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 1989–90 or 1990–91 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.	
9860-301-785—For statewide capital outlay, (10.10.020), Matching Funds for Energy Grants, Federal Schools and Hospitals Grants Program, payable from the 1988 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 1988–89 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, 1988, 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 1988–89," submitted by the Governor to the Legislature at the 1988 portion, of the 1988–89 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 Department of Finance 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 and for costs of any other employee benefits established by any state agency legally authorized to negotiate and set salary and benefit levels 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 Section 20754 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 1988–89 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	13.464%
Miscellaneous, Second Tier	13.413%
State Industrial	16.626%
State Safety	17.296%
Highway Patrol	18.453%
Peace Officer/Firefighter	16.431%

(b) Notwithstanding any other provisions of law, the Department of Finance shall require retirement contributions required pursuant to subdivision (a) to be offset by surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts, for State Safety, State Industrial, and Highway Patrol retirement categories, to the extent that a surplus exists for these categories sufficient to cover required state employer retirement contributions.

(c) Notwithstanding any other provisions 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 1988–89 fiscal year retirement benefits, as adopted in subdivision (a) and as further modified in subdivision (b).

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.

SEC. 4.00. Notwithstanding any other provisions of law, the employer's contributions for the 1988–89 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 $110 for basic and related major medical plans with respect to employees or annuitants enrolled for self alone, or $206 for an employee or annuitant so enrolled for self and one family member, or $268 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 0.50 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.

(d) Any transfer in excess of the limitations provided in paragraph (b) of this section may be authorized only upon approval of the Chairperson of the Joint Legislative Budget Committee.

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 1988–89 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 1988–89 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1988 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 1988 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 seven million two hundred thousand dollars ($7,200,000) for the 1988–89 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 1988–89 fiscal year.

(c) Notwithstanding any other provision of law, no allocation shall be made to the Capital Outlay Fund for Public Higher Education pursuant to subdivision (e) of Section 6217 of the Public Resources Code for the 1988–89 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 1988–89 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 1988–89 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 six million dollars ($6,000,000) for the 1988–89 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 1988–89 fiscal year.

(h) Notwithstanding any other provision of law, the allocation to the Fisheries Restoration Account in the Fish and Game Preservation Fund be made pursuant to subdivision (a) of Section 6217.1 of the Public Resources Code shall be in the amount of one million two hundred fifty thousand dollars ($1,250,000) for the 1988–89 fiscal year.

(i) Notwithstanding any other provision of law, the amount of ten million seven hundred nineteen thousand dollars ($10,719,000) shall be allocated to the General Fund for the 1988–89 fiscal year from tidelands oil revenues otherwise subject to Section 6217 of the Public Resources Code.

SEC. 11.51. 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.

SEC. 11.70. On or after July 1, 1988, the State Controller shall, upon request of the Director of Finance, transfer ten million dollars ($10,000,000) from the Federal Trust Fund to the General Fund.

SEC. 11.75. On July 1, 1988, the State Controller shall transfer four million two hundred fifty thousand dollars ($4,250,000) to the General Fund from the following funds:

(1) Farm Labor Housing Rehabilitation Loan Account	1,200,000
(2) Housing Rehabilitation Loan Fund	1,500,000
(3) Urban Predevelopment Loan Fund	1,550,000

SEC. 11.80. (a) Notwithstanding any other provision of law, on June 30, 1988, the State Controller shall transfer the amount of twenty-six million fifty-nine thousand dollars ($26,059,000) to the

General Fund from the following appropriations:

Disaster Response—Emergency Operations Account:

(1)	Chapter 1, 1987–88 First Extraordinary Session, Community Colleges	1,200,000
(2)	Chapter 1, 1987–88 First Extraordinary Session, State University Program	569,000
(3)	Chapter 2, 1987–88 First Extraordinary Session, Department of Social Services	8,800,000
(4)	Chapter 7, 1987–88 First Extraordinary Session, Local Agency Program	15,300,000
(5)	Chapter 7, 1987–88 First Extraordinary Session, State Agency Program	190,000

(b) There is hereby appropriated the sum of one million six hundred ninety-one thousand five hundred dollars ($1,691,500) from the funds made available by the reversions specified above in augmentation of the appropriation for the Private Non-Profit Program in Section 2 of Chapter 3 of the 1987–88 First Extraordinary Session.

(c) There is hereby appropriated the sum of three million three hundred ninety thousand dollars ($3,390,000) from the funds made available by the reversions specified above in augmentation of the appropriation for the K–12 School Program in subdivisions (d) and (e) of Section 3 of Chapter 7 of the 1987–88 First Extraordinary Session.

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-six billion nine hundred forty million dollars ($26,940,000,000) for the 1988–89 fiscal year. Any judicial action or proceeding to attack, review, set aside, void or annul the "appropriations limit" for the 1988–89 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.30. (a) There is hereby appropriated from the General Fund for transfer to the Special Fund for Economic Uncertainties by the Controller, upon order of the Director of Finance, an amount necessary to bring the undesignated balance in this special fund up to the amount stated in the Final Change Book for the 1988–89 fiscal year ending balance in the Special Fund for Economic Uncertainties, as of July 1, 1988. The amount so transferred shall be reduced by the amount of excess revenues subject to Section 2 of Article XIII B of the California Constitution, as determined by the Director of Finance. 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, 1988, 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.

(c) Of the amount appropriated to the Special Fund for Economic Uncertainties, the Director of Finance may allocate a sufficient amount, not to exceed $10,000,000, to the Department of Forestry and Fire Protection for emergency fire suppression.

(d) Of the amount appropriated to the Special Fund for Economic Uncertainties, the Director of Finance may allocate a sufficient amount, not to exceed $20,000,000, for emergency or disaster response operation costs incurred by state or local agencies. These allocations would be made as a result of a state of emergency proclamation by the Governor.

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, 1989, 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, 1988, of the appropriations made by Items 0160-001-001 and 8840-001-001 of the Budget Act of 1987 are reappropriated and shall be available for encumbrance until June 30, 1989, for the same programs and purposes for which appropriations for these items have been made by this act.

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. 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 1988–89 fiscal year, under Section 52616 of the Education Code, as well as any funds reallocated by the superintendent pursuant to subdivision (d) of Section 52616 of the Education Code; (2) school districts and county offices of education operating regional occupational programs shall certify to the Superintendent of Public Instruction that they have fully utilized allocations made pursuant to Item 6110-102-001; 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.

(e) Any funding allocated to the Chancellor's Office of the Community Colleges, or the Superintendent of Public Instruction, for apportionment to community college districts or local education agencies for additional average daily attendance (ADA) may, notwithstanding any other provision of law, be apportioned on an advance basis to community college districts or local education agencies, based on expected units of ADA if a prior application for the additional ADA funding has been approved by the Chancellor or the Superintendent of Public Instruction. The Chancellor or Superintendent, shall, at the time of the annual apportionment, reduce funding by the corresponding amount to any district or local education agency receiving funds affected by this provision and which fails to generate certified levels of ADA.

SEC. 23.50. (a) (1) The sum of two hundred ninety-two million six hundred sixty-seven thousand dollars ($292,667,000) is hereby appropriated upon receipt from California's allocation of Federal State Legalization Impact Assistance Grant (SLIAG) funds which were appropriated by Congress in Section 204 of the Federal Immigration Reform and Control Act (IRCA) of 1986. These funds shall be transferred by the Controller, upon order of the Director of Finance, to the appropriate administering department.

(2) The amount appropriated by this section shall be allocated in accordance with the following schedule:

(A) Public Health, $23,300,000:		
(1) TB/Leprosy Control		$8,100,000
(2) Sexually Transmitted Disease		1,700,000
(3) Laboratory Support		300,000
(4) California Children's Services		1,700,000
(5) Immunizations		500,000
(6) Perinatal Services		2,800,000
(7) Family Planning		3,200,000
(8) Child Health and Disability Prevention		———
(9) Adolescent Family Life Program		500,000
(10) IRCA Subvention		3,500,000
(11) IRCA Central Administrative Unit		300,000
(12) IRCA Administrative Distributed to Programs		(1,700,000)
(13) Public Health Administration Overhead		700,000
(B) Medical and Human Services, $185,267,000:		
(1) General Assistance		$41,400,000
(1.5) Foster Care		2,500,000
(2) AFDC-U		7,400,000
(3) SSI/SSP		12,900,000
(4) Food Stamps (SAWS)		300,000
(5) Housing		2,500,000
(6) In-Home Supportive Services		200,000
(7) Housing and Community Development Administration		314,000
(8) Department of Social Services Administration		886,000
(9) Medi-Cal		26,900,000
(10) Medically Indigent Services Program		67,600,000
(11) County Medical Services Program		4,900,000
(12) Primary Care Clinics		11,600,000
(13) Mental Health		3,000,000
(14) Department of Mental Health Administration		314,000
(15) Department of Health Services Administration		1,272,000
(16) Health and Welfare Agency Administration		1,281,000
(D) Education, $84,100,000:		
(1) Adult Education (English as a Second Language and Civics)		$80,000,000
(i) Adult Programs in K–12 Districts	41,400,000	
(ii) Community College Programs	23,600,000	
(iii) Community Based Organizations	15,000,000	
(2) K–12 Supplemental		2,800,000

(3) State Department of Education and California Community College Chancellor's Office Administration 1,300,000

(b) Notwithstanding Sections 6.50, 8.50, and 28.00 of this act, the following provisions shall govern the augmentation and reduction of the amounts available for expenditure for any category or program in the schedule set forth in this item, and the transfers of funds among categories in the schedule set forth in this item.

(1) The Director of Finance may not authorize the augmentation of the total amount available for expenditure in the schedule set forth for appropriation in this item to reflect any available SLIAG funds which he or she determines have not been taken into consideration in the schedule or are in excess of the amount so taken into consideration, except as follows:

(A) The Director of Finance may allocate the balance of any remaining funds authorized for expenditure by Section 14.00 of the Budget Act of 1987 for any other category or program in the schedule set forth for appropriation in this item.

(B) The Director of Finance may authorize the expenditure of any available SLIAG funds which he or she determines have not been taken into consideration in the schedule or are in excess of the amount so taken into consideration, if the Director determines that the state's total five-year allocation exceeds $1,700,000,000 billion and that the additional expenditures can be sustained over the duration of the five-year expenditure plan within the revised estimate of SLIAG allocations. These additional expenditures may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided 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 Legislative Budget Committee, or his or her designee, may in each instance determine.

(2) The Director of Finance may authorize the further augmentation of the amount available for expenditure for any category or program in the schedule set forth for appropriation in this item for increases in the level of service due to increased caseload, utilization, or cost per unit of service. These augmentations may be authorized pursuant to the provisions of paragraph (4). The Director of Finance may not authorize the augmentation of the amount available for expenditure from SLIAG funds for new program activities

not identified in the schedule set forth in this item.

(3) The Director of Finance may also reduce the amount available for expenditure for any category or program in the schedule set forth for appropriation in this item for reductions in the level of service due to decreased caseload, utilization, or cost per unit of service. These reductions may be authorized pursuant to the provisions of paragraph (4). The Director of Finance may not authorize the elimination of the expenditure from SLIAG funds for program activities identified in the schedule set forth in this item.

(4) The Director of Finance may authorize the augmentation or reduction of the amount available for expenditure for a category or program designated in the schedule set forth for such appropriation in this item by transfer from or transfer to any of the other designated categories within this item for the purposes stated in paragraphs (2) and (3). This authorization is limited to transfers of funds within the same major grouping of categories (i.e.,) within public health, within medical and human services, or within education). These transfers may be authorized not sooner than 10 days after notification in writing of the necessity therefor is provided 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 Legislative Budget Committee, or his or her designee, may in each instance determine. Transfers of SLIAG funds between categories located in different major groupings may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided 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. Transfers from public health or medical and human services categories to education categories may not exceed $4,205,000 over the course of the fiscal year.

(d) To the maximum extent possible, public assistance and public health programs shall use existing delivery mechanisms, funding mechanisms and service providers to deliver services or benefits to eligible legalized aliens.

(e) Those funding mechanisms which currently allocate resources on the basis of the general population of the respective counties shall be interpreted to refer to the number of eligible legalized aliens in each county insofar as allocation of the IRCA apportionment is concerned. Other funding mechanisms which may use variables different than population shall similarly be interpreted

to utilize such variables only as they apply to eligible legalized aliens.

(fx) It is the intent of the Legislature that all SLIAG reimbursable costs shall be identified to ensure that California's allotment of federal SLIAG funds is maximized. Departments shall authorize service providers to claim SLIAG funds using a method of cost calculation allowable under federal SLIAG regulations which minimizes the under identification of all SLIAG reimbursable costs. The method of cost calculation which can be used may include, but shall not be limited to, the use of a statistically valid sample of a provider's caseload, or, for public health programs, the ratio of eligible legalized aliens in a service population to all members of the relevant service population.

(g) The Health and Welfare Agency and administering departments, including the Department of Education, shall take the steps necessary to subrogate to the providers of service, the financial liability for inappropriate expenditure or nonuse of federal funds. Whenever current program requirements do not specify such responsibility, the appropriate state agency shall enter into agreements with providers calling for their acceptance of financial responsibility in return for allocation of funds by the state. Funds shall not be allocated to any provider by administering departments absent acceptance of financial responsibility for audit exceptions by the provider.

(h) The general assistance program will remain the responsibility of the counties in which the newly legalized aliens reside. The State Department of Social Services shall provide necessary oversight and shall allocate funds for eligible legalized aliens through application to the IRCA population of the system which allows counties to claim general assistance funds for refugees. All allocations shall be adjusted on the basis of actual caseload experience to the extent funds are available.

(j) Records of services provided to eligible legalized aliens will be kept at the local level except for those programs that use central fiscal intermediary functions to process claims. Individual programs will require periodic reports from providers and will provide their managing state departments with summary data at quarterly intervals. The managing departments and the Health and Welfare Agency will track the provision and cost of services to eligible legalized aliens.

(k) K–12 supplemental education services shall be limited to those eligible legalized aliens who meet the requirement of the Federal Emergency Immigration Act of having had less than three years of education in the United States. The Superintendent of Public Instruction shall allocate such funds, upon application by local school districts, to those districts that are highly impacted by the number of eligible legalized alien children.

(*l*) The Department of Education shall distribute adult education

SLIAG funds to community colleges, local school districts, and community based organizations—including qualified designated entities authorized to provide educational services by the Immigration and Naturalization Service regulations—in accordance with an IRCA Adult Education Services Delivery Plan (A-ESDP). This plan shall be developed by the Department of Education in consultation with representatives of the different service provider groups. Prior to allocation of any SLIAG funds to the Department of Education, the AESDP shall be approved by the Director of Finance.

(m) The Adult Education Services Delivery Plan shall specify:

1. The process for tracking SLIAG funds to eligible legalized aliens;
2. That the maximum average reimbursement per eligible legalized alien participating in educational services, other than preliminary diagnostic screening or evaluation of proficiency levels, shall be the lesser of (1) the service hours provided multiplied by the statewide average revenue limit for K–12 adult education programs computed on an hourly basis or (2) $500 per eligible legalized alien per year. However, private providers of educational services shall not be reimbursed for amounts that exceed their actual costs of providing services;
3. An apportionment process which includes guarantees or safeguards that the $500 dollar limit shall not be exceeded;
4. The steps which shall be taken to secure specific course approval by the United States Attorney General such that the Immigration and Naturalization Service may accept satisfactory progress in California's courses of instruction as counting toward the language and civics standards which are applied at the time of the interview for permanent residency;
5. How community based organizations and qualified designated entities may receive SLIAG educational funds in an expeditious and timely manner, while guaranteeing that appropriate standards of educational quality are maintained;
6. The appropriate division of responsibility between local school districts and the community colleges;
7. The appropriate division of scheduled administrative support between the Department of Education and the chancellor's office of the community colleges;
8. Methods for encouraging the development of courses which are specifically designed to meet the language and civics proficiencies which will be required of eligible legalized aliens by the Immigration and Naturalization Service at the time of the conversion from temporary to permanent residency;

9. That a score of 215 on the Comprehensive Adult Student Assessment System (CASAS) test equates to an eligible legalized alien being able to demonstrate proficiency in English for the purposes of converting from temporary to permanent residency status. Educational services also may be provided to eligible legalized aliens scoring at or above the CASAS 215 level prior to their conversion to permanent residency. However, providers of educational services must target services first to those individuals scoring below the CASAS 215 level and then secondly to those individuals scoring at or above this level; and
10. K–12 school districts and community colleges shall not receive General Fund apportionments for services provided to eligible legalized aliens where reimbursement for such services has been provided from SLIAG funds.

(ma) Funds totaling $2,500,000 shall be allocated to the Department of Housing and Community Development for eligible housing programs, with priority given to the following: the Office of Migrant Services, the Farmworker Housing Grant Program, the Farm Labor Rehabilitation Loan Program, and the Emergency Shelter Program.

(me) The Health and Welfare Agency shall include foster care as a SLIAG allowable service in the federal fiscal year 1989 application for SLIAG funds.

(n) The Health and Welfare Agency shall oversee outreach services provided to eligible legalized aliens (ELA's) by appropriate departments through ongoing programs. The outreach efforts of the departments shall cover, to the extent SLIAG reimbursement is allowed:

(1) Information and referral services about the program services available, how to access providers of these services, how to utilize these services, and the potential consequences of using services on the ELA's conversion to permanent residency.

(2) The identification of deterrent factors and program areas in which basic needs of ELA's are not being met.

(3) Information on the requirements for change in status from temporary legal resident to permanent legal resident. The State Department of Education shall also provide information on the specific requirements and guidelines for courses of study for English language and civics instruction as established by the Immigration and Naturalization Service (INS).

In addition to funding for outreach activities conducted under the individual program allocations in the schedule contained in subdivision (a), the Health and Welfare Agency shall have the discretion to utilize up to $900,000 in funds for outreach activities, and to distribute these funds

to participating state departments based on what it determines is necessary to accomplish the objectives of the outreach program. The agency shall give priority to educational programs provided by K–12 school districts, community college districts, and community-based organizations.

(o) Each state department which receives or administers SLIAG funds shall make available, where necessary, through existing programs, technical assistance and training to service providers. Technical assistance may include information and training in proposal preparation, cost tracking and identification systems, federal rules and regulations governing accounting procedures and program accountability, and identification procedures for ELA's. These departments may implement this technical assistance through any of the following:

(1) Local or regional workshops.
(2) Identification of model programs.
(3) Onsite consultation.
(4) Statewide training/Association activities.

The departments may provide this technical assistance directly through existing programs or through contracts with individuals or organizations having expertise in program areas and the provisions of the State Legalization Impact Assistance Grant (SLIAG) program.

(p) Primary care clinics may use funds allocated in the Primary Care Clinic line item in the schedule contained in subdivision (a) for public health costs incurred for providing services to ELA's. These public health services shall include treatment for communicable diseases and provision of services to special populations. In addition to using primary care clinic funds for public health services, primary care clinics may participate in established public health program contracting processes in order to be reimbursed from other funding sources. The Department of Health Services shall coordinate its various public health contracting programs to allow eligible primary care clinics to apply for provider status in public health programs as appropriate.

(q) The Department of Education, in providing administrative oversight of SLIAG programs, shall provide contact names and telephone numbers to community-based organizations to assist them in establishing educational programs for eligible legalized aliens. One person in the IRCA unit shall be designated responsible for coordinating the provision of technical support to community-based organizations, including outreach to these community-based organizations and assisting them in locating credentialed instructors and in obtaining in-service training.

(r) (1) All entities providing English as a Second Language (ESL) classes to eligible legalized aliens (ELA's) shall employ at

least one teacher/coordinator who holds a certificate or credential recognized by the appropriate credentialing agency as an indicator of the teacher's ability to teach in a language development program. All other individuals who teach ESL classes shall:

(A) Hold a bilingual education or language development specialist certificate issued by the appropriate credentialing agency; or

(B) Be credentialed and have successfully completed college coursework or training in ESL.

(2) When no teacher meeting the above criteria is available for placement, individuals who meet any of the following criteria and agree to participate in mandatory, concurrent training in ESL of at least 2 units per semester or the equivalent, may be hired. Eligible candidates include individuals who:

(A) Are not credentialed, but have ESL college coursework or training; or

(B) Have established proven experience in ESL of not less than 6 months of successful direct ESL instruction with any age group.

Individuals who do not meet any of the above requirements shall not be hired to teach ESL classes funded by SLIAG funds.

(3) In-service training provided to ESL instructors as specified above will include: how adults learn ESL, how to structure classroom and individual learning programs, and how to select appropriate class instructional materials/texts which also are applicable to the clients' role as citizens and potential employees. The costs of staff training in ESL may be reimbursed by SLIAG grants as long as these costs are within the total of five hundred dollars ($500) limit per participant.

(s) Of the adult education funds provided in the SLIAG plan for the 1987–88 and 1988–89 fiscal years, up to $2,000,000 may be expended to provide in-service training for teachers assigned to English as a Second Language and history and government courses for individuals granted amnesty under PL 99-603. In addition, staff development shall include the training of teachers on the overall process to become permanent legal residents and eventually naturalized citizens. These funds shall be distributed to school districts, community college districts, and public and private nonprofit organizations certified to offer SLIAG educational courses, and the funding shall be made available within the constraints of the $500 per person cap. Programs may be offered by the University of California, California State University, local school districts, community colleges, or other agencies. It is the intent of the Legislature that these programs shall be established as soon as possible, in order to maximize the impact of the funds in providing thoroughly trained teachers for classes for eligible

legalized aliens to obtain permanent status.

(t) All contracts and agreements involving the State Legalization Impact Assistance Grant (SLIAG) Fund shall require both contracting parties to maintain the confidentiality of all beneficiary information relating to immigration status. The contracts shall specify that such information shall not be released to the United States Immigration and Naturalization Service or any other agency without the beneficiary's consent, unless such release is required by state or federal law.

(u) The State Department of Health Services shall, in consultation with county health departments, prepare appropriate reporting form(s) to be used by counties for claiming their SLIAG-reimbursable expenditures for public health services consistent for all public health programs. Counties shall be required to submit SLIAG expenditure reports for public health services either quarterly or semiannually, as determined by the State Department of Health Services. The reporting form(s) shall provide for simplified, yet federally allowable, methodology(ies) for counties to distinguish the amount of SLIAG expenditures to be claimed against individual program categories.

(v) Service providers' financial responsibility for audit exceptions shall be limited to failure to comply with federal law and regulations.

(w) The Health and Welfare Agency shall conduct directly, or through contractors, needs assessment to identify the major health, educational, and social services needed by the newly legalized population. The study shall focus on the areas of education, English proficiency, personal health care, job training, and public cash assistance, and shall identify services use and employment participation service barriers and gaps for this population or major subgroups therein. The Health and Welfare Agency shall submit a preliminary report on or before April 15, 1989, and shall complete this study and submit it to the Legislature on or before June 30, 1989.

(wx) The Health and Welfare Agency shall allocate $75,000 from the IRCA subvention to the Local Coordination Pilot Project to (1) develop multiprogram data collection systems, (2) coordinate outreach for public health, social services and education services, and (3) coordinate service delivery among affected service agencies and educational services. The funding is contingent upon a local match of $25,000, which may be made in the form of in-kind contributions. The project shall submit an evaluation report to the Legislature and Health and Welfare Agency on or before April 1, 1989.

(wy) As a condition of receipt of SLIAG funds, the state and each county shall, at a minimum, on a program-by-program basis, maintain the same level of fiscal commitment to the county health and Short-Doyle programs as made in the 1987–88 state

fiscal year. For these programs, counties shall maintain this effort up to 125 percent of the match they are required to provide. Overmatch above that amount, as determined by the administering state department, shall be exempt from this requirement.

(x) (1) The Health and Welfare Agency, with the assistance of the administering state departments, shall develop data collection criteria to ensure that providers can comply with federal documentation requirements and meet state and federal data reporting needs. The Health and Welfare Agency shall inform local agencies and providers serving ELA's regarding the extent to which SLIAG funds may be used to design, develop, implement, and maintain data collections systems

(2) Because of the amount of funding involved, particular emphasis shall be placed on county health services data collection. Counties, to the extent this information is not now available, shall implement, over an appropriate time period not to exceed three years, a data system consistent with the Medically Indigent Care Reporting System which shall provide, at a minimum, appropriate information regarding the following:

(A) Patient identification.
(B) Inpatient services rendered to ELA's.
(C) Outpatient prenatal and postpartum services.
(D) Outpatient emergency services.
(E) Contract services.

(3) Each MISP county which is not in the Medically Indigent Care Reporting System shall report to the Health and Welfare Agency, no later than January 1, 1989, regarding its ability to provide this data, and a reasonable time frame within which it will be able to do so, and the cost of doing so. All counties receiving SLIAG funds for Medically Indigent Services shall have an appropriate patient identification system in place no later than March 1, 1990.

(4) This patient identification system shall match federal documentation requirements and prevent duplicate claiming on behalf of individual beneficiaries.

(y) Of the $1,300,000 in administrative moneys for education appropriated in subdivision (a) (2) (D) (3), $60,000 shall be allocated to the California Postsecondary Education Commission for the collection of data regarding: (1) the number of individuals involved; (2) the language ability of these individuals; and (3) the number enrolled in classes. The California Postsecondary Education Commission shall report this information to the Legislature, together with recommendations for future educational funding, by January 1, 1989.

(yx) It is the intent of the Legislature to allow SLIAG funding for all adult educational programs permitted under federal law,

including courses for which high school credit is granted.

(z) The State Department of Education shall permit local education providers to claim federally allowable startup costs, including curriculum development, staff training, administration, and outreach to initiate new English language and citizenship skills instructional programs incurred prior to December 1, 1988. These claims shall not exceed 5 percent of the federal cap, i.e., $500 multiplied by the number of eligible legalized aliens receiving educational services, except that private nonprofit programs may expend up to 12.5% for these purposes. The State Department of Education shall document such startup costs and report to the Health and Welfare Agency and to the Legislature by March 31, 1989.

SEC. 23.80. (a) Neither the Department of Corrections nor the Department of Finance may take any actions which shall result in the cumulative encumbrance of an amount exceeding $248,363,000 of the proceeds of lease-purchase (revenue) bonds issued for construction of the state prison at Corcoran which are deposited in the Construction Fund, including any interest earnings thereon, unless not less than 30 days prior to the action or actions, the Director of Finance notifies the chairpersons of the Joint Legislative Committee on Prison Construction and Operations and the fiscal committees of the Senate and Assembly of the need to encumber additional amounts.

(b) If the Joint Legislative Committee on Prison Construction and Operations determines that the Department of Corrections should build an infirmary at Corcoran rather than a hospital/infirmary, the reporting requirement in subdivision (a) shall apply to the cumulative encumbrance of any amount exceeding $240,845,000.

(c) It is the intent of the Legislature that the unencumbered balance of bond proceeds deposited in the Construction Fund for the Corcoran prison, including all interest earnings thereon, shall be reserved, to the maximum extent possible, for the purpose of repaying principal and interest due on the lease-purchase bonds during the 1989–90 fiscal year, in order to offset General Fund payments that otherwise would be necessary.

SEC. 24.00. For the 1988–89 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, 1989, to the General Fund.

SEC. 24.60. From the funds appropriated in Items 5460-001-814, 6110-101-814, 6440-001-814, 6600-001-814, 6610-001-814, 6860-001-814, and 6870-101-814 of this act, the Department of the Youth Authority and the local education agencies through the Superintendent of Public Instruction, the State Special Schools, 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, 1989, the amount of lottery funds which each entity received and the purposes for which the funds were expended in the 1988–89 fiscal year, including administrative costs and proposed expenditures and purposes for expenditure for the 1989–90 fiscal year. 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.

GENERAL GOVERNMENT

SEC. 26.30. Notwithstanding any other provision of law, on December 31, 1988, the unencumbered balance in the Peace Officers' Memorial Account is transferred to the General Fund and appropriated to the Department of General Services for the purpose of providing ongoing maintenance and repair of the structure of the California Peace Officers' Memorial.

SEC. 26.60. Notwithstanding any other provision of law, 30 days prior to the Department of Food and Agriculture's entering into interim financing or long-term financing, including bond agreements, pursuant to Article 9 (commencing with Section 19590) of Chapter 4 of Division 8 of the Business and Professions Code, the department shall submit a report to the Chairperson of the Joint Legislative Budget Committee with copies to the Chairpersons of Senate Budget and Fiscal Review Subcommittee Number 2, Assembly Ways and Means Subcommittee Number 3, the Senate Select Committee on Fairs and Rural Issues, and the Subcommittee on Fairs and Expositions of the Assembly Committee on Agriculture. The report shall list: (a) proposed individual satellite wagering expansion projects at fairs, (b) costs for constructing, operating, and maintaining individual projects, (c) net revenue projections for individual projects, and (d) projected effect on net Satellite Wagering Account revenue resulting from individual projects and related projects. Additional notification is not required for financing proposals unless

refinancing will result in the expenditure of additional funds, in which case the report shall include the above-requested information relating only to the new debt.

SEC. 26.70. (a) Notwithstanding any other provisions of law, the funds which would otherwise be available at the option of the 22nd District Agricultural Association in lieu of taxes or fees pursuant to Section 19610.4 of the Business and Professions Code shall be available for distribution as follows:

(1) Forty percent (40%) to the City of Del Mar;

(2) Forty percent (40%) to the City of Solana Beach; and

(3) The remaining balance of the funds shall be held in trust by the County of San Diego for the enhancement of the San Dieguito River Valley.

(b) If the cities of Del Mar or Solana Beach elect to receive funds, they shall do so in accordance with each of the provisions of paragraph (2) of Section 19610.4 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 1988–89 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 authoriza-

tion made pursuant to this section too late for inclusion in the Governor's Budget for the 1989–90 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no event after June 30, 1990.

(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 executed 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 executed 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, 1989, 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 $2,740 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 1988–89 fiscal year shall terminate on June 30, 1989, except for those positions which have been (a) included in the 1989–90 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1989–90 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1989–90 fiscal year, provided these positions are shown in the 1990–91 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 1989–90 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 cov-

ered 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 1988–89 fiscal year appropriation not appropriated for that purpose may be expended for increases in salary ranges or any other employee compensation action(s) unless the Department of Finance certifies to the salary and other compensation-setting authority prior to the adoption of these action(s) that funds are available to pay the increased salary or employee compensation resulting therefrom. Prior to certification, the Department of Finance shall determine whether this increase in salary range or employee compensation action will require supplemental funding in the 1989–90 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 at-

tempted 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. 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 1988–89 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, 1988. It is therefore necessary that the act go into immediate effect.

INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

Department	Organization Code
"A"	
Accountancy, Board of	1120
Acupuncture Examining Committee	1400
Administrative Law, Office of	8910
Aging, Commission on	4180
Aging, Department of	4170
Agricultural Labor Relations Board	8300
Air Resources Board	3400
Alcohol and Drug Programs, Department of	4200
Alcoholic Beverage Control, Department of	2100
Alcoholic Beverage Control Appeals Board	2120
Alternative Energy Source Financing Authority, California	0971
Animal Health Technician Examining Committee	1570
Architectural Examiners, Board of	1130
Arts Council, California	8260
Assembly (See Legislature)	0120
Assistance to Counties for Defense of Indigents	8160
Athletic Commission	1140
Attorney Fees, Payment of Specified	9810
Auctioneer Commission, California	8540
Auditor General, Office of the	0155
Automotive Repair, Bureau of	1150
"B"	
Banking Department, State	2140
Barber Examiners, Board of	1160
Behavioral Science Examiners, Board of	1170
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Boards. See subject (e.g., Air Resources, Control, etc.)	

Department	Organization Code
Boating and Waterways, Department of	3680
Business, Transportation and Housing, Secretary for	0520

"C"

California/Mexico Affairs, Office of	0580
Cemetery Board	1180
Certified Shorthand Reporters Board	1520
Child Development Programs Advisory Committee	4220
Chiropractic Examiners, Board of	8500
Coastal Commission, California	3720
Coastal Conservancy, State	3760
Collection and Investigative Services, Bureau of	1200–1210
Colorado River Board of California	3460
Commerce, Department of	2200
Community Colleges, Board of Governors of California	6870
Conservation, Department of	3480
Conservation Corps, California	3340
Consumer Affairs, Department of	1655
Consumers Services, Division of	1640
Contingencies or Emergencies, Reserve for	9840
Contractors' State License Board	1230
Contributions to. See subject (e.g., Judges' Retirement, Teachers' Retirement, etc.)	
Control, Board of	8700
Controller, State	0840
Corporations, Department of	2180
Corrections, Board of	5430
Corrections, Department of	5240
Cosmetology, Board of	1240
Councils. See subject (e.g., Arts, etc.)	
Criminal Justice Planning, Office of	8100

"D"

Debt Advisory Commission, California	0956
Debt Limit Allocation Committee, California	0959
Dental Examiners, Board of	1260–1270
Department of. See subject (e.g., Corrections, Food and Agriculture, etc.)	
Developmental Disabilities, Area Boards on	4110
Developmental Disabilities, State Council on	4100
Developmental Services, Department of	4300
Dispensing Opticians, Board of Medical Quality Assurance	1390

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Economic Development, Commission for	8200
Economic Opportunity, Department of	8915
Education, Department of	6100
Education, Department of (Headquarters)	6110
Library, State	6120
Electronic and Appliance Repair, Bureau of	1280
Emergency Medical Services Authority	4120
Emergency Services, Office of	0690
Employee Compensation, Augmentation for	9800
Employment Development Department	5100
Energy, California Business and Industrial Development Corporation, State Assistance Fund for	3300
Energy Resources Conservation and Development Commission, State	3360
Equalization, State Board of	0860
Exposition and Fairs, California	8560
"F"	
Fair Employment and Housing Commission	1705
Fair Employment and Housing, Department of	1700
Fair Political Practices Commission	8620
Finance, Department of	8860
Fire Marshal, Office of the State	1710
Fish and Game, Department of	3600
Food and Agriculture, Department of	8570
Forestry and Fire Protection, Department of	3540
Franchise Tax Board	1730
Funeral Directors and Embalmers, Board of	1330
"G"	
General Services, Department of	1760
Geologists and Geophysicists, Board of Registration for	1340
Government Organization and Economy, Commission on California State	8780
Governor's Office	0500
Guide Dogs for the Blind, Board of	1350

Department	Organization Code
"H"	
Hastings College of Law	6600
Health and Welfare, Secretary for	0530
Health and Welfare Agency Data Center	4130
Health Benefits for Annuitants	9650
Health Services, Department of	4260
Hearing Aid Dispensers Examining Committee	1410
Highway Patrol, Department of the California	2720
Home Furnishings, Bureau of	1360
Homicide Trials, Payments to Counties for Costs of	8180
Horse Racing Board, California	8550
Housing and Community Development, Department of	2240
"I"	
Industrial Development Financing Advisory Commission, California	0965
Industrial Relations, Department of	8350
Institutions (See Department of Corrections, Department of Health, etc.)	
Insurance, Department of	2290
"J"	
Joint Expenses (See Legislature)	0130
Judges' Retirement Fund, Contributions to	0390
Judicial	0250
Justice, Department of	0820
"L"	
Lands Commission, State	3560
Landscape Architects, Board of	1370
Law Revision Commission, California	8830
Legislative Counsel Bureau	0160
Legislature (See Assembly, Senate or Joint Expenses)	
Library, State	6120
Lieutenant Governor, Office of the	0750
Local Government Financing	9210

Department	Organization Code
"M"	
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Medical Assistance Commission, California	4270
Medical Quality Assurance, Board of	1390–1460
Membership in Interstate Organizations	8800
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Military Department	8940
Mortgage Bond and Tax Credit Allocation Committee	0968
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National Center for State Courts	0460
Native American Heritage Commission	8280
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Osteopathic Examiners, Board of	8510
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Personnel Services, Bureau of	1300
Pharmacy, Board of	1490
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Physician's Assistant Examining Committee	1430
Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, Board of	8530
Planning and Research, Office of	0650
Podiatry Examining Committee	1440
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Polygraph Examiners Board	1495

Department	Organization Code
Postsecondary Education Commission, California	6420
Presley Institute, Robert B.	5770
Prison Terms, Board of	5440
Professional Engineers, Board of Registration for	1500
Psychology Examining Committee	1450
Public Defender, State	8140
Public Employees' Retirement System	1900
Public Employment Relations Board	8320
Public Utilities Commission	8660

"R"

Real Estate, Department of	2320
Registered Nursing, Board of	1510
Rehabilitation, Department of	5160
Reserve for Contingencies or Emergencies	9840
Resources, Secretary for	0540
Resources Programs, Special	3110
Respiratory Care Examining Committee	1455

"S"

Salaries of Trial Court Judges	0420
San Francisco Bay Conservation and Development Commission	3820
Santa Monica Mountains Conservancy	3810
Savings and Loan, Department of	2340
School Facilities Aid Program	6350
Secretary of State	0890
Seismic Safety Commission	3580
Self-Esteem, and Personal and Social Responsibility, California Task Force to Promote	0994
Senate (See Legislature)	0110
Social Services, Department of	5180
Special Resources Programs	3110
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Speech Pathology and Audiology Examining Committee	1460
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State and Consumer Services, Secretary for	0510
State Finance, Commission on	8730
State Mandates, Commission on	8885
Statewide Health Planning and Development, Office of	4140
Status of Women, Commission on the	8820

Department	Organization Code
Stephen P. Teale Data Center	2780
Structural Pest Control Board	1530
Student Aid Commission	7980
Summer School for the Arts, California State	6255

"T"

Tahoe Conservancy, California	3125
Tax Preparers Program	1540
Tax Relief	9100
Teacher Credentialing, Commission on	6360
Teachers' Retirement Fund, Contributions to	6300
Teachers' Retirement System, State	1920
Tort Liability Claims, Administration and Payment of	8190
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Transportation, Department of	2660
Transportation Commission, California	2600
Treasurer, State	0950

"U"

Unallocated Capital Outlay	9860
Uniform State Laws, Commission on	8840
University, California State	6610
University of California	6440

"V"

Veterans Affairs, Department of	1960
Veterans' Home of California	1970
Veterinary Medicine, Board of Examiners in	1560–1570
Vocational Education, California State Council on	6320
Vocational Nurse and Psychiatric Technician Examiners, Board of	1590–1600

"W"

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Water Resources, Department of	3860
Water Resources Control Board, State	3940
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Workers' Compensation Benefits for Subsequent Injuries	8450
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Department	Organization Code
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Youth Authority, Department of	5460
Youthful Offender Parole Board	5450

INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and restrictions on the appropriations contained herein.

1.00 Budget Act Citation
1.30 General Fund Revenue for 1988–89 Fiscal Year
1.50 Intent and Format
1.70 Legislative Intent
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
4.00 Health Benefits Contribution
4.20 Contribution to Public Employees' Contingency Reserve Fund
5.00 Attorneys Fees
5.50 Contract Approvals
6.00 Alterations limits
6.50 Intraschedule transfers
7.50 Appropriation Augmentations
8.50 Federal Funds Receipts
8.51 Federal Funds Accounts
8.60 Federal Pass-Through Funds
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 Energy-related Fund Transfers
11.70 Federal Trust Fund Transfers
11.75 Housing-related Fund Transfers
11.80 Disaster Response-Emergency Operations Account
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12.30 Special Fund for Economic Uncertainties
12.50 Special Funds Reserves
13.00 Legislative Counsel Bureau
18.10 Concession Contracts, Lease, and Operating Agreements
21.00
22.00 Set-aside Appropriation for Future GAIN Expenditures
23.50 Immigration Reform and Control Act (IRCA)
23.80 State Prison at Corcoran
24.00 State School Fund Allocations
24.10 Transfer Surplus of Driver Training Penalty Assessment Fund to the General Fund
24.60 Report of Lottery Funds Received

26.30 Peace Officers' Memorial Account
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27.00 Deficiency Reporting Requirements
28.00 Program Change Notification
29.00 Personnel Year Estimates of May Revise and Fiscal Change Book
29.50 Reporting Personal Services Contracts
30.00 Continuous Appropriations
31.00 Budget Act Administrative Procedures
32.00 Prohibits Excess Expenditures
33.00 Item Veto Severability
34.00 Constitutional Severability
35.00 Provides that Budget Act is for Usual and Current Expenses
36.00 Urgency Statute
99.00 Alphabetical Organization Index
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CHAPTER 314

An act to amend Section 11320.2 of, and to add Section 11320.21 to, the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 11320.2 of the Welfare and Institutions Code is amended to read:

11320.2. (a) County welfare departments shall administer this chapter, in a manner consistent with the provisions of this chapter and regulations adopted by the department in order to implement this chapter.

(b) Each county welfare department, with the cooperation of community college districts, county offices of education, and local private industry councils established under Chapter 4 (commencing with Section 15030) of Division 8 of the Unemployment Insurance Code, shall design a package of services to be provided to participants receiving services under this article, that reflect available resources and local job market needs. A joint plan may be submitted by two or more consenting counties.

Each county plan shall include a participant and labor market needs assessment, to be revised annually, which shall specify all of the following:

(1) The full employment goal of the plan, which shall be the provision of unsubsidized employment for all county registrants subject to this article.

(2) An assessment of the county's current and projected unsubsidized employment needs.

(3) An inventory of services, including those specified in subdivision (c) of Section 11320, available to county residents.

(4) The amount and kind of services required to meet the full employment goal for all registrants.

(5) The amount and kind of services that will be used in the plan year.

(6) An assessment of what services are currently unavailable and needed, including child care services, to meet the full employment goal and a plan for developing the availability of these services within a reasonable period of time, including a proposed program budget.

(c) The county welfare department shall submit to the department a program budget proposal in conjunction with the county plan, as specified in this section. The budget proposal shall specify the costs associated with providing the range of services included in the plan in the most cost-effective manner. The budget proposal shall identify the amount of funds that the county expects

to spend for each component and shall provide supporting detail regarding the caseloads anticipated in each component and the amount that will be spent for (1) county employees, by classification, (2) administrative support and overhead, and (3) contracted services and support. Prior to final approval of the county's plan, as specified in subdivision (f), the department shall notify each county of the amount of its allocation of funds to carry out the plan and the assumptions used to develop that allocation. If the allocation is less than the amount of funds that the county proposed in the program budget, the department shall notify the county that the proposed program budget exceeds the funds available. The department shall specify how the costs proposed by the county exceed the costs used to develop the county's allocation. The county may provide any additional documentation to justify the higher funding level. If, after reviewing the additional information, the department finds that the proposed program costs are not reasonable or cost-effective, the county shall submit the necessary revisions to its plan and program budget to keep program expenditures within the amount of its allocation.

In subsequent years, the county welfare department shall submit its program budget proposal for this article at the same time as the county submits its administrative cost control plan for the Aid to Families with Dependent Children, Medi-Cal, and Food Stamp programs. If services are not available in the county, the county plan may include provisions for the purchase of services from other counties.

The plan shall be approved by the board of supervisors of each county, after a public hearing is held in accordance with existing county public hearing procedures that provide adequate notice and an opportunity for affected groups and individuals to present their views and suggestions. In approving the plan, the board shall consider the views presented by affected groups during, and as part of the record of, the public hearing.

Prior to implementation, each plan must receive approval by the department. In determining whether a plan should be approved, the department shall consider the projected long-range cost-effectiveness of the plan, in addition to the appropriateness of the services proposed to be delivered under the plan, given the local labor market, maximum utilization of existing and generic services, and administrative ease.

No plan shall be approved by the department that does not provide an adequate range of services as described in Section 11320.3. With respect to large counties, as defined by the department for cost control purposes, "an adequate range of services" means that the counties shall provide all of the services outlined in Section 11320.3.

If two or more counties submit a joint plan, and the joint plan serves a participant caseload equal to or greater than a large county, the plan shall provide for all of the services outlined in Section 11320.3. If the services listed in Section 11320.3 are not provided for

in the county plan, the county shall submit a justification as to why the services are not necessary. No plan shall be approved which requires job search and work experience of participants to the exclusion of a range of services and which does not specify the range of services, both existing and proposed to be offered participants, in accordance with this section.

No funds appropriated for purposes of this article shall be used to fund education or training services in any county plan if these services could reasonably be provided by local educational agencies from Section A or Section B of the State School Fund which are not otherwise committed. No local educational agency shall be authorized to receive funds appropriated for purposes of this article unless it has demonstrated that it has fully committed all the funds from Section A or Section B of the State School Fund available to it, as certified by the district to the Chancellor of California Community Colleges, or the Superintendent of Public Instruction. The Chancellor of the California Community Colleges and the Superintendent of Public Instruction, as appropriate, shall certify this information to the Director of Finance.

(d) In order to measure the effectiveness of county plans under this article, performance standards for this article shall be consistent with those developed for service delivery areas pursuant to Division 8 (commencing with Section 15000) of the Unemployment Insurance Code. The Health and Welfare Agency shall insure that these standards include, but are not limited to all of the following goals:

(1) The training program participants for unsubsidized employment.

(2) Reducing welfare costs by increasing earnings of program participants in unsubsidized employment.

(3) Placement in unsubsidized employment resulting from all program components.

(e) (1) A county plan may also provide that the program provided for in this article shall apply to recipients of aid under Part 5 (commencing with Section 17000), except that no funds appropriated for purposes of this article shall be utilized for purposes of applying this article to these individuals. A county plan may also provide that the program provided for in this article shall apply to refugees receiving Refugee Cash Assistance or assistance under Article 1 (commencing with Section 13200) of Chapter 5.2. The county shall maintain separate accounting records of expenditures related to applicants for, and recipients of, aid under this chapter, and for the individuals to whom the program applies pursuant to this subdivision. If a county elects to apply the program provided for in this article to refugees receiving Refugee Cash Assistance or assistance under Article 1 (commencing with Section 13200) of Chapter 5.2 or to refugee recipients of aid under Part 5 (commencing with Section 17000), costs of applying the program shall be funded from the county's federal social services and targeted

assistance allocation as provided for under Chapter 5.5 (commencing with Section 13275).

(2) If, pursuant to paragraph (1), a county elects to apply the program provided for in this article to refugees or to recipients of aid under Part 5 (commencing with Section 17000), these individuals shall have the same rights, duties, and responsibilities that a participant has who is an applicant for, or a recipient of, aid under this chapter. Any participation by general assistance recipients shall not constitute any actual or implied responsibility for, or assumption of, costs of general assistance by the state.

(f) Each county shall submit its plan to the department within two years from the effective date of this article, as added during the 1985–86 Regular Session. The department shall approve a county plan within a reasonable period of time after submission of the county plan. Notwithstanding subdivision (f), a county may phase in the participation in its program for all qualified persons over a period of up to three years from the date upon which the program commences to operate in the county. A county may incorporate into its plan any existing employment or training program for applicants for, or recipients of, aid under this chapter which is operating in the county to the extent that the program is consistent with this article.

(g) This program shall be fully operational on a statewide basis within three years after the effective date of this article, as added during the 1985–86 Regular Session, by which time the department shall approve all county plans.

(h) The department shall evaluate the program and shall collect data on program cost, caseload movement, and program outcomes, including data on all of the following:

(1) The numbers of voluntary and mandatory participants in each program component.

(2) The amount of time that each participant remains in each component and the types of services, including supportive services, each participant receives.

(3) The number of recipients in each component that move to each of the other components.

(4) The number of participants sanctioned as well as the amount and duration of the sanction, the reason for the sanction, and the amount of time the participant was in the program prior to the sanction.

(5) The number of participants who go off aid, and to the extent possible, the reason they have gone off aid.

(6) The number of applicants who reapplied for and received aid after having gone off aid during the time they were participating in the program.

(7) The starting salary of employed participants.

(8) Participants job retention rates.

(9) The appropriateness of the categorization of participants.

(10) The appropriateness of assessments and employment plans.

(11) The appropriateness of preemployment preparation

assignments, including a periodic review of the appropriateness of these assignments.

(12) The effectiveness of training components based upon the number of individuals placed in employment.

(13) The timeliness of preemployment preparation assignment reviews.

(14) The appropriateness of sanctions applied under this article.

The department may use standard statistical sampling methods to conduct the evaluation. The department shall maintain this data for the state and for each county. The department may contract with a qualified organization for the evaluation required by this section. The department shall submit a plan for implementing this evaluation to the Joint Legislative Budget Committee. To the extent possible, the data collection system for this evaluation shall be designed to collect data in the least expensive and least time-consuming manner possible.

Utilizing the data compiled pursuant to this subdivision, the department shall, commencing one year after the effective date of this article, as added during the 1985–86 Regular Session, annually report, by January 10, to the Legislature and the Governor on the effectiveness of the program provided for in this article. The Legislative Analyst shall submit a review of this report to the Legislature by April 15 of each year.

SEC. 2. Section 11320.21 is added to the Welfare and Institutions Code, to read:

11320.21. (a) Counties shall continually monitor their program expenditures throughout the fiscal year. If a county determines that its anticipated expenditures will exceed the amount of that year's allocations as a result of an unexpected event, including caseload increases, court cases, or significant justifiable increases in component costs, the county shall immediately notify the department and submit a reduction plan, developed in accordance with subdivision (d), to the department.

(b) The department shall review and respond to a county's proposed reduction plan within 30 days of receipt of the plan. The department may provide additional funds for the existing appropriation to forestall the need for county program reductions. If the department does not respond within 30 days, the plan shall be deemed to be approved. If the department disapproves the reduction plan, the county shall continue to provide services as specified in the approved plan. The department shall submit within 30 days of the disapproval of a reduction plan, a report to the Joint Legislative Budget Committee setting forth the reason for the department's disapproval.

(c) A county's approved reduction plan shall remain in effect for no longer than the duration of the fiscal year in which the plan is approved. At the beginning of the following fiscal year, the county shall provide services pursuant to its approved program plan.

(d) (1) Each county for which reductions are necessitated by this

section shall develop a reduction plan in accordance with this subdivision. Reductions shall be proposed only to the extent necessary to bring anticipated expenditures within the amounts allocated to the county for the fiscal year. If reductions are necessary, it is the intent of the Legislature to allow persons who are already participating in components of the program established pursuant to this article to continue their participation to the extent possible.

(2) During the initial phase-in period, counties may serve applicants and recipients. However, if a county determines that it must implement reductions during its phase-in period, it shall halt its program intake in the following order:

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Chidren-Family Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of subparagraph (4). For purposes of this section, "volunteer registrants" means recipients who voluntarily register under this article although exempt from registration pursuant to Section 11310.

(D) Recipients in accordance with the priorities specified in subparagraphs (A) to (G), inclusive, of paragraph (4).

No phase-in plan shall be approved which is likely to result in the subsequent removal of a disproportionate number of active participants from the program if reductions are implemented pursuant to paragraphs (3) and (4).

(3) A county that has fully implemented its program shall first exclude those individuals who are not actively participating in the program established pursuant to this chapter. The county shall exclude those individuals in the following order:

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Children-Families Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of subparagraph (4).

(D) Recipients whose program status changes from exempt to mandatory.

(E) Recipients who lose their deferral status.

(4) If the reductions in paragraph (2) or (3) are insufficient to bring anticipated expenditures within the amounts allocated to the county, the county shall temporarily exclude from program participation those recipients who are participating in a program component under a basic or amended contract, in the following order:

(A) Temporary exclusion of all volunteers excluding teenage parents.

(B) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid for

less than one year.

(C) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid continuously for less than two years.

(D) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid for less than one year.

(E) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid continuously for less than two years.

(F) Temporary exclusion of volunteer teenage parent registrants.

(G) Temporary exclusion of all remaining Aid to Families with Dependent Children recipients, based on the time on aid, with recipients who have been on aid the longest being the last to be excluded.

(5) Persons identified as excluded shall be excluded from participation throughout the fiscal year without regard to changes in exclusionary status. However, these persons may be served if funds become available within the fiscal year and in accordance with paragraph (6).

(6) With the exception of applicants and volunteer registrants, all excluded persons who express a desire to participate in the program established under this chapter shall be served, except when their participation would interrupt services to individuals already participating in this program. However, the procedures contained in subdivisions (a) and (b) of Section 11320.6 shall apply when persons who would otherwise be mandatory registrants subsequently fail or refuse to participate without good cause. The procedures contained in subdivision (c) of Section 11320.6 shall apply to persons who would otherwise be voluntary registrants and who subsequently fail or refuse to participate without good cause.

SEC. 3. No reimbursement to local agencies and school districts is provided in this act pursuant to Section 6 of Article XIII B of the California Constitution for costs mandated by the state pursuant to this act because reimbursement is provided in 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 to provide timely revision of the procedures for implementation of the Greater Avenues for Independence Act of 1985 program, it is necessary that this act take effect immediately.

CHAPTER 315

An act to amend Sections 1240, 33316, and 44421.5 of the Education Code, relating to education.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 1240 of the Education Code, is amended to read:

1240. The superintendent of schools of each county shall:

(a) Superintend the schools of his or her county.

(b) Visit and examine each school in his or her county at reasonable intervals to observe their operation and to learn of their problems. He or she may annually present a report of the state of the schools in his or her county, and of his or her office, including, but not limited to, his or her observations while visiting the schools, to the board of education and the board of supervisors of his or her county.

(c) Distribute all laws, reports, circulars, instructions, and blanks that he or she may receive for the use of the school officers.

(d) Keep in his or her office the reports of the Superintendent of Public Instruction, and the Board of Governors of the California Community Colleges.

(e) Keep a record of his or her official acts, and of all the proceedings of the county board of education, including a record of the standing, in each study, of all applicants for certificates who have been examined, which shall be open to the inspection of any applicant or his or her authorized agent.

(f) Enforce the course of study.

(g) Enforce the use of state textbooks and of high school textbooks regularly adopted by the proper authority.

(h) Preserve carefully all reports of school officers and teachers.

(i) Deliver to his or her successor, at the close of his or her official term, all records, books, documents, and papers belonging to the office, taking a receipt for them, which shall be filed with the State Department of Education.

(j) Submit two reports during the fiscal year to the county board of education. The first report shall cover the financial and budgetary status of the county office of education for the period ending no earlier than October 31 nor later than December 31. The second report shall cover the period ending March 31. Both reports shall be reviewed by the county board of education and approved by the county superintendent no later than 45 days after the close of the period being reported. As part of each report, the superintendent shall certify in writing whether or not the county office of education is able to meet its financial obligations for the remainder of the fiscal

year. The certifications shall be classified as positive, qualified, or negative, as prescribed by the Superintendent of Public Instruction, for the purposes of determining subsequent state agency actions pursuant to Section 1241.1. Copies of each report in which the superintendent is unable to certify unqualifiedly that these financial obligations will be met shall be sent to the Controller and the Superintendent of Public Instruction at the time it is submitted to the county board of education, together with a completed transmittal form provided by the Controller.

Each report shall specify outstanding obligations of the county office of education and significant budgetary and financial conditions known to exist at the time of certification by the superintendent. Each report shall be based upon the financial and budgetary reports normally submitted by county superintendents of schools as required by Section 1245 and other statutory provisions.

This subdivision does not preclude the submission of additional budgetary or financial reports by the superintendent to the county board of education or the Superintendent of Public Instruction.

(k) When so requested, act as agent for the purchase of supplies for the city and high school districts of his or her county.

(*l*) For purposes of Section 44421.5, report to the Commission on Teacher Credentialing the identity of any certificated person who knowingly and willfully reports false fiscal expenditure data relative to the conduct of any educational program. This requirement applies only if, in the course of his or her normal duties, the county superintendent of schools discovers information that gives him or her reasonable cause to believe that false fiscal expenditure data relative to the conduct of any educational program has been reported.

SEC. 2. Section 33316 of the Education Code is amended to read:

33316. The State Department of Education shall do all of the following:

(a) Revise and update budget manuals, forms and guidelines.

(b) Cooperate with federal and state agencies in prescribing rules and regulations, and instructions required by those agencies.

(c) Assess the needs and methods of collecting and disseminating financial information.

(d) Conduct workshops and conferences for the purpose of training school district and county personnel.

(e) Provide consultant services to colleges and universities on courses of instruction relative to school budgets and accounting practices.

(f) For purposes of Section 44421.5, report to the Commission on Teacher Credentialing the identity of any certificated person who knowingly and willfully reports false fiscal expenditure data relative to the conduct of any educational program. This requirement applies only if, in the course of his or her normal duties, a representative of the State Department of Education discovers information that gives him or her reasonable cause to believe that false fiscal expenditure data relative to the conduct of any educational program has been

reported.

SEC. 3. Section 44421.5 of the Education Code is amended to read:

44421.5. Notwithstanding Section 44421, the Commission on Teacher Credentialing shall privately admonish, or suspend or revoke the credential of, any certificated person who knowingly and willfully reports false fiscal expenditure data relative to the conduct of any educational program.

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 316

An act to amend Sections 1339.52 and 1339.54 of the Health and Safety Code, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988 Filed with Secretary of State July 8, 1988]

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

SECTION 1. Section 1339.52 of the Health and Safety Code is amended to read:

1339.52. For the purposes of this article:

(a) "Children" means persons under the age of 21 years.

(b) "Chronic illness" means a physical condition which restricts physical development, impairs ability to engage in age-appropriate accustomed and expected activities, and requires periodic medical treatment during the year in a hospital or other medical outpatient or inpatient facility. "Chronic illness" does not include developmental disabilities as defined in Section 4512 of the Welfare and Institutions Code.

(c) "Intermediate care facility for chronically or terminally ill children" means a facility which provides 24-hour personal care and supportive health services and day care to children with chronic or terminal illnesses who need care and supervision and regular health services, and each client has been certified by the client's attending physician and surgeon as not requiring continuous skilled nursing care. An intermediate care facility for chronically or terminally ill children shall be limited to a capacity of 12 day care clients with

provision for intermittent 24-hour care for no more than four of the day care clients at any one time.

SEC. 2. Section 1339.54 of the Health and Safety Code is amended to read:

1339.54. The state department shall establish a demonstration project for one intermediate care facility for chronically or terminally ill children as provided in this chapter as follows:

(a) On or before July 1, 1985, the state department shall contract with a qualified organization in Sacramento County using a competitive bidding process to conduct the demonstration project.

(b) On or before July 1, 1989, the state department shall submit to the Legislature an evaluation report which shall include, but not be limited to, all of the following:

(1) The number of children served.

(2) The medical diagnosis of children served.

(3) The reasons for admission.

(4) The services provided.

(5) The length of stay.

(6) The reason for discharge.

(7) An evaluation of the services by the family.

(8) The private and public cost of service.

(9) Recommendations for expansion or termination of the program. If it is recommended that the program be expanded, the report shall identify possible funding sources for the expansion and shall identify any waivers necessary to secure the funding.

(10) An assessment of the cost effectiveness of the project.

(c) The state department shall conduct an evaluation of the program at least annually.

(d) The demonstration project established pursuant to the section, shall be extended until July 1, 1989.

SEC. 3. Of the funds allocated for the fiscal year 1987–88 for the purposes of Article 11 (commencing with Section 1339.51) of Chapter 2 of Division 2 of the Health and Safety Code, unencumbered funds, not to exceed twenty thousand dollars ($20,000), may be retained and expended for this purpose for the fiscal year 1988–89.

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 an urgently needed extension for the existing demonstration project for terminally ill children, it is necessary that this act take effect immediately.

CHAPTER 317

An act to add Section 52454 to the Education Code, relating to education.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 52454 is added to the Education Code, to read:

52454. (a) The curriculum of school districts that choose to participate in the state program of agricultural vocational education shall include all of the following components:

(1) Organized classes in the study of agricultural science and technology.

(2) A student-supervised occupational experience program in agriculture.

(3) A program of leadership, organization, and personal development.

(b) Student learning activity developed to supplement these components shall be considered curricular and shall contribute to the grade of the participating student when those activities are integral to assisting the student to achieve the career objective of the class or course.

It is the intent of the Legislature that opportunities are provided for teachers to be employed on a 12-month basis in order to maintain supervised occupational experience on a year-round basis for students enrolled in agricultural vocational programs.

CHAPTER 318

An act to add Section 89911 to the Education Code, relating to education.

[Approved by Governor July 8, 1988 Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 89911 is added to the Education Code, to read:

89911. Any obligation of an auxiliary organization, as defined by Section 89901 of the Education Code, which obligation is authorized by the Trustees of the California State University, is an obligation of the State of California. No lending or pledging of the credit of the State of California or the Trustees of the California State University

is intended or accomplished by this section.

SEC. 2. It is the intent of the Legislature in enacting Section 1 of this act to affirm that the California State University is an integral part of the state government, and, accordingly, that an obligation of an auxiliary organization, as defined by existing state law, where that obligation is authorized by the Trustees of the California State University, is an obligation of the State of California for purposes of Section 103 of the Internal Revenue Code.

CHAPTER 319

An act to amend Sections 12303.5 and 12304 of, and to add and repeal Section 12303.4 of, the Welfare and Institutions Code, relating to in-home supportive services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 12303.4 is added to the Welfare and Institutions Code, to read:

12303.4. For the period July 1, 1988, to June 30, 1990, inclusive, Sections 12303.5 and 12304 shall not be operative and the following shall apply:

(a) (1) Any aged, blind, or disabled individual who is eligible for assistance under this chapter or Chapter 4 (commencing with Section 12500), and who is not described in Section 12304, shall receive services under this article which do not exceed the maximum of 195 hours per month in the individual provider mode of service delivery.

(2) Recipients served in modes of delivery other than the individual provider mode shall be limited in the maximum number of service hours per month to 195 hours times the statewide wage rate per hour for the individual provider mode as calculated by the department and by dividing this product by the hourly cost of the mode of service to be provided.

(b) (1) Any aged, blind, or disabled individual who is eligible for assistance under this chapter or Chapter 4 (commencing with Section 12500), who is in need, as determined by the county welfare department, of at least 20 hours per week of the services specified in subdivision (e) of Section 12304, shall be eligible to receive services under this article, the total of which shall not exceed a maximum of 283 hours per month in the individual provider mode of service delivery.

(2) Recipients served in modes of delivery other than the individual provider mode shall be limited in the maximum number

of service hours per month to 283 hours times the statewide wage per hour for the individual provider as calculated by the department and dividing this product by the hourly cost rate of the mode of service to be provided.

This section shall remain operative only until July 1, 1990, and as of January 1, 1991, is repealed, unless a later enacted statute extends or repeals that date.

SEC. 1.5. Section 12303.5 of the Welfare and Institutions Code is amended to read:

12303.5. Except as provided in Section 12304, no one individual recipient shall receive services under this article, the total cost of which exceeds eight hundred twenty-nine dollars ($829) in any one month. The eight hundred twenty-nine dollars ($829) maximum specified under this section shall be adjusted annually to reflect cost-of-living changes occurring subsequent to January 1, 1989, so that the first such adjustment becomes effective July 1, 1990. The cost-of-living adjustment shall be based on the changes in the California Necessities Index, which as used in this section shall be the weighted average of changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(a) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food	$ 1,832
Clothing (apparel and upkeep)	298
Fuel and other utilities	264
Rent, residential	2,303
Transportation	1,026
Total	$ 5,723

(b) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specifed in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(c) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California

Consumer Price Index (CCPI).

(d) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding 100 to the applicable weighted percentage change as determined in subdivision (b) and (2) dividing the sum by 100.

(e) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in subdivision (d).

(f) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in subdivision (d) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

The overall adjustment factor determined by the preceding computational steps shall be multiplied by the maximum payment in effect during the month of June preceding the fiscal year in which the adjustments are to occur, and, notwithstanding Section 11017.1, the product rounded down to the nearest dollar. The resultant amount shall constitute the new maximum payment.

SEC. 2. Section 12304 of the Welfare and Institutions Code is amended to read:

12304. (a) Any aged, blind, or disabled individual who is eligible for assistance under this chapter or Chapter 4 (commencing with Section 12500) who is in need, as determined by the county welfare department, of at least 20 hours per week of the services specified in subdivision (e), shall be eligible to receive services under this article, the total cost of which does not exceed one thousand two hundred three dollars ($1,203) per month, plus adjustments reflecting cost-of-living changes subsequent to January 1, 1989, as determined under Section 12303.5, so that the first such adjustment becomes effective July 1, 1990. Increases in the maximum amount payable under this section shall not be construed to mean automatic increases in the amounts payable under this article.

(b) An individual who is eligible for services subject to the maximum amount specified in subdivision (a) and who is capable of handling his or her own financial and legal affairs shall be given the option of hiring and paying his or her own provider of in-home supportive services. For this purpose the individual shall be entitled to receive a monthly cash payment in advance not to exceed the maximum amount specified in subdivision (a), which is in addition to his or her grant, if any. An individual who is not capable of handling his or her own financial and legal affairs shall be entitled to receive the cash payment through his or her guardian, conservator, or protective payee.

(c) In no event shall the maximum total cost for services and advance cash payment for one individual recipient under subdivisions (a) and (b) exceed the maximum of one thousand two hundred three dollars ($1,203) per month, as adjusted pursuant to subdivision (a).

(d) The county welfare department shall inform in writing any individual who is potentially eligible for services under this section of his or her right to the services.

(e) For purposes of this section, a recipient who is eligible for services subject to the maximum amount specified in subdivision (a) is one who requires in-home supportive care of at least 20 hours per week to carry out any or all of the following:

(1) Routine bodily functions, such as bowel and bladder care and respiration assistance.

(2) Dressing, oral hygiene, and grooming.

(3) Preparation and consumption of food and meal cleanup for individuals who require assistance with the preparation and consumption of food.

(4) Moving into and out of bed, other assistance in transferring, turning in bed, and other repositioning.

(5) Bathing, routine bed baths, and washing.

(6) Ambulation and care and assistance with prostheses.

(7) Rubbing of skin to promote circulation.

(8) Paramedical services.

(9) Any other function of daily living as determined by the director.

This determination of need shall be supported by a medical report when requested and shall be prepared at the expense of the State Department of Social Services.

SEC. 3. No reimbursement is provided in this act pursuant to Section 6 of Article XIII B of the California Constitution because funding will be provided in the annual Budget Act to cover any costs that may be incurred in carrying on any program and performing any service required to be carried on or performed by this act.

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

In order to maintain in-home supportive services to the severely impaired at the current level of service, it is necessary that this act take effect immediately.

CHAPTER 320

An act to amend Section 23671 of the Business and Professions Code, and to amend Sections 14514.5, 14572, and 14575 of the Public Resources Code, relating to beverage containers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 23671 of the Business and Professions Code is amended to read:

23671. No beer importer shall purchase any beer not manufactured within the state or cause any beer to be transported into the state for sale in the state, unless the out-of-state vendor making shipment of the beer into the state holds a certificate of compliance issued by the department. A certificate of compliance shall be granted when the out-of-state vendor makes a written agreement with the department to furnish to the board, on or before the 10th day of each month, a report on a form prescribed by the board, showing the quantity of beer shipped by the out-of-state vendor to each licensed beer importer in this state during the preceding month.

If any out-of-state vendor, after obtaining the certificate, fails to submit the report or to comply with Section 14575 of the Public Resources Code, the department may suspend or revoke the certificate of compliance in the manner provided for the suspension or revocation of licenses, and after a hearing which shall be held in the City of Sacramento or in any other county seat in this state which the department determines to be convenient to the holder of the certificate. No fee shall be charged for the certificate of compliance which shall remain in effect until revoked by the department.

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. Secs. 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. Except as provided in subdivision (c) of Section 14572, 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 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, nonprofit dropoff program, 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, nonprofit dropoff program, 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. 4. 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) on or before October 1, 1990, or 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. Sixty days prior to the calculation of the processing fee, the department shall submit a report to the Chairman of the Assembly Natural Resources Committee and the Chairman of the Senate Natural Resources and Wildlife Committee. The report shall include a summary of the fluctuations of costs and scrap values necessitating the recalculation. The report shall also highlight changes in markets, new technologies, and other business and economic factors.

(c) (1) Except as provided in paragraph (2), 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.

(2) Notwithstanding Section 14506, with respect to the payment of processing fees for beer and other malt beverages, the beverage manufacturer shall be deemed to be the person or entity named on the certificate of compliance issued pursuant to Section 23671 of the Business and Professions Code. If the department is unable to collect

the processing fee from the person or entity named on the certificate of compliance, the department shall give written notice by certified mail to that person or entity. The notice shall state that the processing fee shall be remitted in full within 30 days of issuance of the notice or the person or entity shall not be permitted to offer that beverage brand for sale within the state. If the person or entity fails to remit the processing fee within 30 days of issuance of the notice, the department shall notify the Department of Alcoholic Beverage Control that the certificate holder has failed to comply, and the Department of Alcoholic Beverage Control shall prohibit the offering or sale of that beverage brand within the state.

The department shall enter into a contract with the Department of Alcoholic Beverage Control, pursuant to Section 14536.5, concerning the implementation of this paragraph, which shall include a provision reimbursing the Department of Alcoholic Beverage Control for its costs incurred in implementing this paragraph.

(3) 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. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district

will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to clarify various provisions of the California Beverage Container Recycling and Litter Reduction Act, and thereby better protect the public health and safety and the environment by encouraging recycling and litter control, it is necessary that this act take effect immediately.

CHAPTER 321

An act to amend, repeal, and add Section 5551.1 of the Business and Professions Code, relating to architecture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988 Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 5551.1 of the Business and Professions Code is amended to read:

5551.1. (a) (1) Individuals licensed as architects in jurisdictions other than California may be granted reciprocal licensure by the board upon satisfaction of the board's requirements for licensure, including, but not limited to, successful completion of the California Architect Licensing Examination, or another written examination which is acceptable to the board for the purposes of satisfying the written examination requirement for reciprocal licensure in California.

(2) For the purposes of this section as it applies to persons licensed as architects in jurisdictions other than this state, based on passage of a written examination on and after January 1, 1987, who are not legal residents of this state, reciprocal licensure shall be contingent upon the acceptance of the California Architect Licensing Examination by the licensing authority in the candidate's home jurisdiction for the purposes of satisfying the written examination requirement for reciprocal licensure in that state.

(3) For the purposes of this section, legal residency shall be established by a candidate's signature on an affidavit provided by the board stating his or her residency in California.

(b) Pursuant to Sections 5582 and 5582.1, the fact that a California licensed architect has affixed his or her signature to plans, drawings, specifications, or other instruments of service which have not been

prepared by him or her or in his or her office, or under his or her immediate and responsible direction, or has permitted his or her name to be used for the purpose of assisting any person licensed as an architect in a jurisdiction other than this state, who is not authorized to practice architecture in this state through reciprocal licensure under this section, to evade this section, constitutes a ground for disciplinary action.

(c) This section shall remain in effect until July 1, 1989, and as of that date is repealed.

SEC. 2. Section 5551.1 is added to the Business and Professions Code, to read:

5551.1. (a) (1) Individuals licensed as architects in jurisdictions other than California may be granted reciprocal licensure by the board upon satisfaction of the board's requirements for licensure, including, but not limited to, successful completion of the California Architect Licensing Examination or another written examination which is acceptable to the board for the purposes of satisfying the written examination requirement for reciprocal licensure in California.

(2) For the purposes of this section as it applies to persons licensed as architects in jurisdictions other than this state who are not legal residents of this state, reciprocal licensure shall be contingent upon the acceptance of the California Architect Licensing Examination by the licensing authority in the candidate's home jurisdiction for the purposes of satisfying the written examination requirement for reciprocal licensure in that state.

(3) For the purposes of this section, legal residency shall be established by a candidate's signature on an affidavit provided by the board stating his or her residency in California.

(b) Pursuant to Sections 5582 and 5582.1, the fact that a California licensed architect has affixed his or her signature to plans, drawings, specifications, or other instruments of service which have not been prepared by him or her or in his or her office, or under his or her immediate and responsible direction, or has permitted his or her name to be used for the purpose of assisting any person licensed as an architect in a jurisdiction other than this state, who is not authorized to practice architecture in this state through reciprocal licensure under this section, to evade this section, constitutes a ground for disciplinary action.

(c) This section shall not apply to any person who has applied for a license based on reciprocity before July 1, 1989.

(d) This section shall become operative on July 1, 1989.

SEC. 3. It is the intent of the Legislature in enacting this act to affect only those persons licensed as architects in this state or other jurisdictions and not to affect unlicensed persons that have a consultant relationship with an architect licensed in this state.

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 California law may be changed so it does not adversely affect new residents of this state applying for licensure as architects in this state, it is necessary that this act go into immediate effect.

CHAPTER 322

An act to amend Section 830.4 of the Penal Code, relating to the judiciary, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988]

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) The coordinator of security for the judicial branch, and the 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.

(o) Security officers of the Department of Justice.

SEC. 2. Section 1 of this bill shall become operative on July 1, 1988.

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 newly appointed coordinator of security of the judicial branch requires the powers afforded by Section 830.4 of the Penal Code at the earliest possible time in order to carry out the duties of this office. In order to provide these powers as soon as possible, it is necessary that this bill go into immediate effect.

CHAPTER 323

An act to amend Section 44266 of the Education Code, relating to the certification of teachers.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988.]

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 in the process of obtaining a services credential with a specialization in pupil personnel services through a previously approved program of study.

CHAPTER 324

An act to amend Sections 5371, 5371.1, 5373.1, 5374, and 5376 of, to add Section 5387 to, and to repeal Section 5373 of, the Public Utilities Code, relating to carriers.

[Approved by Governor July 8, 1988 Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 5371 of the Public Utilities Code is amended to read:

5371. No charter-party carrier of passengers excepting transit districts, transit authorities or cities owning and operating local transit systems themselves or through wholly owned nonprofit corporations shall engage in transportation services made subject to this chapter without first having obtained from the commission a certificate that public convenience and necessity require the operation, except that certain specific transportation services as defined in Section 5384 may be conducted under authority of a permit issued by the commission.

SEC. 2. Section 5371.1 of the Public Utilities Code is amended to read:

5371.1. (a) No charter-party carrier of passengers initially issued a certificate shall be restricted as to point of origin or destination in the State of California.

(b) Every application for a certificate or permit, or renewal thereof, shall be accompanied by the appropriate fee as specified in Section 5373.1.

SEC. 3. Section 5373 of the Public Utilities Code is repealed.

SEC. 4. Section 5373.1 of the Public Utilities Code is amended to

read:

5373.1. (a) Each application for a charter-party carrier of passengers certificate or permit shall be accompanied by a filing fee as follows:

(1) Class A certificates—five hundred dollars ($500).

(2) Class B certificates—five hundred dollars ($500).

(3) Permits—five hundred dollars ($500).

(b) The commission shall also require each application to be accompanied by a fee to offset the cost of the charter-party carrier bus terminal inspections conducted by the Department of the California Highway Patrol. The fee shall be fifteen dollars ($15) per tour bus, as defined in Section 612 of the Vehicle Code, or a maximum of six thousand five hundred dollars ($6,500) for each operating carrier.

(c) The commission shall require each charter-party carrier to pass an annual bus terminal inspection conducted by the Department of the California Highway Patrol and to pay an annual fee of fifteen dollars ($15) per tour bus, or a maximum of six thousand five hundred dollars ($6,500), to offset the cost of the inspections.

(d) The commission shall deposit the fees collected pursuant to subdivisions (b) and (c) in the Motor Vehicle Account in the State Transportation Fund.

SEC. 5. Section 5374 of the Public Utilities Code is amended to read:

5374. Before a permit or certificate is issued, the commission shall require the applicant to establish reasonable fitness and financial responsibility to initiate and conduct the proposed transportation services. The commission shall not issue a permit or certificate 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. 6. Section 5376 of the Public Utilities Code is amended to read:

5376. A permit or certificate, or renewal thereof, is effective for three years, unless suspended or revoked by the commission.

SEC. 7. Section 5387 is added to the Public Utilities Code, to read:

5387. The commission shall, on or before January 1, 1992, prepare and submit to the Legislature a report of its experiences with respect to issuing certificates and permits to charter-party carriers of passengers valid for three years, including its recommendations as to returning to the former requirement for annual certificates and permits and as to issuing certificates and permits which are valid until revoked.

CHAPTER 325

An act to add Section 2457.5 to the Business and Professions Code, relating to osteopathic physicians and surgeons.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 8, 1988.]

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

SECTION 1. Section 2457.5 is added to the Business and Professions Code, to read:

2457.5. (a) In addition to Article 12 (commencing with Section 2220), the charging, or obtaining of an unconscionable fee for professional services rendered to a patient by an osteopathic physician and surgeon constitutes unprofessional conduct and is grounds for disciplinary action.

(b) A fee is unconscionable within the meaning of this section when it is so exorbitant and wholly disproportionate to the services performed as to shock the conscience of physicians of ordinary prudence practicing in the same community. Factors to be considered, where appropriate, in determining the reasonableness of a fee, are based on the circumstances existing at the time of the service and shall include, but not be limited to, the following:

(1) The time and effort required.

(2) The novelty and difficulty of the procedure and treatment.

(3) The skill required to perform the procedure or treatment properly.

(4) The likelihood, if apparent to the patient, that the proper treatment of the patient will preclude the physician from remuneration from other sources.

(5) Any requirements or conditions imposed by the patient or by the circumstances.

(6) The nature and length of the professional relationship with the patient.

(7) The experience, reputation, and ability of the physician performing the services.

(8) The results obtained.

(9) The existence of full fee disclosure and knowing patient consent.

CHAPTER 326

An act to add Section 14667.5 to the Government Code, relating to state lands and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 11, 1988.]

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

SECTION 1. Section 14667.5 is added to the Government Code, to read:

14667.5. Notwithstanding any other provision of law, for approximately one million five hundred thousand dollars ($1,500,000) in road, street, and other improvements and for reasonable administrative fees, upon the terms, conditions, reservations, and exceptions that are in the best interests of the state in the opinion of the Director of General Services, the state shall dedicate to the City of Santa Clara the right-of-way for a road on the west campus of Agnews State Hospital, County of Santa Clara. The path of this road shall run from south to north through vacant land on the easterly side of the west campus of Agnews State Hospital.

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 City of Santa Clara from hardship as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 327

An act to amend Section 50781 of the Health and Safety Code, relating to housing.

[Approved by Governor July 8, 1988 Filed with Secretary of State July 11, 1988.]

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

SECTION 1. Section 50781 of the Health and Safety Code is amended to read:

50781. Unless the context otherwise requires, the following definitions given in this section shall control construction of this chapter:

(a) "Affordable" means that, where feasible, low-income residents should not pay more than 30 percent of their monthly income for housing costs.

(b) "Conversion costs" includes the cost of acquiring the mobilehome park, the costs of planning and processing the conversion, the costs of any needed repairs or rehabilitation, and any expenditures required by a government agency or lender for the project.

(c) "Department" means the Department of Housing and Community Development.

(d) "Fund" means the Mobilehome Park Purchase Fund created pursuant to Section 50782.

(e) "Housing costs" means the total cost of owning, occupying, and maintaining a mobilehome and a lot or space in a mobilehome park. The department's regulations shall specify the factors included in these costs and may, for the purposes of calculating affordability, establish reasonable allowances.

(f) "Individual interest in a mobilehome park" means any interest which is fee ownership or a lesser interest which entitles the holder to occupy a lot or space in a mobilehome park for a period of not less than either 15 years or the life of the holder. Individual interests in a mobilehome park include, but are not limited to, the following:

(1) Ownership of a lot or space in a mobilehome park or subdivision.

(2) A membership or shares in a stock cooperative, as defined in Section 11003.2 of the Business and Professions Code, or a limited equity housing cooperative, as defined in Section 33007.5 of the Health and Safety Code.

(3) Membership in a nonprofit mutual benefit corporation which owns, operates, or owns and operates the mobilehome park.

(g) "Low-income resident" means an individual or household who is a lower income household, as defined in Section 50079.5. However, personal assets shall not be considered in the calculation of income, except to the extent that they actually generate income.

(h) "Low-income spaces" means those spaces in a mobilehome park operated by a resident organization which are occupied by low-income residents.

(i) "Mobilehome park" means a mobilehome park, as defined in Section 18214, or a manufactured home subdivision created by the conversion to resident ownership of a mobilehome park, as defined in Section 18214.

(j) "Resident organization" means a group of mobilehome park residents who have formed a nonprofit corporation, cooperative corporation, or other entity or organization for the purpose of acquiring the mobilehome park in which they reside and converting the mobilehome park to resident ownership. The membership of a resident organization shall include at least two-thirds of the households residing in the mobilehome park at the time of application for assistance from the department. However, membership in the resident organization when the application is made shall not be a requirement for a loan under Section 50784, and, when funding a loan under Section 50783, the two-thirds of

households in the resident organization need not be the same households that were in the resident organization when the application for assistance was submitted to the department.

(k) "Resident ownership" means, depending on the context, either the ownership, by a resident organization, as defined in this section, of an interest in a mobilehome park which entitles the resident organization to control the operations of the mobilehome park for a term of no less than 15 years, or the ownership of individual interests in a mobilehome park, or both.

CHAPTER 328

An act relating to housing, and making an appropriation therefor.

[Approved by Governor July 8, 1988. Filed with Secretary of State July 11, 1988.]

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

SECTION 1. The sum of one million dollars ($1,000,000) is hereby appropriated from the Mobilehome-Manufactured Home Revolving Fund for loans made pursuant to Chapter 11 (commencing with Section 50780) of Part 2 of Division 31 of the Health and Safety Code.

CHAPTER 329

An act to amend Sections 1632, 12520, 12522, 12523, 14304, 14306, 27020, and 27023 of, and to repeal Section 12526 of, the Elections Code, and to repeal Section 7 of Chapter 48 of the Statutes of 1988, relating to elections.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 13, 1988.]

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

SECTION 1. Section 1632 of the Elections Code is amended to read:

1632. The clerk may, not less than 30 days prior to any election, find that a different arrangement of election officers than is prescribed in this chapter will be more suitable and in such case may provide that the precinct board shall consist of one inspector and three clerks; or one inspector, one assistant inspector, and two clerks; or one inspector and four clerks. If the clerk provides that the precinct board shall consist of one inspector, one assistant inspector, and two clerks, the precinct board shall be implemented by four

clerks, who shall commence serving upon the close of the polls and shall, together with the inspector, assistant inspector, and two clerks, count the votes. The clerks shall be appointed, qualified and sworn as are other members of the precinct board.

SEC. 2. Section 12520 of the Elections Code is amended to read:

12520. At the time an individual is issued his or her declaration of candidacy, nomination papers, or any other paper evidencing an intention to be a candidate for public office, the clerk, shall give the individual a blank form of the Code of Fair Campaign Practices and a copy of this chapter. The clerk shall inform each candidate for public office that subscription to the code is voluntary.

In the case of a committee making an independent expenditure within the meaning of Section 12511, the Secretary of State shall provide a blank form and a copy of this chapter to the individual filing, in accordance with Title 9 (commencing with Section 81000) of the Government Code, an initial campaign statement on behalf of the committee.

The text of the code shall read, as follows:

"CODE OF FAIR CAMPAIGN PRACTICES

There are basic principles of decency, honesty, and fair play which every candidate for public office in the State of California has a moral obligation to observe and uphold, in order that, after vigorously contested, but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammeled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

(1) I SHALL CONDUCT my campaign openly and publicly, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponents or political parties which merit such criticism.

(2) I SHALL NOT USE OR PERMIT the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his or her personal or family life.

(3) I SHALL NOT USE OR PERMIT any appeal to negative prejudice based on race, sex, religion, national origin, physical health status, or age.

(4) I SHALL NOT USE OR PERMIT any dishonest or unethical practice which tends to corrupt or undermine our American system of free elections, or which hampers or prevents the full and free expression of the will of the voters including acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote, or voting.

(5) I SHALL NOT coerce election help or campaign contributions for myself or for any other candidate from my employees.

(6) I SHALL IMMEDIATELY AND PUBLICLY REPUDIATE support deriving from any individual or group which resorts, on

behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics which I condemn. I shall accept responsibility to take firm action against any subordinate who violates any provision of this code or the laws governing elections.

(7) I SHALL DEFEND AND UPHOLD the right of every qualified American voter to full and equal participation in the electoral process.

I, the undersigned, candidate for election to public office in the State of California or treasurer or chairperson of a committee making any independent expenditures, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct my campaign in accordance with the above principles and practices."

_____ _____

Date Signature

SEC. 3. Section 12522 of the Elections Code is amended to read:

12522. The Secretary of State shall print, or cause to be printed, blank forms of the code. The Secretary of State shall supply the forms to the clerks in quantities and at times requested by the clerks.

SEC. 4. Section 12523 of the Elections Code is amended to read:

12523. The clerk shall accept, at all times prior to the election, all completed forms which are properly subscribed to by a candidate for public office and shall retain them for public inspection until 30 days after the election.

SEC. 5. Section 12526 of the Elections Code is repealed.

SEC. 6. Section 14304 of the Elections Code is amended to read:

14304. (a) In lieu of the procedure outlined in Section 14303 the unused ballots may be defaced by tearing or cutting in such a manner that it is apparent that the ballot has been intentionally destroyed to prevent its use. If the alternate method of destruction is used, it will be done in such a manner that the serial number of the ballots is retained for the purposes of reconciliation.

(b) In lieu of the procedure outlined in subdivision (a), the precinct board member shall, immediately upon the close of the polls and before any ballot is taken from any of the containers, place all of the unused ballots into a special container provided for that purpose. A tamperproof seal containing spaces for entering the total number of unused ballots enclosed, the beginning and ending serial numbers thereof and signature lines for all members of the precinct board following a statement certifying that all of the ballots were placed in the container in their presence and the information on the seal is true and correct shall be provided. After signing the seal, it shall be placed on the container in a manner that the container cannot be opened without tearing the seal.

SEC. 7. Section 14306 of the Elections Code is amended to read:

14306. (a) Immediately upon the arrival of the hour when the polls are required by law to be closed on election day, the clerk conducting the election, shall openly, in the clerk's main office, in the

presence of any persons who are present to observe, according to the procedure set forth in either Section 14303 or 14304, proceed to deface every unused ballot remaining in the control of the clerk. The clerk shall forthwith make and file an affidavit, in writing, as to the number of ballots destroyed.

(b) In lieu of the procedure provided for in subdivision (a), the clerk may follow the procedure set forth in subdivision (b) of Section 14304, except that the tamperproof seal shall be signed by the clerk and at least one deputy or assistant clerk or registrar. The sealed container shall then be placed with the sealed containers containing unused ballots from the precincts in a security area by the clerk until disposition is made pursuant to Section 14810 or 14811.

SEC. 8. Section 27020 of the Elections Code is amended to read:

27020. The notice of intention shall contain all of the following:

(a) The name and title of the officer sought to be recalled.

(b) A statement, not exceeding 200 words in length, of the reasons for the proposed recall.

(c) The printed name, signature, and business or residence address of at least one but not more than five proponents of the recall.

(d) The provisions of Section 27023.

SEC. 9. Section 27023 of the Elections Code is amended to read:

27023. Within seven days after the filing of the notice of intention, the officer sought to be recalled may file with the clerk, or in the case of a state officer, the Secretary of State, an answer, in not more than 200 words, to the statement of the proponents. If an answer is filed, the officer shall, within seven days after the filing of the notice of intention, also serve a copy of it, by personal delivery or by certified mail, on one of the proponents named in the notice of intention. The answer shall include the printed name, signature, and business or residence address of the officer sought to be recalled.

SEC. 10. Section 7 of Chapter 48 of the Statutes of 1988 is repealed.

SEC. 11. 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 330

An act to amend Section 987.57 of, and to add Section 980.3 to, the Military and Veterans Code, relating to veterans, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 13, 1988.]

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

SECTION 1. Section 980.3 is added to the Military and Veterans Code, to read:

980.3. As used in this chapter, "veteran" also includes any person who was at the time of entry into service a native of or bona fide resident of this state or, if a minor at that time, entered into service while in this state and had lived in this state for six months immediately preceding entry into service, including any person who served in the Merchant Marine Service of the United States, and has been granted veteran status by the United States Secretary of Defense under Title IV of the GI Bill Improvement Act of 1977 (Public Law 95-202, as amended).

SEC. 2. Section 987.57 of the Military and Veterans Code is amended to read:

987.57. (a) On and after January 1, 1993, 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 any 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. 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 that this act take effect immediately.

CHAPTER 331

An act to amend Sections 20013.7, 20360, 20361, 20500, 20523, 20603, 20813.1, 20834.1, 20931, 20950.1, 21253, and 21263.5 of, to add Sections 20024.05, 20657, and 20813.5 to, and to add Chapter 2 (commencing with Section 22880) to Part 5 of Division 5 of Title 2 of, the Government Code, relating to the Public Employees' Retirement System, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 20013.7 of the Government Code is amended to read:

20013.7. (a) Effective January 1, 1985, there shall be an alternative level of benefits available to the following state miscellaneous members: (1) members who are excluded from the definition of state employee in subdivision (c) of Section 3513; (2) members who are supervisory employees as defined in Section 3522.1; (3) members employed by the executive branch of government who are not membersof the civil services; and (4) members in state bargaining units for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section. Effective September 1, 1986, this section shall apply to members employed by the state as provided for in Article VI of the Constitution. The board shall provide the affected members a one-month election period commencing on August 1, 1986. This section shall not apply to state miscellaneous members employed by the California State University or the University of California. This section shall not apply to any employee described by Section 20364 unless and until the employer, as defined in Section 20817, adopts a resolution approving that application.

(b) Effective September 1, 1986, there shall be an alternate level of benefits available to the following state industrial members: (1) members in State Bargaining Unit No. 1, Administrative, Financial, and Staff Services, State Bargaining Unit No. 2, Attorney and Hearing Officer, and State Bargaining Unit No. 16, Physician, Dentist, and Podiatrist, provided that a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section; (2) members who are excluded from the definition of state employees in subdivision (c) of Section 3513; (3) members who are supervisory employees as defined in Section 3522.1; and (4) members employed by the executive branch of government who are not members of the civil service. The board shall provide the affected members a one-month

election period commencing on August 1, 1986.

(c) Members eligible to participate in the alternative level of benefits (hereinafter in this part referred to as the Second Tier) may make an irrevocable election during the period from November 1, 1988, to October 31, 1989, to: (1) become subject to the Second Tier benefits provided for in Section 21251.146 for all past state miscellaneous and state industrial service and all future state miscellaneous and state industrial service not excluded by this section; (2) become subject to the Second Tier benefits provided for in Section 21251.147 for state miscellaneous and state industrial service rendered on and after the effective date of the election to be subject to the Second Tier. Any election by a member to be subject to Section 21251.146 or Section 21251.147 shall also be signed by the spouse of the member and both signatures shall be notarized; (3) become subject to the First Tier retirement formula prescribed by Section 21251.13 for state miscellaneous and state industrial service rendered on or after the effective date of the election, provided that the member had previously elected coverage pursuant to Section 21251.146 or 21251.147 and makes the contributions specified in Section 20603; or (4) become subject to the First Tier retirement formula prescribed by Section 21251.13 for all past and future state miscellaneous and state industrial service not excluded by this section, provided that the member had previously elected coverage pursuant to Section 21251.146 or 21251.147 and the member makes the contributions specified in Sections 20603 and 20813.5. The right of eligible members to elect coverage under the retirement formula of their choice shall apply solely during the above-prescribed one-year period, subject to conditions to be established and communicated by the board through the appointing power.

Thereafter, the board shall provide a 30-day period every five years for eligible members to make an irrevocable election to be subject to the Second Tier benefits provided for in Section 21251.146 or Section 21251.147. Eligible members who previously elected Section 21251.147 may make an irrevocable election to become subject to Section 21251.146 for all past state miscellaneous and state industrial service during this election period. The first election period shall be held five years from the ending date of the one year election period specified in this subdivision.

The effective date of any election filed with the board shall be the first of the month following the date the election is received in the system, provided the election meets the conditions set by the board. Any election filed with the board under this subdivision shall also be signed by the spouse of the member and both signatures shall be notarized.

(d) Persons who become state miscellaneous or state industrial members described in this section or who become such members under Article 3 (commencing with Section 20360) of Chapter 3 of this part on or after the Second Tier effective date applicable to the member, shall be subject to Section 21251.147 unless an election is

filed with the board to be subject to Section 21251.13 and the member makes the contributions specified in Section 20603. The appointing authority shall provide the member with the election form and the member shall exercise the election within one year of becoming a member. The effective date of the election shall be the date on which the member became a state miscellaneous or state industrial member.

(e) A state miscellaneous or state industrial member who, on or after the effective date of an election to be subject to Section 21251.146 or Section 21251.147, ceases to be a member pursuant to Section 20390 or Section 20390.1 shall, upon again becoming a state miscellaneous or state industrial member, be subject to Section 21251.146 or Section 21251.147 in accordance with his or her previous irrevocable election. This subdivision does not apply to persons who return to membership as employees of the California State University.

Except as otherwise provided in this part, a state miscellaneous or state industrial member subject to Section 21251.146 or Section 21251.147 is subject to all other provisions applicable to state miscellaneous members except those provisions that provide for the payment of an annuity based on contributions. Notwithstanding anything to the contrary in this part, member contributions are not required for any service credit that is subject to Section 21251.146 or Section 21251.147.

(f) The board shall report to the Governor, the Legislature, and the Department of Personnel Administration on the savings which are the result of the implementation of the Second Tier retirement plan for state miscellaneous and state industrial members. The report shall first be submitted in April 1986, and annually in April of every year thereafter until April 1994.

SEC. 2. Section 20024.05 is added to the Government Code, to read:

20024.05. Notwithstanding any other provision of this part, "final compensation," for the purposes of determining any benefits payable under this part for coverage under the Second Tier, shall not be reduced by any fraction or amount for any member included in the federal system.

SEC. 3. Section 20360 of the Government Code is amended to read:

20360. A person directly appointed by the Governor, without the nomination of any officer or board, or an officer or an employee directly appointed by the Attorney General, Lieutenant Governor, Controller, Secretary of State, Treasurer, or Superintendent of Public Instruction exempt from civil service under the provisions of Article VII of the Constitution, except those appointed pursuant to subdivision (i) of Section 4 thereof, is excluded from membership in this system unless he or she files with the board an election in writing to become a member. He or she may so elect at any time, and has the option of making contributions to this system in the amount

which he or she would have contributed had he or she not been so excluded, plus an amount equal to the interest, to the date or dates of his or her payment, which would have been credited to those contributions had he or she not been so excluded. These contributions and interest shall be paid to this system at times, in amounts, and in a manner fixed by the board. If he or she affirmatively exercises the option:

(a) He or she shall receive credit for previous state service in the same manner as if he or she had not been excluded, and

(b) His or her rate of contribution shall be based on the contribution rate in effect at the time he or she first was excluded.

SEC. 4. Section 20361 of the Government Code is amended to read:

20361. An elective officer is excluded from membership in this system unless the officer files with the board an election in writing to become a member. The officer may so elect at any time, and has the option of making contributions to this system in the amount which the officer would have contributed had the officer not been so excluded, plus an amount equal to the interest, to the date or dates of his or her payment, which would have been credited to those contributions had he or she not been so excluded. The contributions and interest shall be paid to this system at times, in amounts, and in a manner fixed by the board. If the officer affirmatively exercises the option:

(a) He or she shall receive credit for previous state service in the same manner as if he or she had not been excluded, and

(b) His or her rate of contributions shall be based on the nearest age at the time he or she first was excluded.

As used in this part, "elective officer" includes any officer of the Senate or Assembly who is elected by vote of the members of either or both of the houses of the Legislature, and any appointive officer of a city or county occupying a fixed term of office, and any person holding the office of city attorney, as well as officers of the state or contracting agencies elected by the people.

The amendments to this section at the 1971 Regular Session shall not apply to a member who on the effective date of those amendments is the incumbent of the office of city attorney in two or more contracting agencies, while he or she continues in all of those offices.

SEC. 5. Section 20500 of the Government Code is amended to read:

20500. Notwithstanding any other provision of this part, a contracting agency and its employees may agree, in writing, to share the costs of any optional benefit which is inapplicable to a contracting agency unless and until the agency elects to be subject to the benefit. The agreement shall specify the exact percentage of member compensation that shall be paid toward the current service cost of the benefits by members. The member contributions shall be normal contributions over and above normal contributions

otherwise required by this part and shall be treated as normal contributions for all purposes of this part. The contributions shall be uniform with respect to all members within each of the following classifications: local miscellaneous members, local policemen, local firefighters, county peace officers, and all local safety members other than local policemen, local firefighters, and county peace officers. The balance of any costs shall be paid by the contracting agency and shall be credited to the employer's account.

This section shall not apply to any optional benefit which is elected by a contracting agency prior to the effective date of this section.

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 this section by amendment to its contract made in the manner prescribed for approval of contracts or, in the case of contracts made after this section takes effect, by express provision in the contract making the contracting agency subject to this section. Contributions provided by this section shall not be withheld from member compensation or otherwise collected until the contract amendment becomes effective.

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 under this section shall be computed as a level percentage of member compensation. The additional contribution rate required at the time this section is added to a contract 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 in the public agency's contract.

Nothing in this section shall preclude a contracting agency and its employees from independently agreeing in a memorandum of understanding to share the costs of any optional benefit or any benefit or cost, in a manner inconsistent with this section. However, any such an agreement in a memorandum of understanding which is inconsistent with this section shall not be part of the contract between this system and the contracting agency.

SEC. 6. Section 20523 of the Government Code is amended to read:

20523. (a) Shares of members in the funds of a local employer shall be credited to the respective individual accounts of the local agency members who have been included in this system, and administered as if made during membership in this system, except that the annuity provided by those contributions with accumulated interest shall be deducted first from the pension which otherwise would be payable on account of prior service and the balance of the

contributions with accumulated interest shall be deducted from the pension which otherwise would be payable on account of current service. The total of the funds transferred to this system shall be offset against the prior or current service liability, as the case may be, before determining the contribution to be paid by the contracting agency.

(b) A former member of the local retirement system who withdrew any contributions prior to the effective date of that agency's contract with this system is entitled to credit for the service upon which those contributions were made if he or she elects to deposit any of those withdrawn contributions with this system under the terms and conditions specified in Section 20654. Any amounts so deposited with this system shall be administered as provided in this section.

SEC. 7. Section 20603 of the Government Code is amended to read:

20603. (a) The normal rate of contribution for a state miscellaneous member whose service is not included in the federal system shall be 6 percent of the compensation in excess of three hundred seventeen dollars ($317) per month paid that member for service rendered on and after July 1, 1976. The normal rate of contribution for a school member, or a local miscellaneous member shall be 7 percent of the compensation paid that member for service rendered on and after the operative date of the amendments to this section at the 1971 Regular Session.

The normal rate of contribution as established under this subdivision for a member whose service is included in the federal system, and whose service retirement allowance is reduced under Section 21251.13 because of that inclusion, shall be reduced by one-third as applied to compensation not exceeding four hundred dollars ($400) per month for service after the date of execution of the agreement including service in the federal system and prior to termination of the agreement with respect to the coverage group to which he or she belongs.

(b) The normal rate of contribution for a state miscellaneous member whose service has been included in the federal system shall be 5 percent of compensation in excess of five hundred thirteen dollars ($513) per month paid that member for service rendered on and after July 1, 1976.

(c) The normal rate of contribution for a state miscellaneous member who elects to become subject to Section 21251.146 or Section 21251.147 shall be 0 percent, unless the member subsequently elects to become subject to Section 21251.13, as authorized by Section 20013.7. A member who elects to become subject to Section 21251.13 shall contribute at the rate specified in subdivision (a) or (b) of this section, as determined by the member's status with the federal system, and the rate shall be applied from the first of the month following the date the election is filed with the appointing power. A member who makes the election shall also contribute for service

prior to the date the contribution rate was applied, in the manner specified in Section 20813.5. A member who elected to become subject to Section 21251.13 solely for service rendered on or after the effective date of the election, as authorized by subdivision (c) of Section 20013.7 during the period between November 1, 1988, and October 31, 1989, is not required to make the contributions specified in Section 20813.5.

(d) Notwithstanding any other provision of this part, state member contributions on premium compensation for planned overtime paid at the "half-time" rate as part of the regular shift under the federal Fair Labor Standards Act or the Memorandum of Understanding of State Bargaining Unit 8 are waived for the period April 15, 1985, through June 30, 1988.

This subdivision applies to State Bargaining Unit 8 and becomes effective only if the board approves a waiver of employer contributions on the same premium compensation for the same period of time. If this subdivision is approved by the board, benefits shall be calculated to include overtime paid at the one-half time rate.

SEC. 8. Section 20657 is added to the Government Code, to read:

20657. Benefits based on service credited under this article, where the service credit is derived from a member's redeposit of contributions, shall be paid from contributions of the employer or employers which is or are the source of the contributions redeposited by the member. The employer liability in this regard shall be limited only to its contributions and no employer shall be liable for any portion of the member's own contributions. All employer contributions, for purposes of this article, shall be made by adjustment of the employer's rate of contribution.

SEC. 9. Section 20813.1 of the Government Code is amended to read:

20813.1. (a) A member who elects to be subject to Section 21251.146 shall be credited at no cost with all creditable previous state miscellaneous or state industrial service after the member is credited with one year of service under Section 21251.146. A member who was subject to Section 21251.146, who terminates membership, and who subsequently returns to state service shall be granted, at no cost, all of the service credit earned as a result of the election, after the member is credited with one year of service following return to state service. The one-year requirement shall be waived for a member who meets the service credit requirements for disability retirement specified in Section 21021 with the past creditable service.

(b) A member who elects to be subject to Section 21251.147, who terminates membership and who subsequently returns to service shall be credited, at no cost, with the service earned as a result of the election, after the member is credited with one year of service following return to state service. The one-year requirement shall be waived for a member who meets the service credit requirements for disability retirement specified in Section 21021 with the past

creditable service.

(c) A member who is entitled to service credit under this section shall apply for and identify time periods for that service to the board.

SEC. 10. Section 20813.5 is added to the Government Code, to read:

20813.5. (a) A member who elects to receive service credit under Section 21251.13, as authorized by Section 20013.7, for time during which he or she was subject to Section 21251.147, shall contribute in a lump sum or by installments, over such period and subject to such minimum payments as may be prescribed by regulations of the board, an amount equal to the contributions he or she would have made had he or she not been subject to Section 21251.147, plus an amount equal to the interest, to the date of completion of payments, which would have been credited to those contributions.

(b) A member who elects to receive service credit under Section 21251.13, as authorized by Section 20013.7, for time during which he or she received service credit under Section 21251.146, shall deposit in the retirement fund, subject to the regulations of the board, an amount equal to (1) any accumulated contributions that he or she withdrew pursuant to Section 20653, plus an amount equal to the interest, to the date of completion of payments, which would have been credited to those contributions, and (2) an amount equal to the contributions he or she would have made had he or she not been subject to Section 21251.146, plus an amount equal to the interest, to the date of completion of payments, which would have been credited to those contributions.

Upon electing to be subject to Section 21251.13, a member shall return to coverage under that formula without credit for any previous creditable state miscellaneous or industrial service credited at no cost pursuant to Section 20813.1, unless the member elects to redeposit or to purchase the service as otherwise required in this part, or the member has elected to be subject to Section 21251.13 solely for service rendered on or after the effective date of the election, as permitted during the one-year period specified in subdivision (c) of Section 20013.7.

SEC. 11. Section 20834.1 of the Government Code is amended to read:

20834.1. Credit for prior service rendered as an employee of a contracting agency shall be granted to each local member at the date the local member becomes a member of this system.

This section shall apply to all local members who are in active state service on or after January 1, 1977, and notwithstanding any other provision in this article shall operate prospectively.

SEC. 12. Section 20931 of the Government Code is amended to read:

20931. A member may elect at any time prior to retirement, in accordance with regulations of the board, to receive credit for public service, under any of the definitions in this article, in addition to his

or her current and prior service credit. An election shall be effective only if accompanied by a lump-sum payment of the contributions and interest required for the credit or by authorization for immediate institution of payroll deduction of installment payment of the contributions and interest. The right of election is subject to Sections 20809 and 20861, and shall be ineffective with respect to any time or employment for which the member subsequently becomes entitled to or eligible to elect to receive service credit in another system supported in whole or in part from public funds, in which case accumulated contributions on deposit for the period of service credit shall be paid to the member.

SEC. 13. Section 20950.1 of the Government Code is amended to read:

20950.1. (a) A state member who became subject to the Second Tier upon election or upon membership on or after January 1, 1985, shall be retired for service upon his or her written application to the board if he or she has attained age 55 and is credited with 10 years of state service.

(b) A state member who elected coverage under Section 21251.13 for service rendered on or after the effective date of the election, as authorized by subdivision (c) of Section 20013.7 during the period between November 1, 1988, and October 31, 1989, and who would otherwise be subject to Section 21251.146 or 21251.147, shall be retired for service upon his or her written application to the board if he or she has attained age 55 and is credited with 10 years of state service.

(c) Notwithstanding subdivision (a) or (b), a state member who is credited with five years of state service prior to January 1, 1985, may retire with less than 10 years of state service upon his or her written application to the board if he or she has attained age 50.

SEC. 14. Section 21253 of the Government Code is amended to read:

21253. Notwithstanding any other provision of law, and with respect only to an election by a contracting agency to amend its contract to become subject to Section 21252.6 or 21252.61 instead of Section 21252.1, the following shall apply:

(a) Members who are on the amending agency's active payroll on the effective date of the contract amendment shall elect in writing within 90 days after the effective date to be subject to Section 21252.1 or 21252.61, as applicable, or 21252.6 with respect to all safety service performed for the contracting agency.

(b) Members on the effective date, who are former employees of the amending agency, and whose service for the amending agency was subject to Section 21252.1 or Section 21252.6, shall retain their rights under the formula in effect at the time their service was credited.

(c) Former members who upon reentry into state service elect to redeposit contributions, shall be subject to Section 21252.6 or 21252.61, as applicable, with respect to all safety service performed

for the amending agency prior to the effective date of the contract amendment.

(d) Notwithstanding Section 21251.15, a former member who reinstates to the amending agency as a local safety member shall elect within 90 days of the reinstatement whether to be subject to Section 21252.6 or 21252.61, as applicable, or 21252.1 with respect to all service with that contracting agency prior to the effective date of the contract amendment. The election shall be effective only if the reinstated member remains in the employment for at least one year subsequent to reinstatement.

SEC. 15. Section 21263.5 of the Government Code is amended to read:

21263.5. Upon death after the effective date of retirement of a state miscellaneous member some of whose service rendered in state employment has been included in the federal system and whose retirement is effective on or after July 1, 1975, or of a school member some of whose service rendered in school employment has been included in the federal system and whose retirement is effective on or after July 1, 1983, a monthly allowance, derived from employer contributions, equal to a percentage of the amount of his or her retirement allowance as it was at his or her death based on service credited to him or her as a member subject to this section but excluding any portion of the retirement allowance derived from additional contributions of the member shall be paid to the surviving spouse throughout life or until remarriage. The percentage shall be 25 percent for an allowance based on service which was also covered under the federal system and 50 percent for an allowance based on any other service, except that the percentage shall be 50 percent for the allowance of a member whose service was subject to Section 21251.146 or 21251.147 and who had become a member prior to November 1, 1988. If there is no surviving spouse, or upon the death or remarriage of the surviving spouse, the allowance shall be paid collectively to every unmarried child of the deceased member who has not attained age 18, or who is disabled by a condition which disabled that child prior to attaining age 18 and which has continued without interruption after age 18, until the disability ceases. If at the time of the retired member's death there is no eligible surviving spouse or children, the allowance shall be paid to a parent, or collectively to parents, of the deceased member dependent upon him or her for support. If on the effective date of retirement there is a person who will be eligible if the person survives, the member's election of an optional settlement, other than optional settlement 1, shall apply only to a portion of the allowance as provided in Section 21330 with respect to allowances under Section 21263. If on the effective date of his or her retirement the member has no surviving spouse, eligible children, or dependent parents and elected an optional settlement, no allowance under this section shall be paid.

"Surviving spouse" for purposes of this section means a husband or wife who was married to the member for a continuous period

beginning at least one year prior to his or her retirement and ending on the date of his or her death.

SEC. 16. Chapter 2 (commencing with Section 22880) is added to Part 5 of Division 5 of Title 2 of the Government Code, to read:

CHAPTER 2. PREFUNDING PLAN FOR HEALTH CARE COVERAGE FOR ANNUITANTS

22880. There is in the State Treasury the Annuitants' Health Care Coverage Fund which is a trust fund and a retirement fund within the meaning of Section 17 of Article XVI of the California Constitution and which is continuously appropriated without regard to fiscal years to the board for expenditure for the purposes of prefunding health care coverage pursuant to Chapter 1 (commencing with Section 22751) for annuitants and paying of all costs of administration of this chapter.

The board has sole and exclusive control and power over the administration and investment of the Annuitants' Health Care Coverage Fund and shall make investments pursuant to Part 3 (commencing with Section 20000).

22881. Unless otherwise indicated, the definitions of terms in Chapter 1 (commencing with Section 22751) apply to this chapter.

22881.1. As used in this chapter, "prefunding" means the making of periodic payments by an employer to partially or completely amortize the unfunded actuarial obligation of the employer for health benefits provided to the employer's annuitants and their dependents.

22882. An employer may elect to participate in the prefunding plan established by this chapter.

22883. The board shall annually determine the rate of contribution for the following fiscal year for each employer which participates pursuant to Chapter 1 (commencing with Section 22751), regardless of whether or not the employer participates pursuant to this chapter and shall annually transmit to each employer its contribution rate for the following fiscal year which would fully fund its obligation under this chapter.

SEC. 17. The sum of one hundred fifty thousand dollars ($150,000) is hereby appropriated from the Public Employees' Retirement Fund to the Board of Administration of the Public Employees' Retirement System for expenditure for the purposes of the revision of the Second Tier of the Public Employees' Retirement System made by this act.

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 the revision made by this act of the Second Tier of the Public Employees' Retirement System may be placed into operation at the earliest and most effective time for the

administration of that program, it is necessary that this act take effect immediately.

CHAPTER 332

An act to amend Section 21602 of the Public Utilities Code, relating to airports, and making an appropriation therefor.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 21602 of the Public Utilities Code, as added by Section 3 of Chapter 901 of the Statutes of 1986, is amended to read:

21602. (a) Subject to the terms and within the limits of special appropriations made by the Legislature, the department may render financial assistance by grant or loan, or both, for the planning, acquisition, construction, improvement, maintenance, or operation of an airport owned or controlled, or to be owned or controlled, by a political subdivision or subdivisions, or by grant for the activities of an airport land use commission in connection with the preparation of a new or updated comprehensive land use plan, if the financial assistance has been shown by public hearing to be appropriate to the proper development or maintenance of a statewide system of airports. Financial assistance may be furnished in connection with federal or other financial aid for the same purpose.

(b) There is, in the Aeronautics Account in the State Transportation Fund, a subaccount for the management of funds for loans pursuant to this chapter. All funds for airport loans in the Special Deposit Fund are hereby transferred to the subaccount. With the approval of the Department of Finance, the department shall deposit in the subaccount all money received by the department from repayments of and interest on existing and future airport loans including, but not limited to, the sums of five hundred forty thousand dollars ($540,000) in repayments from the General Fund due in July 1987, and July 1988, and may, upon appropriation, transfer additional funds from the Aeronautics Account in the State Transportation Fund to the subaccount as the department deems appropriate. Interest on money in the subaccount shall be credited to the subaccount as it accrues.

(c) Notwithstanding Section 13340 of the Government Code, the money in the subaccount created by subdivision (b) is hereby continuously appropriated to the department without regard to fiscal years for purposes of loans for airport purposes.

CHAPTER 333

An act to add Section 798.29 to the Civil Code, and to amend Section 18151 of the Health and Safety Code, relating to mobilehomes, and making an appropriation therefor.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988]

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

SECTION 1. Section 798.29 is added to the Civil Code, to read:

798.29. The management shall post on a sign provided by the Department of Housing and Community Development only the name, address, and phone number of the mobilehome ombudsman designated under Chapter 9 (commencing with Section 18150) of Part 2 of Division 13 of the Health and Safety Code, in a conspicuous public place within the mobilehome park.

SEC. 2. Section 18151 of the Health and Safety Code is amended to read:

18151. (a) The position of mobilehome ombudsman is hereby established in the Department of Housing and Community Development.

(b) Except as provided in subdivision (c), the ombudsman shall provide assistance in taking complaints, and helping to resolve and coordinate the resolution of those complaints, from the public relating to manufactured homes and mobilehomes, including, but not limited to, problems of titling and registration, installation, warranties, financing, other than financing by a supervised financial organization, as defined in Section 1801.6 of the Civil Code, sales, inspection of homes and parks, mobilehome accessories and improvements, and problems relating to the Mobilehome Residency Law, which is provided for in Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code.

(c) Except as provided by subdivision (d), the ombudsman is not empowered to provide assistance in resolving or coordinating, or to help to resolve or coordinate, the resolution of cases or complaints involving mobilehome park rental agreements, leases, or rent disputes.

(d) The ombudsman shall refer any alleged violations of law or regulations within the Department of Housing and Community Development's jurisdiction to the Division of Codes and Standards within the Department of Housing and Community Development.

SEC. 3. The sum of ninety-nine thousand dollars ($99,000) is hereby appropriated from the Mobilehome-Manufactured Home Revolving Fund to the Department of Housing and Community Development for expenditure in the 1988–89 fiscal year for the purposes of Section 798.29 of the Civil Code and Section 18151 of the Health and Safety Code.

CHAPTER 334

An act to amend Section 1152 of, to add Section 1201.5 to, and to repeal Section 1142.5 of, the Harbors and Navigation Code, relating to pilots, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 1142.5 of the Harbors and Navigation Code is repealed.

SEC. 2. Section 1152 of the Harbors and Navigation Code is amended to read:

1152. The public members of the board shall receive, as compensation for their services, the amount which the board may, from time to time, determine, which shall not exceed six hundred dollars ($600) each per month. The members, officers, and employees of the board shall also be allowed their necessary and verified expenses resulting from the performance of their duties.

SEC. 3. Section 1201.5 is added to the Harbors and Navigation Code, to read:

1201.5. (a) The board shall not receive written evidence at a public hearing held for the purpose of considering pilotage rates unless 10 or more copies of the evidence have been deposited with the board as public documents by the party proposing a rate adjustment 30 or more days prior to the date set for the commencement of the hearing.

(b) The board shall not receive written evidence at the hearing from any party responding to the request unless the evidence is deposited with the board 10 or more days prior to the date set for the commencement of the hearing.

SEC. 4. The sum of five thousand five hundred dollars ($5,500) is hereby appropriated from the Board of Pilot Commissioners' Special Fund to the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun for the 1988–89 fiscal year to carry out Section 1152 of the Harbors and Navigation Code. This section shall become operative January 1, 1989.

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:

Pilots are responsible for the safe and orderly navigation of our waterways, and it is necessary to determine the number of inland pilots and the number of bar pilots, thereby allowing both groups to make necessary personnel decisions in establishing an adequate work force in this industry. This act will assist in this regard, will allow

a more appropriate compensation for public members of the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun, and will help ensure consistency in state regulations. In order to achieve its intended results, it is necessary that this act take effect immediately.

CHAPTER 335

An act to add Chapter 17 (commencing with Section 77201) 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 July 13, 1988. Filed with Secretary of State July 14, 1988]

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

SECTION 1. Chapter 17 (commencing with Section 77201) is added to Division 22 of the Food and Agricultural Code, to read:

CHAPTER 17. CALIFORNIA PEPPER COMMISSION

Article 1. Declaration and General Provisions

77201. The production and marketing of peppers constitute an important industry of this state which 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.

77202. The maintenance of the pepper industry of California is necessary to assure the consuming public of a continuous supply of this vital food and the maintenance of needed levels of income for those engaged in the industry.

77203. The production and marketing of peppers 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.

77204. 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 so-called 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.

77205. This chapter shall be liberally construed. If any provision

of this chapter or the application thereof to any person or circumstances is held to be 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.

77206. 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.

77207. A commission form of administration created by this chapter is designed to deal with the broad field of production research.

Article 2. Definitions

77221. Unless the context otherwise requires, the definitions in this article govern the construction of this chapter.

77222. "Pepper" means all types of fruit grown in California from the plant family Solanaceae, Genus Capsicum, including seed.

77223. "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.

77224. "Commission" means the California Pepper Commission.

77225. (a) "Districts" consist of the following:

(1) District 1 consists of the Counties of Monterey and Santa Cruz.

(2) District 2 consists of the Counties of San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, and San Diego.

(3) District 3 consists of the Counties of Tuolumne, San Benito, Santa Clara, and all counties north to the Oregon border not included in other districts.

(4) District 4 consists of the Counties of Stanislaus, Merced, Mariposa, Mono, Madera, Inyo, and San Joaquin.

(5) District 5 consists of the Counties of Fresno, Kings, Tulare, Kern, San Bernardino, Riverside, and Imperial.

(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.

77226. "Handler" means any person engaged in marketing of peppers which the person has produced, purchased, or acquired from a producer, or is marketing on behalf of a producer whether as owner, agent, employee, broker, or otherwise.

77227. "Market" or "marketing" means to sell peppers.

77228. "Production research" means any cultural and biological research relating to field production of peppers.

77229. "Marketing year" or "fiscal year" means the period beginning May 1 of any year and extending through the last day of April of the next year.

77230. "Producer" means any person in this state who grows peppers for market and who, upon request, provides proof of commodity sale. "Producer" does not include any person who has grown less than 10 acres of peppers in the preceding marketing year.

77231. "Ex officio member" means a nonvoting member of the commission.

Article 3. The California Pepper Commission

77251. (a) There is in the state government the California Pepper Commission. The commission shall be composed of five pepper producers, five pepper handlers, and shall include one public member.

(b) Five producers, one from each district, shall be elected by and from producers within the respective districts. Five handlers, including one primarily engaged in processing bell peppers; one primarily engaged in processing dehydrated chili; one primarily engaged in packing fresh market peppers; one primarily engaged in processing, other than canning, bell peppers; and one representing a handler of pepper seed, shall be elected by and from other qualified handlers engaged in the same activity.

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

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

77252. (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 the director determines are not in the public interest or are in violation of this

chapter, the director's reasons for requiring a cessation or correction of specific existing or proposed activities or functions, and the director's recommendations as to what will make the activities or functions acceptable.

77253. 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 maybe, in a court of competent jurisdiction, which may issue a temporary restraining order, permanent injunction, or other applicable relief.

77254. When the director is required to concur in a decision of the commission, the director 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.

77255. 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.

77256. Each member of the commission, except ex officio members, shall have an alternate member to be elected in the same manner as the member. Except as provided in Section 77264, an alternate member shall, in the absence of the member for whom he or she is an alternate, serve in place of the member 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 a member 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.

77257. Any vacancy on the commission occurring by the failure of any person elected to the commission as a member or alternate member to continue in his or her position due to a change in status making the person 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. That person shall fulfill all the qualifications set forth in this article as required for the member whose office he or she is to fill.

77258. 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 the member ineligible to serve, or due to death, removal, resignation, or disqualification, shall be filled for the unexpired portion of the term by the director from nominees recommended by the commission. That person shall fulfill all the qualifications set forth in this article as required for the member whose office he or she is to fill.

77259. Any producer member and his or her alternate member on the commission shall be an individual producer or an employee representing a producer who has a financial interest in producing, or causing to be produced, peppers for market. Qualifications of producer members and their alternate members shall be maintained during their entire term of office.

77260. Any handler member and his or her alternate member on the commission shall have a financial interest in handling peppers for market.

77261. 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 pepper industry.

77262. The term of office of all members and alternate members of the commission, except ex officio members, shall be three 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 three consecutive terms.

77263. 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 therein.

77264. A quorum of the commission shall be seven voting members of the commission. An alternate producer or handler member, respectively, may serve in the absence of a member if the member's alternate is absent and the action is necessary to establish a quorum. Except as provided in Sections 77225 and 77373, the vote of a majority of members present at a meeting at which there is a quorum shall constitute the act of the commission.

77265. 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.

77266. 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 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.

77267. All funds received by any person from the assessments levied under the authority of 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).

77268. 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, handler, or any other person for errors in judgment, mistakes, or other acts, either of the 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

77281. The powers and duties of the commission include, but are not limited to, all of those contained in this article.

77282. 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.

77283. The commission may administer and enforce this chapter and 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 this chapter.

77284. The commission may appoint its own officers, including a chairperson, one or more vice chairpersons, and other officers as it deems necessary. The officers shall have the powers and duties delegated to them by the commission.

77285. 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. 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 person.

77286. The commission may fix the compensation for all employees of the commission.

77287. The commission may appoint committees composed of both members and nonmembers of the commission to advise the commission in carrying out this chapter.

77288. 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.

77289. 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 and handlers, a copy 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.

77290. The commission may present facts to, and negotiate with state, federal, and foreign agencies on matters which affect this chapter.

77291. 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 may deem necessary for carrying out this chapter.

77292. The commission may conduct, and contract with others to conduct, production research, including the study, analysis, accumulation, and dissemination of information obtained from the research or elsewhere, regarding this chapter.

77293. The commission may accept contributions 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.

77294. The commission may publish and distribute, without

charge, a bulletin or other communication for dissemination of information to producers and handlers.

77295. The commission shall establish an assessment rate to defray operating costs of the commission.

77296. 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 77286.

77297. The commission shall submit to the director for his or her concurrence, an annual statement of contemplated activities authorized pursuant to this chapter.

77298. The commission and the director shall keep confidential and shall not disclose, except when required in a judicial proceeding, all lists of producers and handlers in their possession.

77299. 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

77311. (a) Within 30 days of the effective date of this chapter, the director shall have established a list of producers and handlers eligible to vote on implementation of this chapter. In establishing the list, the director may require that producers, handlers, and others submit the names and mailing addresses of all producers and handlers. The director also may require that the information provided include the quantity of peppers produced by each producer and the quantity of peppers handled by each handler, or, in the alternative, may establish procedures for receiving the information at the time of the referendum vote specified in Section 77312. The request for the information shall be in writing and shall be filed within 10 days following receipt of the request.

(b) Any producer or handler whose name does not appear upon the appropriate 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 or handler. Failure to be on the list does not exempt the person from paying assessments and does not invalidate any industry votes conducted pursuant to this article.

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

77312. This chapter, except as necessary to conduct an implementation referendum vote, shall not become operative until the director finds as follows in a referendum vote conducted by the director:

(a) At least 40 percent of the total number of producers from the list established by the director pursuant to this article have

participated and that either of the following has occurred:

(1) Sixty-five percent of the producers who voted in the referendum voted in favor of this chapter, and the producers so voting marketed a majority of the total quantity of peppers in the preceding marketing year by all of the producers who voted in the referendum.

(2) A majority of the producers who voted in the referendum voted in favor of this chapter, and the producers so voting marketed 65 percent or more of the total quantity of peppers in the preceding marketing year by all of the producers who voted in the referendum.

(b) At least 40 percent of the total number of handlers from the list established by the director pursuant to this article, have participated, and that either of the following has occurred:

(1) Sixty-five percent of the handlers who voted in the referendum voted in favor of this chapter, and the handlers so voting handled a majority of the total quantity of peppers in the preceding marketing year by all of the handlers who voted in the referendum.

(2) A majority of the handlers who voted in the referendum voted in favor of this chapter, and the handlers so voting handled 65 percent or more of the total quantity of peppers in the preceding marketing year by all of the handlers who voted in the referendum.

77313. The director shall use fresh weight in calculating the volume voted pursuant to Section 77312. For converting dry weight and seed weight to fresh equivalent weight the director shall use the following ratios: 5.3 to 1 for dry weight and 220 to 1 for seed weight.

77314. The director shall establish a period in which to conduct the referendum which shall not be less than 10 days nor 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.

77315. Nonreceipt of a ballot shall not invalidate a referendum.

77316. If the director finds that a favorable vote has been given as provided in Section 77312, the director shall certify and give notice of the favorable vote to all affected producers and handlers whose names and addresses are on file with the director.

77317. If the director finds that a favorable vote has not been given as provided in Section 77312, the director 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.

77318. Upon certification of the commission, the director shall do the following.

(a) Contact all producers in each district by mail or call meetings of producers in each district for the purpose of nominating and electing persons to the commission. All producers on the director's list shall be given written notice of any election meetings at least 10 days prior to the meeting date. To be eligible for election to the commission, producer nominees must present to the director a

nomination petition with the signatures of at least three eligible producers from the district from which the nominee is seeking election.

(b) Contact all handlers by mail or by calling a meeting for the purpose of nominating and electing persons to the commission. All handlers on the director's list shall be given written notice of any election meetings at least 10 days prior to the meeting date. To be eligible for election to the commission, handler nominees must present to the director a nomination petition with the signatures of at least two eligible handlers who are engaged in the same type of handler activity as the handler seeking nomination.

77319. 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 are established by the commission with the concurrence of the director.

77320. (a) Prior to the referendum vote conducted by the director pursuant to Section 77312, 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 77312 shall be returned to the proponents of the commission who deposited the funds with the director.

(c) Upon establishment of the commission, the commission is authorized to reimburse the proponents of the commission for any funds deposited with the director which were used in carrying out Section 77312 and for any legal expenses and costs incurred in establishing the commission.

Article 6. Assessments and Records

77331. (a) The commission shall establish the assessment for the following marketing year not later than May 1 of each year or as soon thereafter as is possible.

(b) The assessment for the 1988–89 marketing year shall not exceed twenty-five cents ($0.25) per ton for producers and twenty-five cents ($0.25) per ton for handlers on all peppers grown and shipped on a wet pound or ton basis by producers and handled by handlers. Thereafter, the assessment shall not exceed one dollar ($1) per ton for producers and one dollar ($1) per ton for handlers.

(c) The assessment for the 1988–89 marketing year shall not exceed $0.00065 per pound for producers and $0.00065 per pound for handlers on all peppers grown and shipped on a dry pound basis by producers and handled by handlers. Thereafter the assessment shall not exceed a maximum of $0.0026 per pound for producers and $0.0026 per pound for handlers.

(d) The assessment for the 1988–89 marketing year shall not exceed two cents ($0.02) per pound for producers and two cents

($0.02) per pound for handlers on all planting seed grown by producers and handled by handlers. Thereafter, the assessment shall not exceed a maximum of eight cents ($0.08) per pound for producers and eight cents ($0.08) per pound for handlers.

(e) The handler shall deduct the producer assessment from amounts paid by him or her to the producer and shall be a trustee of these funds and the assessment owed by the handler until they are paid to the commission at the time and in the manner prescribed by the commission.

(f) A fee greater than the amount provided for in this section may not be charged unless and until a greater fee is approved pursuant to the procedures specified in Section 77312.

77332. This chapter does not apply to persons who grow peppers only for the producer's home use or who have grown less than 10 acres of peppers in the preceding marketing year. However, any such person who is marketing peppers shall file an affidavit with the commission establishing that the person grows less than 10 acres of peppers. The commission shall then determine whether the affidavit should be approved.

77333. Every handler shall keep a complete and accurate record of all peppers handled with the name of the producer whose peppers were handled. The records shall be in simple form and contain information as the commission shall prescribe. 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.

77334. (a) 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.

(b) Information on volume shipments, product value, and any other related information which is required for reports to governmental agencies; financial reports to the commission or aggregate sales and inventory information; and any other information which the commission requires that gives only totals, but excludes individual producer and handler information, may be disclosed by the commission.

77335. Any assessment which is levied as provided for in this chapter is a personal debt of every producer and handler so assessed.

77336. Every handler shall be personally liable for the payment of collected assessments to the commission. Failure of a handler to collect the assessment shall not exempt the handler from liability and shall not relieve any person subject to this chapter from the obligation to pay the assessment.

77337. 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.

77338. When the producer or 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 violating this chapter, including but not limited to, failing to pay assessments or to collect assessments, shall also include identical liability upon each director or officer of the corporation.

Article 7. Actions and Penalties

77351. 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 peppers, to fail or refuse to furnish the commission or its duly authorized agents, information concerning the names and addresses of persons from whom peppers have been received and the quantity so received.

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

77352. 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.

77353. (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 for 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 injunctive 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 that part, except that the showing of irreparable harm or inadequate remedy at law specified in Sections 526 and 527 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 peppers 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.

77354. Termination of this chapter shall not affect or waive any right, duty, obligation, or liability which has 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

77371. Between May 1, 1992, and April 30, 1993, inclusive, the commission shall cause a referendum to be conducted among producers and handlers to determine whether the operations of this chapter shall be approved and continued in effect. A favorable vote under this chapter shall be found if the director determines from the referendum that a majority of the eligible producers and handlers voting in the referendum voted in favor of continuing the operations of this chapter. If the director finds that a favorable vote has been given, the director shall so certify and this chapter shall remain effective. If the director finds that a favorable vote has not been given, the director shall so certify and declare the operations of this chapter suspended upon expiration of the marketing season ending April 30, 1993. Thereupon, operation of the commission shall be concluded and funds distributed in the manner provided in Section 77375. No bond or security shall be required for any such referendum.

77372. Following a favorable referendum conducted prior to April 30, 1993, a referendum shall be conducted by the commission every fifth year thereafter unless a referendum is conducted as the result of a petition pursuant to this article. In that case, the referendum shall be every fifth year following the industry petitioned referendum following procedures provided for in Section 77371.

77373. (a) Upon a finding by a two-thirds vote of the full commission that the operation of this chapter has not tended to effectuate its declared purposes, the commission may recommend to the director that the operation of this chapter be suspended. However, any suspension shall not become effective until the expiration of the current marketing year.

(b) The director shall, upon receipt of the recommendation, or may, after a public hearing to review a petition filed with the director requesting a suspension signed by 20 percent of the producers by number who produced not less than 20 percent of the

volume of peppers in the immediately preceding marketing year, and 20 percent of the handlers by number who handled not less than 20 percent of the volume of peppers in the immediately preceding marketing year, hold a referendum among the producers and handlers to determine if the operations of 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 the operation of this chapter has not tended to effectuate its declared purposes.

(c) 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 established referendum period, the director shall tabulate the ballots filed during the period. The director shall suspend operation of this chapter if the director finds either one of the following has occurred:

(1) At least 40 percent of the total number of producers from the list established by the director have participated in the referendum:

(A) Sixty-five percent or more of the producers who voted in the referendum voted in favor of suspension, and the producers so voting marketed a majority of the total quantity of peppers 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 suspension, and the producers so voting marketed 65 percent or more of the total quantity of peppers in the preceding marketing year by all of the producers who voted in the referendum.

(2) At least 40 percent of the total number of handlers from the list established by the director have participated in the referendum:

(A) Sixty-five percent or more of the handlers who voted in the referendum voted in favor or suspension, and the handlers so voting handled a majority of the total quantity of peppers in the preceding marketing year by all of the handlers who voted in the referendum.

(B) A majority of the handlers who voted in the referendum voted in favor of suspension, and the handlers so voting handled 65 percent or more of the total quantity of peppers in the preceding marketing year by all of the handlers who voted in the referendum.

77374. (a) The director shall terminate the commission at the end of the then current marketing year 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 peppers and at least 51 percent of the eligible handlers that handle at least 51 percent of the total volume of peppers.

(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.

77375. After the effective date of suspension, 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 persons 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 system, another state agency, or a federal agency which deals with the purposes of this chapter. If no such program exists, the funds shall be paid into the State Treasury as unclaimed trust funds.

77376. Upon suspension of the operation of this chapter, the commission shall mail a copy of the notice of suspension to all persons 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 conduct essential production research in the current marketing year and to ensure a sound and prosperous pepper industry, it is necessary that this act take effect immediately.

CHAPTER 336

An act to amend Section 20123 of the Public Contract Code, relating to the repair of county-owned buildings.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 20123 of the Public Contract Code is amended to read:

20123. In counties containing a population of 2,000,000 or over, as determined by the last federal or special census or subsequent estimate validated by the Population Research Unit of the Department of Finance, Sections 20121 and 20122 do not apply to alteration or repair work upon county-owned buildings, if the cost of the work is under fifty thousand dollars ($50,000).

CHAPTER 337

An act to amend Section 26104 of, and to repeal and add Section 19088 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 19088 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 19088 is added to the Revenue and Taxation Code, to read:

19088. Any action against the Franchise Tax Board under this article shall be commenced and tried in any city or city and county in which the Attorney General maintains an office.

SEC. 3. Section 26104 of the Revenue and Taxation Code is amended to read:

26104. Whenever an action is commenced against the Franchise Tax board under the provisions of this article, a copy of the complaint and the summons shall be served upon the Franchise Tax Board or the executive officer. A second copy of the complaint and summons shall be furnished to the Franchise Tax Board, but this requirement is not jurisdictional. Any action against the Franchise Tax Board under this article shall be commenced and tried in any city or city and county in which the Attorney General maintains an office. The Attorney General or the counsel for the Franchise Tax Board shall defend the action. In any such action the court may render judgment

for plaintiff for any part of the tax, interest, penalties or costs found to be void.

CHAPTER 338

An act to amend Section 4 of Chapter 772 of the Statutes of 1978, relating to collection agencies.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 4 of Chapter 772 of the Statutes of 1978, as amended by Chapter 876 of the Statutes of 1985, is amended to read:

Sec. 4. Section 1 of this act shall become operative on June 30, 1992, unless a later enacted statute which is chaptered on or before that date deletes or extends that date.

CHAPTER 339

An act to amend Sections 22353 and 22455 of the Business and Professions Code, and to amend Section 8213 of the Government Code, relating to bonds.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 22353 of the Business and Professions Code is amended to read:

22353. (a) A certificate of registration shall be accompanied by a bond of two thousand dollars ($2,000) which is executed by an admitted surety insurer and conditioned upon compliance with the provisions of this chapter and all laws governing the service of process in this state. The total aggregate liability on the bond is limited to two thousand dollars ($2,000).

(b) The county clerk shall, upon filing the bond, deliver the bond forthwith to the county recorder for recording. The recording fee specified in Section 27361 of the Government Code shall be paid by the registered professional process server. The fee may be paid to the county clerk, who shall transmit it to the recorder.

(c) The county recorder shall record the bond and shall thereafter mail it, unless specified to the contrary, to the person named in the instrument and, if no person is named, to the party leaving it for recording.

SEC. 2. Section 22455 of the Business and Professions Code is amended to read:

22455. (a) A certificate of registration shall be accompanied by a bond of five thousand dollars ($5,000) which is executed by a corporate surety qualified to do business in this state and conditioned upon compliance with the provisions of this chapter and all laws governing the transmittal of confidential documentary information under the code sections specified in Section 22450. The total aggregate liability on the bond shall be limited to five thousand dollars ($5,000). The bond may be terminated pursuant to the provisions of Section 995.440 and Article 13 (commencing with Section 996.310) of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure.

(1) The county clerk shall, upon filing the bond, deliver the bond forthwith to the county recorder for recording. The recording fee specified in Section 27361 of the Government Code shall be paid by the registered professional photocopier. The fee may be paid to the county clerk, who shall transmit it to the recorder.

(2) The county recorder shall record the bond and shall thereafter mail it, unless specified to the contrary, to the person named in the instrument and, if no person is named, to the party leaving it for recording.

(b) In lieu of the bond required by subdivision (a), a registrant may deposit five thousand dollars ($5,000) in cash with the county clerk.

(c) If the certificate is revoked, the bond or cash deposit shall be returned to the bonding party or depositor subject to the provisions of subdivision (d) and the right of a person to recover against the bond or cash deposit under Section 22459.

(d) The county clerk may retain a cash deposit until the expiration of three years from the date the registrant has ceased to do business, or three years from the expiration or revocation date of the registration, in order to ensure there are no outstanding claims against the deposit. A judge of a municipal or superior court may order the return of the deposit prior to the expiration of three years upon evidence satisfactory to the judge that there are no outstanding claims against the deposit.

SEC. 3. Section 8213 of the Government Code is amended to read:

8213. (a) No later than 30 days after the beginning of the term prescribed in the commission, every person appointed a notary public shall file an official bond, and take, subscribe, and file an oath of office in the office of the county clerk of the county within which the person maintains a principal place of business as shown in the application submitted to the Secretary of State, and the commission shall not take effect unless this is done within the 30-day period. Upon filing the oath and bond, the county clerk shall forthwith transmit to the Secretary of State a certificate setting forth the fact of such filing and containing a copy of the official oath, personally signed by the

notary public in the form set forth in the commission and shall forthwith deliver the bond to the county recorder for recording. The county clerk shall retain the oath of office for one year following the expiration of the term of the commission for which the oath was taken, after which the oath may be destroyed or otherwise disposed of. The copy of the oath, personally signed by the notary public, on file with the Secretary of State may at any time be read in evidence with like effect as the original oath, without further proof.

(b) If a notary public transfers the principal place of business from one county to another, the notary public may file a new oath of office and bond, or a duplicate of the original bond with the county clerk to which the principal place of business was transferred. If the notary public elects to make a new filing, the notary public shall, within 30 days of the filing, obtain an official seal which shall include the name of the county to which the notary public has transferred. In such a case, the same filing and recording fees are applicable as in the case of the original filing and recording of the bond.

(c) The recording fee specified in Section 27361 of the Government Code shall be paid by the person appointed a notary public. The fee may be paid to the county clerk who shall transmit it to the county recorder.

(d) The county recorder shall record the bond and shall thereafter mail, unless specified to the contrary, it to the person named in the instrument and, if no person is named, to the party leaving it for recording.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

CHAPTER 340

An act to amend Section 1055 of the Fish and Game Code, relating to fish and game.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 14, 1988]

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

SECTION 1. Section 1055 of the Fish and Game Code is amended to read:

1055. (a) The department may authorize any person, except a commissioner or an officer or employee of the department, to be a license agent to issue punch cards, licenses, license stamps, and license tags. It may consign punch cards, licenses, license stamps, and license tags to license agents without receiving payment therefor,

upon application of the license agent and upon the giving of a bond or assigning a certificate of deposit, payable to the department, as provided in this article. It shall not consign any punch cards, licenses, license stamps, and license tags to any license agent who fails to submit the report required by subdivision (a) of Section 1055.5 within one month and 20 days following the last day of that calendar month or who otherwise fails to fully comply with Section 1055.5.

(b) A license agent authorized under subdivision (a) shall add a handling charge to the fees, which fees are prescribed in this code or in regulations adopted pursuant to this code, for punch cards, licenses, license stamps, and license tags issued by the license agent in an amount, as follows:

(1) Fifty cents ($0.50) for each commercial fishing license or commercial passenger fishing boat license.

(2) Fifty cents ($0.50) for each sportfishing license or for each hunting license.

(3) Fifty cents ($0.50) for each deer tag application or bear tag application.

(4) Fifty cents ($0.50) for each punch card.

(5) Fifty cents ($0.50) for each license upgrade stamp.

(c) No handling charge added under subdivision (b) shall be added for any hunting license stamp, sportfishing license stamp, or special use stamp, except the license upgrade stamp as provided in paragraph (5) of subdivision (b).

(d) The handling charge added under subdivision (b) shall be incorporated into the total amount collected for issuing the punch card, license, license stamp, or license tag, but the handling charge shall not be included when determining license fees in accordance with Section 713. No license agent shall collect from the license applicant any amount which is less than the fee prescribed in this code, or in regulations adopted pursuant to this code, for any punch card, license, license stamp, or license tag issued.

(e) The handling charge required by subdivision (b) is the license agent's only compensation for services. No other additional fee or charge shall be made by the license agent for issuing punch cards, licenses, license stamps, or license tags authorized under this section.

(f) In order to facilitate the prompt remittance of fees and more accurate accounting of licenses, license stamps, and license tags provided for issuance to license agents, the department shall provide them in books containing licenses, license stamps, or license tags that do not exceed the total fees for 20 resident sportfishing licenses. This subdivision does not apply to nonresident licenses and nonresident license tags. This subdivision applies only to license years commencing on or after July 1, 1986.

(g) At any single business location, a license agent shall issue all items from a single book before commencing to issue licenses, license stamps, or license tags of the same series from another book.

(h) The department, alternatively, may provide for the issuance of punch cards, licenses, license stamps, and license tags to

authorized license agents and shall collect, in cash or cashier's check, at the time the documents are provided an amount equal to the fees for all of the punch cards, licenses, license stamps, and license tags provided. Any license agent who pays the fees for punch cards, licenses, license stamps, and license tags provided is exempt from subdivisions (a) and (e) of Section 1055.5, Section 1056, and Section 1059. Punch cards, licenses, license stamps, and license tags provided pursuant to this subdivision and remaining unissued at the end of the license year may be returned to the department, within 60 days of their expiration date, for refund or credit, or a combination thereof.

(i) All unissued and expired punch cards, licenses, license stamps, and license tags shall be returned to the department. Any license agent who does not return them within one month and 20 days following the last day of the license year shall not be provided additional punch cards, licenses, license stamps, or license tags until the unissued and expired punch cards, licenses, license stamps, and license tags have been returned to the department. In addition, any unissued and expired item that is not returned within 60 days following the last day of the license year shall be billed to the license agent. Items may be returned for credit after the 60 days; however, the license agent shall pay interest and penalties on the returned items as prescribed in subdivison (b) of Section 1059. No credit shall be allowed after six months following the last day of the license year.

CHAPTER 341

An act to amend Sections 12603, 12604, and 12608 of the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 12603 of the Business and Professions Code is amended to read:

12603. No person subject to the prohibition in Section 12602 shall distribute any packaged commodity unless in conformity with regulations which shall be established by the director which shall provide that:

(a) The commodity shall bear a label specifying the identity of the commodity and the name and place of business of the manufacturer, packer, or distributor.

(b) The net quantity of contents (in terms of weight, measure, numerical count, or time) shall be separately and accurately stated in a uniform location upon the principal display panel of that label.

SEC. 2. Section 12604 of the Business and Professions Code is amended to read:

12604. (a) The separate label statement of the net quantity of contents appearing on or affixed to any package shall be in conformity with regulations adopted by the director. The regulations shall require the following:

(1) On a package containing less than four pounds or one gallon and labeled in terms of weight or fluid measure, the statement shall, unless subdivision (b) applies and the statement is set forth in accordance with that subdivision, be expressed both in ounces (with identification as to avoirdupois or fluid ounces) and, if applicable, in pounds for weight units, with any remainder in terms of ounces or common or decimal fractions of the pound; or in the case of liquid measure, in the largest whole unit (quarts, quarts and pints, or pints, as appropriate) with any remainder in terms of fluid ounces or common or decimal fractions of the pint or quart.

(2) On a package labeled in terms of linear measure, the statement shall be expressed both in terms of inches and the largest whole unit (yards, yards and feet, or feet, as appropriate) with any remainder in terms of inches or common or decimal fractions of the foot or yard.

(3) On a package labeled in terms of measure of area, the statement shall be expressed both in terms of square inches and the largest whole square unit (square yards, square yards and square feet, or square feet, as appropriate) with any remainder in terms of square inches or common or decimal fractions of the square foot or square yard.

(4) The statement shall appear in conspicuous and easily legible type in distinct contrast (by typography, layout, color, embossing, or molding) with other matter on the package.

(5) The statement shall contain letters or numerals in a type size which shall be established in relationship to the area of the principal display panel of the package, and uniform for all packages of substantially the same size.

(6) The statement shall be so placed that the lines of printed matter included in the statement are generally parallel to the base on which the package rests as it is designed to be displayed.

(b) Notwithstanding subdivision (a), on a random package, the statement shall be in conformity with regulations adopted by the director which shall provide that the statement may be expressed in terms of pounds and ounces or in pounds and decimal fractions of the pound.

SEC. 3. Section 12608 of the Business and Professions Code is amended to read:

12608. A statement of weight shall be in terms of the avoirdupois pound and ounce. A statement of liquid measure shall be in terms of the United States gallon of 231 cubic inches, quart, pint, and fluid ounce and shall express the volume at 68° Fahrenheit (20° centigrade). Statements of content for liquid petroleum products shall be expressed at 60° Fahrenheit; refrigerated commodities shall be expressed at 40° Fahrenheit; and frozen products shall be

expressed at the temperature at which they are kept or offered for sale. A statement of dry measure shall be in terms of the United States bushel of 2,150.42 cubic inches, peck, dry quart, and dry pint. A statement of linear measure shall be in the terms of the standard yard, foot, and inch. A statement of time measure shall be in terms of the standard hour, minute, and second. A statement of net quantity in terms of the metric system may be used in addition to the required statement of content. A statement of numerical count shall be expressed either in English words or Arabic numerals.

Fluid products may be tested by a weights and measures official on the basis of weight as prescribed by regulations of the director.

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 342

An act to amend Section 2985.71 of the Civil Code, relating to vehicle leasing.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 2985.71 of the Civil Code is amended to read:

2985.71. (a) If any solicitation to enter into a lease contract includes a statement of the amount of any payment, the number of required payments, or that any capitalized cost reduction, any or no downpayment, or other payment is required at the inception of the lease, the solicitation shall also include a clear and conspicuous statement of all of the following:

(1) A statement that the transaction advertised is a lease.

(2) If the lessee is to bear the risk of the motor vehicle's depreciation, the value placed on the motor vehicle at the inception of the lease.

(3) The amount, if any, required by the lessor as a security deposit, advance periodic payment or other prepayment.

(4) The term of the lease expressed in months, the amounts and due dates or periods of scheduled payments, and the total amount of periodic payments.

(5) If the lessee is to bear the risk of the motor vehicle's depreciation, the maximum for which the lessee could be held liable at the end of the lease period.

(6) A statement of whether or not the lessee has the option to purchase the leased motor vehicle and at what price and time. The method of determining the price may be substituted for disclosure of the price.

(b) No solicitation to aid, promote, or assist directly or indirectly any lease contract may state that a specific lease of any motor vehicle at specific amounts or terms is available unless the lessor usually and customarily leases or will lease that motor vehicle at those amounts or terms.

(c) A failure to comply with the provisions of this section shall not affect the validity of the leasing contract. There is no liability on the part of any owner or personnel, as such, of any advertising medium for any violation of 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 343

An act to amend Section 12104 of the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 12104 of the Business and Professions Code is amended to read:

12104. (a) The department shall issue instructions and make recommendations to the county sealers, and the instructions and recommendations shall govern the procedure to be followed by these officers in the discharge of their duties.

(b) Instructions and recommendations which are made to insure statewide weights and measures protection shall include a local administration cost analysis utilizing data provided by the county sealer. The cost analysis shall identify the joint programs or activities for which funds necessary to maintain adequate county administration and enforcement have not been provided. The director shall develop, jointly with the county sealers, county priorities for the enforcement programs and activities of the director.

(c) The director shall, upon request, report to the Legislature his or her findings concerning the cost analysis with specific regard to programs where funds are inadequate for an efficient enforcement

program, together with a listing of the priorities jointly established by the director and the county sealers that are contained in the formal instructions and recommendations.

CHAPTER 344

An act to amend Sections 27361 and 27361.3 of the Government Code, relating to recording fees.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 27361 of the Government Code is amended to read:

27361. The fee for recording and indexing every instrument, paper, or notice required or permitted by law to be recorded is as follows: four dollars ($4) for recording the first page and two dollars ($2) for each additional page or fraction of a page. If the printing on printed forms is spaced more than nine lines per vertical inch or more than 22 characters and spaces per inch measured horizontally for not less than three inches in one sentence the recorder shall charge one dollar ($1) additional for each page on which such printing appears excepting, however, that such additional charge shall not apply to printed words which are directive or explanatory in nature for completion of the form or on vital statistics forms.

One dollar ($1) for recording the first page and one dollar ($1) for each additional page or fraction of a page shall be available solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents.

SEC. 2. Section 27361.3 of the Government Code is amended to read:

27361.3. Notwithstanding any contrary provision of the law, the fee for recording every release of lien, encumbrance, or notice executed by the state, or any municipality, county, city, district or other political subdivision shall be eight dollars ($8) if the original lien, encumbrance, or notice was recorded without fee as provided by Section 27383 of the Government Code.

No fee shall be charged for recording a release of lien, encumbrance, or notice which was recorded in error by the state, or any municipality, county, city, district or other political subdivision if there is noted on the face of the release of lien, encumbrance, or notice a statement to that effect.

Two dollars ($2) for recording each release of lien pursuant to this section shall be available solely to support, maintain, improve, and provide for the full operation for modernized creation, retention,

and retrieval of information in each county's system of recorded documents.

CHAPTER 345

An act to amend Sections 23145.5 and 23146 of the Vehicle Code, relating to driving offenses.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 23145.5 of the Vehicle Code is amended to read:

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 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.

SEC. 2. Section 23146 of the Vehicle Code is amended to read:

23146. (a) The program may include a personal conference after the visitations described in Section 23145.8 between the sentencing judge or judicial officer or the person 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.

CHAPTER 346

An act to add Article 19 (commencing with Section 53995) to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, relating to local agencies.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988]

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

SECTION 1. Article 19 (commencing with Section 53995) is added to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 19. Obligation of Contract

53995. As used in this article:

(a) "Financial transaction" means any agreement or arrangement entered into between a local agency or the treasurer of a local agency and any party or parties for the performance of required financial services or duties by either the local agency or the other party or parties, or both. "Financial transaction" includes, but is not limited to, financial affairs of a local agency, as provided in Chapter 3 (commencing with Section 53400) and Chapter 4 (commencing with Section 53600).

(b) "Legislative body" means the elected or appointed governing body or authority of a local agency.

(c) "Local agency" means a city, county, city and county, including a chartered city, county, or city and county, special district, school district, community college district, county board of education, county superintendent of schools, or any agency of the state formed for the local performance of governmental or proprietary functions within limited boundaries.

(d) "Obligation of contract" has the same meaning and shall be subject to the same interpretation as "obligation of contract" has in Section 9 of Article I of the California Constitution.

(e) "Treasurer" means the treasurer of the local agency.

53996. The Legislature hereby finds and declares that a local agency's obligation of contract, as that term is used and interpreted in Section 9 of Article I of the California Constitution, in a financial transaction, commences when the legislative body adopts a resolution officially entering into the contract or when the treasurer, acting on his or her authority, enters into the contract. Therefore, in interpreting Section 9 of Article I of the California Constitution, the Legislature finds and declares that no law may be passed which has the effect of impairing a local agency's existing obligation of contract with regard to a financial transaction.

53997. (a) A local agency's obligation of contract, with regard to

a financial transaction, shall commence when the legislative body adopts a resolution formally adopting, approving, or entering into any financial transaction, or when the treasurer, acting on his or her authority, enters into any financial transaction.

(b) Notwithstanding subdivision (a), the legislative body or the treasurer may commence its obligation of contract, with regard to a financial transaction, at any other point in the financial transaction with the mutual consent of the legislative body or the treasurer and the other party or parties to the financial transaction.

CHAPTER 347

An act to amend Section 332 of the Penal Code, relating to crime.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 332 of the Penal Code is amended to read:

332. Every person who by the game of "three card monte," so-called, or any other game, device, sleight of hand, pretensions to fortune telling, trick, or other means whatever, by use of cards or other implements or instruments, or while betting on sides or hands of any such play or game, fraudulently obtains from another person money or property of any description, shall be punished as in case of larceny of property of like value.

For purposes of this section "fraudulently obtains" includes, but is not limited to, cheating, including, for example, gaining an unfair advantage for any player in any game through a technique or device not sanctioned by the rules of the game.

CHAPTER 348

An act to add Section 70039 to the Education Code, relating to education.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 70039 is added to the Education Code to read:

70039. (a) The board of governors may contract with any auxiliary organization, in accordance with subdivision (b), for the provision to the California Maritime Academy of a campus store,

canteen, barbershop, or any other program or service that conforms to the purposes of the academy. Any contract for that purpose may provide for, but is not limited to, the leasing of property to the auxiliary organization as deemed by the board of governors to be necessary and appropriate to the purposes of that contract.

(b) In order to qualify for the purposes of this section, an auxiliary organization shall be a private, nonprofit organization, shall have been approved by the board of governors for the purposes of this section, and shall meet all of the following conditions:

(1) The organization shall be operated in conformity with the policies adopted by the board of governors.

(2) The programs and services provided by the organization pursuant to subdivision (a) shall be operated on a nonprofit, self-supporting basis. Any surplus funds from the operation of any program or service operated by the organization pursuant to this section shall be used in a manner that conforms to the purposes of the academy, in accordance with the policies established by the board of governors.

(3) The organization shall accept no grant, contract, bequest, trust, gift, or other benefit except on the condition that it be used in a manner that conforms to the purposes of the academy, in accordance with the policies established by the board of governors.

CHAPTER 349

An act to add Section 61765.16 to the Government Code, relating to community services districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 61765.16 is added to the Government Code, to read:

61765.16. Notwithstanding Section 61765, in the Grizzly Flats Community Services District, the water standby or availability charge shall not exceed forty-eight dollars ($48) per year or four dollars ($4) per month for each parcel of land on which the charge is levied.

In fixing and collecting water standby or availability charges, the district shall follow the procedures for fixing and collecting water standby or availability charges set forth in this chapter.

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

In order to enact timely financial provisions necessary for local agencies it is necessary that this act take immediate effect.

CHAPTER 350

An act to amend Sections 17165 and 17167 of the Elections Code, relating to elections.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988]

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

SECTION 1. Section 17165 of the Elections Code is amended to read:

17165. The recount shall be commenced not more than seven days following the clerk's receipt of the request for the recount under Section 17160 or 17160.5, and shall be continued daily, Saturdays, Sundays, and holidays excepted, for not less than six hours each day until completed. The recount shall not be commenced until the first day following notification of the individuals specified in Section 17167.

SEC. 2. Section 17167 of the Elections Code is amended to read:

17167. Not less than one day prior to commencement of the recount, the clerk shall post a notice as to the date and place of the recount and shall notify the following persons of it in person or by telegram:

(a) All candidates for any office the votes for which are to be recounted.

(b) Authorized representatives of presidential candidates to whom electors are pledged if the votes to be recounted were cast for presidential electors.

(c) Proponents of any initiative or referendum or persons filing ballot arguments for or against any initiative, referendum, or measure placed on the ballot by the governing body the votes for which are to be recounted.

(d) The Secretary of State in the case of a recount of the votes cast for candidates for any state office, presidential electors, the House of Representatives of the United States, the Senate of the United States, or delegates to a national convention or on any state measure.

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 351

An act to amend Section 3420 of the Public Resources Code, relating to oil and gas wells.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 3420 of the Public Resources Code is amended to read:

3420. (a) (1) No charges shall be levied for assessments on oil and gas production of less than ten dollars ($10).

(2) The charges are due and payable on the first of July in each year for assessments of more than ten dollars ($10), but less than five hundred dollars ($500). The charges shall be delinquent if not paid on or before August 15th of each year.

(3) The charges are due and payable on the first of July in each year for assessments of five hundred dollars ($500) or more. One-half of the charges shall be delinquent if not paid on or before August 15th of each year. The remaining one-half of the charges shall be delinquent if not paid on or before the first of February of the following year.

(b) Any person who fails to pay any charge within the time required shall pay a penalty of 10 percent of the amount due, plus interest at the rate of 1½ percent per month, or fraction thereof, computed from the delinquent date of the assessment until and including the date of payment.

CHAPTER 352

An act to amend Section 1503 of the Corporations Code, relating to corporations.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 1503 of the Corporations Code is amended to read:

1503. (a) An agent designated for service of process pursuant to Section 202, 1502, 2105, or 2117 may file a signed and acknowledged written statement of resignation as such agent. Thereupon the authority of the agent to act in such capacity shall cease and the Secretary of State forthwith shall give written notice of the filing of the statement of resignation by mail to the corporation addressed to its principal executive office.

(b) Under regulations adopted by the Secretary of State, the resignation of an agent may be effective if the agent disclaims having been properly appointed as the agent. Similarly, a person named as an officer or director may indicate that the person was never properly appointed as the officer or director.

CHAPTER 353

An act to amend Sections 8495 and 8496 of the Fish and Game Code, relating to sea cucumbers.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. The Legislature finds and declares that the development and full utilization of the sea cucumber fishery is in the best interest of the people of the state and California's commercial fishing industry and that the Department of Fish and Game shall take those steps necessary to facilitate that development in cooperation with commercial fishermen and fish processors.

SEC. 2. Section 8495 of the Fish and Game Code is amended to read:

8495. The following areas are designated as the California halibut trawl grounds:

Those portions of District 18, 19, and 118.5 adjacent to the mainland shore in waters not less than one nautical mile from the mainland shore lying south and east of a line running due west (270° true) from

Point Arguello and north and west of a line running due south (180° true) from Point Mugu.

SEC. 3. Section 8496 of the Fish and Game Code is amended to read:

8496. Within the California halibut trawl grounds the following requirements shall apply to the use of trawl nets:

(a) Open season shall be June 16 through March 14.

(b) California halibut shall only be taken pursuant to Section 8392.

(c) Not more than 500 pounds of fish other than California halibut may be possessed, except that any amount of sharks, skates, sea cucumbers, or rays may be taken or possessed.

(d) It is unlawful to operate a trawl net in a way that damages or destroys other types of fishing gear which is buoyed or otherwise visibly marked.

(e) Sections 8833 and 8836 do not apply to trawl nets when used or possessed on California halibut trawl grounds.

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 354

An act to amend Section 3365 of the Business and Professions Code, relating to hearing aid dispensers.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 3365 of the Business and Professions Code is amended to read:

3365. A licensee shall, upon the consummation of a sale of a hearing aid, deliver to the purchaser a written receipt, signed by or on behalf of the licensee, containing all of the following:

(a) The date of consummation of the sale.

(b) Specifications as to the make, serial number, and model number of the hearing aid or aids sold.

(c) The address of the principal place of business of the licensee, and the address and office hours at which the licensee shall be available for fitting or postfitting adjustments and servicing of the hearing aid or aids sold.

(d) A statement to the effect that the aid or aids delivered to the purchaser are used or reconditioned, as the case may be, if that is the

fact.

(e) The number of the licensee's license and the name and license number of any other hearing aid dispenser who provided any recommendation or consultation regarding the purchase of the hearing aid.

(f) The terms of any guarantee or written warranty, as required pursuant to Section 1793.02 of the Civil Code, made to the purchaser with respect to the hearing aid or hearing aids.

(g) Such receipt shall bear, or have attached to it in no smaller type than the largest used in the body copy portion, the following:

"The purchaser has been advised at the outset of his or her relationship with the hearing aid dealer that any examination or representation made by a licensed hearing aid dealer or fitter in connection with the practice of fitting or selling of this hearing aid, or hearing aids, is not an examination, diagnosis, or prescription by a person licensed to practice medicine in this state, or by licensed audiologists and therefore must not be regarded as medical opinion or professional advice."

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 355

An act to amend Section 10664 of the Fish and Game Code, relating to marine life refuges.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988]

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

SECTION 1. Section 10664 of the Fish and Game Code is amended to read:

10664. In the Laguna Beach, Newport Beach, Point Fermin, South Laguna Beach, Dana Point, Niguel, Irvine Coast, and Doheny Beach Marine Life Refuges, the following fish, mollusks and crustaceans may be taken under the authority of a sportfishing license as authorized by this code: abalone, lobster, rockfish (Scorpaenidae), greenling, ling cod, cabezon, yellowtail, mackerel, bluefin tuna, kelp bass, spotted sand bass, barred sand bass, sargo, croaker, queenfish, corbina, white seabass, opaleye, halfmoon, surfperch (Embiotocidae), blacksmith, barracuda, sheephead, bonito, California halibut, sole, turbot, and sanddab. Fin fish shall be taken only by hook and line or by spearfishing gear. All other fish and

forms of aquatic life are protected and may not be taken without a written permit from 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 356

An act to amend Sections 1037 and 1041 of the Insurance Code, relating to insurance.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 1037 of the Insurance Code is amended to read:

1037. Upon taking possession of the property and business of any person in any proceeding under this article, the commissioner, exclusively and except as otherwise expressly provided by this article, either as conservator or liquidator:

(a) Shall have authority to collect all moneys due that person, and to do such other acts as are necessary or expedient to collect, conserve, or protect its assets, property, and business, and to carry on and conduct the business and affairs of that person or so much thereof as to him or her may seem appropriate.

(b) Shall collect all debts due and claims belonging to that person, and shall have the authority to sell, compound, compromise, or assign, for the purpose of collection upon such terms and conditions as the commissioner deems best, any bad or doubtful debts.

(c) Shall have authority to compound, compromise or in any other manner negotiate settlements of claims against that person upon such terms and conditions as the commissioner shall deem to be most advantageous to the estate of the person being administered or liquidated or otherwise dealt with under this article.

(d) Shall have authority without notice, to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with, any real or personal property of that person at its reasonable market value, or, in cases other than acquisition, sale, or transfer on the basis of reasonable market value, upon such terms and conditions as the commissioner may deem proper. However, no transaction involving real or personal property shall be made where the market value of the property involved exceeds the sum of twenty thousand dollars ($20,000) without first obtaining

permission of the court, and then only in accordance with any terms that court may prescribe.

(e) Shall have authority to transfer to a trustee or trustees, under a voting trust agreement, the stock of an insurer heretofore or hereafter issued to the commissioner as conservator or as liquidator in connection with a rehabilitation or reinsurance agreement, or any other proceeding under this article. This voting trust agreement shall confer upon the trustee or trustees the right to vote or otherwise represent that stock, and shall not be irrevocable for a period of more than 21 years.

(f) May, for the purpose of executing and performing any of the powers and authority conferred upon the commissioner under this article, in the name of the person affected by the proceeding or in the commissioner's own name, prosecute and defend any and all suits and other legal proceedings, and execute, acknowledge and deliver any and all deeds, assignments, releases and other instruments necessary and proper to effectuate any sale of any real and personal property or other transaction in connection with the administration, liquidation, or other disposition of the assets of the person affected by that proceeding; and any deed or other instrument executed pursuant to the authority hereby given shall be valid and effectual for all purposes as though it had been executed by the person affected by any proceeding under this article or by its officers pursuant to the direction of its governing board or authority. In cases where any real property sold by the commissioner under this article is located in a county other than the county wherein the proceeding is pending, the commissioner shall cause a certified copy of the order of his or her appointment, or order authorizing or ratifying the sale, to be filed in the office of the county recorder of the county in which that property is located.

(g) Shall have authority to invest and reinvest, in such manner as the commissioner may deem suitable for the best interests of the creditors of that person, such portions of the funds and assets of that person in his or her possession as do not exceed the amount of the reserves required by law to be maintained by that person as reserves for life insurance policies, annuity contracts, supplementary agreements incidental to life business, and reserves for noncancellable disability policies, and which funds and assets are not immediately distributable to creditors. However, no investment or reinvestment shall be made which exceeds the sum of one hundred thousand dollars ($100,000) without first obtaining permission of the court, and then only in accordance with any terms that court may prescribe. That permission shall not be required for any investment or reinvestment of those funds or assets in funds administered by the Treasurer.

The enumeration, in this article, of the duties, powers and authority of the commissioner in proceedings under this article shall not be construed as a limitation upon the commissioner, nor shall it exclude in any manner his or her right to perform and to do such

other acts not herein specifically enumerated, or otherwise provided for, which the commissioner may deem necessary or expedient for the accomplishment or in aid of the purpose of such proceedings.

SEC. 2. Section 1041 of the Insurance Code is amended to read:

1041. The commissioner shall be the custodian of all moneys collected by him or her or coming into his or her possession in the course of any proceeding under this article, but the commissioner may deposit those moneys, or any part thereof, without court approval in a bank which is a member of the Federal Deposit Insurance Corporation (FDIC), so long as the total deposit did not exceed those federal insurance limits; in a centralized State Treasury system bank account; or in funds administered by the Treasurer.

Provided further, any money which is deposited by the commissioner pursuant to this section, which the commissioner determines is available for investment, may be invested or reinvested by the Treasurer in any of the securities which are 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 bank as provided in Chapter 4 (commencing with Section 16500) of Part 2 of Division 4 of Title 2 of the Government Code, and handled in the same manner as money in the State Treasury. Any increment which is received from that investment or reinvestment or deposit shall be remitted to the commissioner for allocation, upon a proper and equitable basis, to each estate participating in the investment, reinvestment, or deposit and deposited and disbursed as provided in Section 1037. The Treasurer may deduct from that remittance an amount equal to the reasonable costs incurred in carrying out this section or may bill the commissioner for those costs and the commissioner shall pay those costs from money which is collected pursuant to this chapter.

CHAPTER 357

An act to amend the heading of Article 3 (commencing with Section 4080) of Chapter 3 of Division 5 of, and to amend Sections 4081, 4082, 4085, and 4086 of, to add Sections 4094 and 4095 to, and to repeal and add Section 4080 of, the Elections Code, and to repeal and add Chapter 2 (commencing with Section 34450) of Part 1 of Division 2 of Title 4 of the Government Code, relating to charters.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. The heading of Article 3 (commencing with Section 4080) of Chapter 3 of Division 5 of the Elections Code is amended to read:

Article 3. City or City and County Charters

SEC. 2. Section 4080 of the Elections Code is repealed.

SEC. 3. Section 4080 is added to the Elections Code, to read:

4080. (a) The following city or city and county charter proposals shall be submitted to the voters at either a special election called for that purpose, at any established municipal election date, or at any established election date pursuant to Section 2500, provided that there are at least 88 days before the election:

(1) A charter proposed by a charter commission, whether elected or appointed by a governing body. A charter commission may also submit a charter pursuant to Section 34455 of the Government Code.

(2) An amendment or repeal of a charter proposed by the governing body of a city or a city and county on its own motion.

(3) An amendment or repeal of a city charter proposed by a petiton signed by 15 percent of the registered voters of the city.

(4) An amendment or repeal of a city and county charter proposed by a petition signed by 10 percent of the registered voters of the city and county.

(5) A recodification of the charter proposed by the governing body on its own motion, provided that the recodification does not, in any manner, substantially change the provisions of the charter.

(b) Charter proposals by the governing body and charter proposals by petition of the voters may be submitted at the same election.

(c) The total number of registered voters of the city or city and county shall be determined according to the county clerk's last official report of registration to the Secretary of State.

SEC. 3.5. Section 4081 of the Elections Code is amended to read:

4081. The proponents of a measure proposing to amend a charter shall publish or post, or both, a notice of intent to circulate the petition in the same form and manner as prescribed in Sections 4002, 4002.5, 4002.7, and 4003. The proponents shall also file an affidavit prescribed in Section 4004 with the clerk of the legislative body of the city, and, with respect to the petition, shall be subject to the requirements contained in Section 4005.

SEC. 4. Section 4082 of the Elections Code is amended to read:

4082. The petition signed by registered voters of the city or city and county proposing an amendment to a charter shall set forth in full the text of the proposed amendment in no less than 10-point type.

SEC. 5. Section 4085 of the Elections Code is amended to read:

4085. The petition shall be in substantially the following form:

Petition for Submission to Voters of Proposed Amendment to the Charter of the City (or City and County) of _____

To the city council (or other legislative body) of the City (or City and County) of _____:

We, the undersigned, registered and qualified voters of the State

of California, residents of the City (or City and County) of _____, pursuant to Section 3 of Article XI of the California Constitution and Chapter 2 (commencing with Section 34450) of Part 1 of Division 2 of Title 4 of the Government Code, present to the city council (or other legislative body) of the city (or city and county) this petition and request that the following proposed amendment to the charter of the city (or city and county) be submitted to the registered and qualified voters of the city (or city and county) for their adoption or rejection at an election on a date to be determined by the city council (or other legislative body).

The proposed charter amendment reads as follows:

First. (setting forth the text of the amendment) _____ (etc.)

Signature	Printed Name	Residence	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SEC. 6. Section 4086 of the Elections Code is amended to read:

4086. Each section shall have attached thereto the affidavit of the person soliciting the signatures. This affidavit shall be substantially in the same form as set forth in Section 3519 and shall comply with Sections 44 and 4007.

SEC. 7. Section 4094 is added to the Elections Code, to read:

4094. The conduct of election and publication requirements shall substantially conform with Division 14 (commencing with Section 22000).

SEC. 8. Section 4095 is added to the Elections Code, to read:

4095. Upon the completion of the canvass of votes, the governing body of a city or city and county shall pass a resolution reciting the fact of the election and such other matters as are enumerated in Section 22933. The clerk of the city or city and county shall then cause the adopted measures to be submitted to the Secretary of State pursuant to Sections 34459 and 34460 of the Government Code.

SEC. 9. Chapter 2 (commencing with Section 34450) of Part 1 of Division 2 of Title 4 of the Government Code is repealed.

SEC. 10. Chapter 2 (commencing with Section 34450) is added to Part 1 of Division 2 of Title 4 of the Government Code, to read:

CHAPTER 2. CITY OR CITY AND COUNTY CHARTERS

34450. Any city or city and county may enact, amend, or repeal a charter for its own government according to this article or Article 3 (commencing with Section 4080) of Chapter 3 of Division 5 of the Elections Code.

34451. The charter may be proposed by a charter commission chosen by the voters of the city or city and county, at any general or special election, but no person shall be eligible as a candidate for the commission unless he or she is a registered voter of the city or city and county.

34452. (a) An election for choosing charter commissioners may

be called by a majority vote of the governing body of a city or city and county, or on presentation of a petition signed by not less than 15 percent of the registered voters of the city or city and county. The petition shall be verified by the authority having charge of the registration records of the city or city and county and the expenses of the verification shall be provided by the governing body thereof. The governing body shall call an election pursuant to Sections 2500 and 23302 of the Elections Code.

(b) If any vacancy arises in a charter commission established for a city or city and county pursuant to this chapter, the vacancy shall be filled by an appointment by the mayor of the city or city and county.

34453. At an election the voters shall vote first on the question "Shall a charter commission be elected to propose a new charter?" and, secondly, for the candidates of the office of charter commissioner. If the first question receives a majority of the votes of the qualified voters voting thereon at the election, the 15 candidates for the office of charter commissioner receiving the highest number of votes shall forthwith organize as a charter commission. However, if the first question receives less than a majority of the votes of the qualified voters voting thereon at the election no charter commission shall be deemed to have been elected.

34454. Candidates for the office of charter commissioner shall be nominated either in the same manner provided for the nomination of officers of the municipal or city and county government, or by petition substantially in the same manner provided by general laws for the nomination by petition of candidates for public offices to be voted for at general elections.

34455. The charter commissioners shall propose a charter and may propose amendments to a charter, for the government of the city or city and county. The charter so prepared shall be signed by a majority of the charter commissioners and shall be filed in the office of the clerk of the governing body of the city or city and county.

34456. In any city or city and county, the governing body shall cause copies of the charter to be printed in type of not less than 10-point. If the governing body causes copies of the proposed charter to be mailed to the voters, the text of the proposed charter may show the difference from existing provisions of law by the use of distinguishing type styles.

34457. The proposed charter shall be submitted to the voters of the city or city and county at either a special election called for that purpose or at any established municipal election date or at any established election date pursuant to Section 2500 of the Elections Code, provided there are at least 88 days before the election.

34458. As an alternative to the procedure provided for in Sections 34450 to 34457, inclusive, the governing body of any city or city and county, on its own motion may propose or cause to be proposed, amend or cause to be amended, or repeal or cause to be repealed, a charter and may submit the proposal for the adoption, or the

amendments or repeal thereof, to the voters at either a special election called for that purpose or at any established municipal election date or at any established election date pursuant to Section 2500 of the Elections Code, provided there are at least 88 days before the election.

34459. If the voters vote in favor of the charter proposal, amendment, or repeal, it shall be deemed to be ratified, but shall not take effect until accepted and filed by the Secretary of State pursuant to Section 34460.

34460. Three copies of the complete text of a charter proposal or of any amended or repealed section ratified by the voters of a city or city and county shall be certified and authenticated by the chairperson and the clerk of the governing body and attested by the city clerk, setting forth the submission of the charter to the voters of the city, and its ratification by them. One copy shall be filed with the recorder of the county in which the city is located, and one in the archives of the city. In the case of a city and county, one copy shall be filed with the recorder thereof, and one in the archives of the city and county.

The third copy shall be submitted to the Secretary of State with the following:

(a) Certified copies of all publications and notices required of the city by this chapter or by the laws of this state in connection with the calling of an election to propose, amend, or repeal a city charter.

(b) Certified copies of any arguments for or against the charter proposal, amendment, or repeal which were mailed to voters pursuant to Section 5012 of the Elections Code.

(c) A certified abstract of the vote at the election at which the charter proposal, amendment, or repeal was approved by the voters.

34461. A charter proposal, amendment, or repeal by the voters of a city or city and county and submitted to the Secretary of State in compliance with this chapter shall be accepted and filed by the Secretary of State. The charter proposal, amendment, or repeal shall be published in the statutes in a charter chapter series under the designation "Statutes of _____ (year), Charter Chapter _____." Under the chapter number, the date of the ratification election and the date of filing with the Secretary of State shall be indicated.

After a charter proposal, amendment, or repeal is accepted and filed by the Secretary of State, the courts shall take judicial notice thereof.

34462. (a) A charter commission established for a city and county pursuant to this chapter shall complete a proposed or amended charter and submit the charter to the voters of the city and county within two years of the date of the election of the charter commissioners, and at the expiration of that period is abolished.

(b) A charter commission may submit portions of the proposed or amended charter to the voters periodically.

SEC. 11. 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 358

An act to amend Sections 8051.1 and 8051.2 of the Fish and Game Code, relating to sea urchins.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 8051.1 of the Fish and Game Code is amended to read:

8051.1. (a) Every person who is required to pay a landing tax for sea urchins pursuant to Sections 8041 and 8042 shall pay, in addition to the landing taxes determined in accordance with the schedule in Section 8051, an additional landing tax of one-half cent ($0.005) for each pound, or fraction thereof, of sea urchins, determined as provided in Section 8042. The money collected by the department from the additional landing tax pursuant to this section shall be deposited in the Fish and Game Preservation Fund to reimburse the fund for the appropriation made in subdivision (b). Collection of the additional landing tax pursuant to subdivision (a) shall begin on the first day of the second month following the operative date of the statute adding this section.

(b) The sum of one hundred fifty thousand dollars ($150,000) is hereby appropriated from the Fish and Game Preservation Fund to the department for expenditure without regard to fiscal years for the purposes of Section 9056.

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

SEC. 2. Section 8051.2 of the Fish and Game Code is amended to read:

8051.2. (a) After the first one hundred fifty thousand dollars ($150,000) is collected according to subdivision (a) of Section 8051.1, the landing tax collected pursuant to Section 8051.1 shall be deposited in the Fish and Game Preservation Fund and one-half of the revenue deposited shall be used solely for the Sea Urchin Resources Enhancement Program in support of the recommendations of the committee established by subdivision (b) of this section and other sea urchin resource enhancement measures as

provided in the annual Budget Act. The department shall maintain internal accountability necessary to ensure that all restrictions on the expenditure of Sea Urchin Resources Enhancement Program funds are met.

(b) A Commercial Sea Urchin Advisory Committee shall be established consisting of 10 members selected by the director. One member shall be chosen from the personnel of the department. Eight members shall be selected, with alternates, from nominations submitted by sea urchin fishermen and processors and by associations representing the commercial sea urchin industry of California. Four of the industry members shall be from northern California, two representing divers and two representing processors, and four shall be from southern California, two representing divers and two representing processors. The area marine coordinator from the University of California at Davis shall be the other member.

For the money available to the Sea Urchin Resource Enhancement Program, the committee may annually submit to the department proposed projects and a budget for the program. The department, after conducting a public review and discussion shall incorporate all or part of the proposed projects and budget recommendations in its submittal to the Governor's Budget.

(c) The department shall submit to the Legislature a biennial report, the first one to be submitted in January of 1990, on the status of the Sea Urchin Resource Enhancement Program, projects funded by the program, and program recommendations of the department. The report shall also include any program recommendations from the advisory committee and the department's comments regarding these recommendations.

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

CHAPTER 359

An act to amend Section 13 of, and to add Section 13.1 to, the Merced County Flood Control District Act (Chapter 1311 of the Statutes of 1982), relating to the Merced County Flood Control District.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 13 of the Merced County Flood Control District Act (Chapter 1311 of the Statutes of 1982) is amended to read:

Sec. 13. If the board determines to proceed with a project in a

zone or zones, after the conclusion of the public hearing, it may call an election to be held in the zone or zones on the question of proceeding with the project or proceed in the manner set forth in Section 13.1. The election shall be called by the adoption of a notice of election, which shall state the date of the election, the proposition to be voted upon, the hours the polls will be open, and shall designate the election precincts, the polling place within each precinct, and the names of the election officers consisting of one inspector, one judge, and one clerk for each precinct. Only registered voters within the zone or zones shall be entitled to vote at the election.

The notice of election shall be published or posted pursuant to the same procedure and time limits prescribed for giving notice of the public hearing pursuant to Section 12 of this act. No other notice of the election need be given nor need sample ballots or polling place cards be issued.

The election shall be conducted as one election comprising all of the zones affected, rather than separately in each zone, and precincts established may comprise territory in more than one zone. If a majority of the voters voting upon the proposition are in favor of the project, the board may proceed with the project. If a majority of the voters vote against the project, the board shall not proceed with the project unless it is later approved by the voters at a subsequent election called and conducted pursuant to this section. The subsequent elections may be called by the board without conducting additional public hearings.

The election may be consolidated with any district, city, or county election or statewide primary or general election under the provisions of the Elections Code relating to the consolidation of elections and, in case of consolidation, the notice herein provided may be modified as provided in the Elections Code.

If the board determines that bonded indebtedness should be incurred to pay for any portion of the cost of a proposed project, then the election shall be fully consolidated with the bond election, without complying with the procedures for consolidation of elections set forth in the Elections Code, and the procedures for calling and conducting the bond election shall be applicable to both elections, and both propositions shall be included on the ballot for the election. In the case of such a consolidated election, the ordinance required under Section 15 shall constitute the notice of election required under this section and shall contain the information required under this section. If a majority of the voters voting in all of the zones participating in the election, considering the zones as a single unit rather than separately, vote in favor of approving the project, but the bond election fails, the board may proceed to pay the costs of the project out of the taxes or assessments levied under this act or from other sources, excluding bonds.

In all particulars not provided in this act, the election shall be held and conducted and the returns canvassed and declared in the manner provided in the Elections Code for state or county general

elections in the County of Merced including the provisions governing absentee ballots.

SEC. 2. Section 13.1 is added to the Merced County Flood Control District Act (Chapter 1311 of the Statutes of 1982), to read:

Sec. 13.1. Upon conclusion of the public hearing, the board may proceed with the proposed project unless, prior to expiration of the time set for receiving protests, a written protest against the project signed by holders of title to real property or assessible interests therein representing more than a majority of all holders of title within the prescribed zones or zones of benefit is filed with the board and not withdrawn. In that event, the proceeding shall be terminated and the project or projects shall not be reinitiated in the same zone or zones for a period of six months.

CHAPTER 360

An act to add Section 8437.1 to the Fish and Game Code, relating to commercial fishing.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 8437.1 is added to the Fish and Game Code, to read:

8437.1. The commission may authorize the use of commercial fishing gear and fishing methods to take any fish listed in Section 8437 in those areas of the state otherwise closed to that use pursuant to this code.

CHAPTER 361

An act to repeal Section 40523 of the Health and Safety Code, relating to air pollution.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 40523 of the Health and Safety Code is repealed.

CHAPTER 362

An act to amend Sections 11501 and 11509 of the Government Code, relating to administrative hearings.

[Approved by Governor July 13, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 11501 of the Government Code is amended to read:

11501. (a) This chapter applies to any agency as determined by the statutes relating to that agency.

(b) The enumerated agencies referred to in Section 11500 are:

Accountancy, State Board of
Air Resources Board, State
Alcohol and Drug Programs, State Department of
Alcoholic Beverage Control, Department of
Architectural Examiners, California State Board of
Attorney General
Auctioneer Commission, Board of Governors of
Automotive Repair, Bureau of
Barber Examiners, State Board of
Behavioral Science Examiners, Board of
Boating and Waterways, Department of
Cancer Advisory Council
Cemetery Board
Chiropractic Examiners, Board of
Collection and Investigative Services, Bureau of
Community Colleges, Board of Governors of the California
Conservation, Department of
Consumer Affairs, Director of
Contractors, Registrar of
Corporations, Commissioner of
Cosmetology, State Board of
Dental Examiners of California, Board of
Education, State Department of
Electronic and Appliance Repair, Bureau of
Engineers and Land Surveyors, State Board of Registration for Professional
Fair Employment and Housing Commission
Fair Political Practices Commission
Fire Marshal, State
Food and Agriculture, Director of
Forestry and Fire Protection, Department of
Funeral Directors and Embalmers, State Board of
Geologists and Geophysicists, State Board of Registration for
Guide Dogs for the Blind, State Board of

Health Services, State Department of
Highway Patrol, Department of the California
Home Furnishings and Thermal Insulation, Bureau of
Horse Racing Board, California
Housing and Community Development, Department of
Insurance Commissioner
Labor Commissioner
Landscape Architects, State Board of
Medical Quality Assurance, Board of, Medical Quality Review Committees and Examining Committees
Motor Vehicles, Department of
Nursing, Board of Registered
Nursing Home Administrators, Board of Examiners of
Optometry, State Board of
Osteopathic Examiners of the State of California, Board of
Personnel Services, Bureau of
Pharmacy, California State Board of
Public Employees' Retirement System, Board of Administration of the
Real Estate, Department of
San Francisco, San Pablo and Suisun, Board of Pilot Commissioners for the Bays of
Savings and Loan Commissioner
School Districts
Secretary of State, Office of
Shorthand Reporters Board, Certified
Social Services, State Department of
Statewide Health Planning and Development, Office of
Structural Pest Control Board
Tax Preparer Program, Administrator
Teacher Credentialing, Commission on
Teachers' Retirement System, State
Transportation, Department of, acting pursuant to the State Aeronautics Act
Veterinary Medicine, Board of Examiners in
Vocational Nurse and Psychiatric Technician Examiners of the State of California, Board of

SEC. 2. Section 11509 of the Government Code is amended to read:

11509. The agency shall deliver or mail a notice of hearing to all parties at least 10 days prior to the hearing. The hearing shall not be prior to the expiration of the time within which the respondent is entitled to file a notice of defense.

The notice to respondent shall be substantially in the following form but may include other information:

You are hereby notified that a hearing will be held before [here insert name of agency] at [here insert place of hearing] on the _____ day of _____, 19____, at the hour of _____, upon the

charges made in the accusation served upon you. You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. You may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to [here insert appropriate office of agency].

CHAPTER 363

An act to amend Section 23134 of the Government Code, relating to boundaries, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 23134 of the Government Code is amended to read:

23134. The boundaries of Sacramento County are as follows:

Beginning on the northern line of the county, at a point 10 miles north of a point which was, on the thirtieth of March, 1857, the mouth of the American River; thence easterly to the junction of the north and south forks of said river; thence up the principal channel of the south fork to a point one mile above Mormon Island, so as to include said island in Sacramento County, forming the northeast corner; thence southerly to a point on the Cosumnes River, eight miles above the house of William Daylor; thence south to Dry Creek, forming the southeast corner; thence down said Dry Creek to its entrance into the Mokelumne River; thence down the Mokelumne River to a point where said river divides into east and west branches; thence down the west branch to its junction with the east branch; thence down said river to its junction with the San Joaquin River;

Thence down the San Joaquin River to the mouth of the Sacramento River, at the head of Suisun Bay, forming the southwest corner; thence up the Sacramento River to the mouth of Steamboat Slough, formerly called Merritt Slough; then up said slough to the mouth of Sutter Slough; thence up said Sutter Slough to the Sacramento River; then up the Sacramento River to a point west of the place of beginning, forming the northwest corner of Sacramento; thence east to the place of beginning.

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:

To provide the public with an accurate description of the boundaries of Sacramento County, it is necessary that this act take effect immediately.

CHAPTER 364

An act to amend Section 23010 of the Government Code, relating to garbage disposal districts.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 23010 of the Government Code is amended to read:

23010. (a) Pursuant to a resolution adopted by its board of supervisors, a county may lend any of its available funds to any community services district, county waterworks district, mosquito abatement district, pest abatement district, fire protection district, flood control and water conservation district, recreation and park district, regional park district, regional park and open-space district, regional open-space district, or public cemetery district located wholly within the county, if its funds are or when available will be in the custody of the county or any officer of the county, in order to enable the district to perform its functions and meet its obligations. The loan shall not exceed 85 percent of the district's anticipated revenue for the fiscal year in which it is made or for the next ensuing fiscal year, and shall be repaid out of that revenue prior to the payment of any other obligation of the district.

(b) Pursuant to a resolution adopted by its board of supervisors, a county may loan any of its available funds to a special district, in order to enable the district to perform its functions and meet its obligations. The loan shall not exceed 85 percent of the special district's anticipated property tax revenue projected to be generated for the fiscal year in which it is made or for the next ensuing fiscal year within that portion of the district's territory which is located within the county. The loan shall be repaid out of any available revenue of the special district prior to the payment of any other obligation of the district.

For purposes of this subdivision, "special district" means a special district, as defined in Section 54775, which is located in more than one county.

(c) The board of supervisors may borrow funds from the county or from other garbage disposal districts, not to exceed 85 percent of the district's anticipated revenue for the fiscal year in which they are

borrowed or for the next ensuing fiscal year. In levying taxes or prescribing and collecting fees or charges as authorized by this division, the board of supervisors may raise sufficient revenues to repay the loans.

The board of supervisors may lend available district funds to another garbage disposal district, subject to the terms and conditions set forth in this section.

Nothing contained in this section shall prohibit the board of supervisors from borrowing funds from banks or other financial institutions when the best interests of the district are served thereby.

(d) Notwithstanding any other provisions of law, funds, when borrowed by a garbage disposal district pursuant to subdivision (c), shall forthwith increase the appropriations of the district for which they are needed. The governing body of the entity from which the funds are borrowed may specify the date and manner in which the funds shall be repaid. The loan shall not exceed 85 percent of the district's anticipated revenue for the fiscal year in which it is made or for the next ensuing fiscal year, and shall be repaid out of that revenue prior to the payment of any other obligation of the district.

(e) The district shall pay interest on all funds borrowed from the county at the same rate that the county applies to funds of the district on deposit with the county.

CHAPTER 365

An act to amend Sections 12, 12.3, 17, 19, and 20.7 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.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 12 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 12. The board of supervisors of the district shall have power, in any year:

1. To levy an ad valorem tax upon all taxable property or an assessment upon all taxable real property in the district to pay the costs and expenses of the Ventura County Flood Control District and to carry out any of the objects or purposes of this act of common benefit to the district as a whole.

2. To levy an ad valorem tax upon all taxable property or an assessment upon all taxable real property in each or any of the zones, according to the benefits derived or to be derived by the respective

zones, to pay the cost and expenses of carrying out any of the objects or purposes of this act of special benefit to the respective zones, including the constructing, maintaining, operating, extending, repairing, or otherwise improving any or all works or improvements within the respective zones. It is declared that all property within a given zone is equally benefited under this act.

The taxes or assessments shall be levied and collected together with, and not separately from, taxes for county purposes, and the revenues derived from the taxes or assessments shall be paid into the county treasury to the credit of the district, and the board of supervisors shall have the power to control and order the expenditure thereof for those purposes; provided, however, that no revenues, or portions thereof, derived in any of the several zones from the taxes or assessments levied under the provisions of subdivision 2 of this section shall be expended for constructing, maintaining, operating, extending, repairing, or otherwise improving any works or improvements located in any other zone except as provided in Section 14; and provided further, however, that the aggregate taxes or assessments levied under this act for any one fiscal year shall not exceed thirty-two cents ($0.32) on each one hundred dollars ($100) of the assessed valuation of the taxable property in zone 1, shall not exceed forty cents ($0.40) on each one hundred dollars ($100) of the assessed valuation of the taxable property in zones 2 and 4, shall not exceed twenty-seven cents ($0.27) on each one hundred dollars ($100) of the assessed valuation of the taxable property in any special zone in addition to the aggregate taxes or assessments levied for zone 1, 2, 3 or 4 and exclusive of any tax or assessment levied to pay the cost and expenses of any project or facility for importing water into the district or to meet any bonded indebtedness of the zones or district and the interest thereon.

The amendment of this section made at the 1987–88 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law.

SEC. 2. Section 12.3 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended 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 or limited by 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 54715 and 54716 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 17 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 17. The board of supervisors may issue and sell the bonds of the district or the zones thereof 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 proceeds 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 district or zone funds 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. 4. 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 upon all taxable property or an assessment on all taxable real property, as the case may be, each year 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. 5. Section 20.7 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended 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 zone or special zone voting on the proposition of the issuance of the bonds.

CHAPTER 366

An act to amend Sections 22660 and 22662.5 of the Streets and Highways Code, relating to highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 22660 of the Streets and Highways Code is amended to read:

22660. (a) The legislative body may, by resolution, determine that the estimated cost of any of the proposed improvements described in subdivisions (a) to (d), inclusive, of Section 22525 is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments over a period not to exceed five fiscal years.

(b) The legislative body may, by resolution, determine that the estimated cost of the proposed improvements described in Section 22525 is greater than can be conveniently raised from a single annual assessment and order that the estimated cost of those improvements, other than the costs of maintenance and servicing, be raised by an assessment levied and collected in installments over a period not to exceed 30 years.

(c) The resolution adopted pursuant to subdivision (a) or (b) shall generally describe the proposed improvements, set forth the estimated cost thereof, specify the number of annual installments and the fiscal years during which they are to be collected, and fix or determine the maximum amount of each annual installment.

SEC. 2. Section 22662.5 of the Streets and Highways Code is amended to read:

22662.5. (a) The legislative body of any local agency may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of the proposed improvements described in Section 22525, other than the costs of maintenance and servicing, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)). Division 10 (commencing with Section 8500) shall govern all proceedings relating to the issuance of those bonds. The pertinent provisions of that division which apply to the legislative body of a city shall also apply to the legislative body of a special district formed to provide park and recreational services. Alternatively, the legislative body may determine and declare that notes shall be issued for the same purposes for which bonds may be issued. The maximum term to maturity of any notes issued shall not exceed 10 years.

(b) The resolution shall generally describe the proposed

improvements specified in Section 22525, set forth the estimated cost thereof, specify the number of annual installments and the fiscal years during which they are to be collected, and fix or determine the maximum amount of each annual installment necessary to retire the bonds or notes. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years. The amount of debt service to retire the notes shall not exceed the amount of revenue to be raised from the assessments over 10 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal of, and interest on, any bond or note issued pursuant to this section, shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

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

This act is needed immediately in order to allow local agencies to finance any other authorized improvements under the Landscaping and Lighting Act of 1972 before interest rates rise further.

CHAPTER 367

An act to amend Section 11005.3 of the Revenue and Taxation Code, relating to local government finance.

[Approved by Governor July 14, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 11005.3 of the Revenue and Taxation Code, as added by Section 7 of Chapter 1242 of the Statutues of 1986, is amended to read:

11005.3. (a) Notwithstanding subdivision (c) of Section 11005, in the case of a city which incorporated subsequent to the 1980 federal census, the Controller shall determine the population of the city by multiplying the number of registered voters in the city by three. On and after July 1, 1991, the Controller shall determine the population of the city pursuant to subdivision (c) of Section 11005.

(b) This section shall become inoperative on June 30, 1991, and as of that date is repealed.

SEC. 2. Section 11005.3 of the Revenue and Taxation Code, as added by Section 9 of Chapter 1242 of the Statutes of 1986, is amended to read:

11005.3. (a) Notwithstanding subdivision (c) of Section 11005, in the case of a city which incorporated on or after January 1, 1987, the Controller shall determine the population of the city for its first eight

full fiscal years, and any portion of the first year in which the incorporation is effective if less than a full fiscal year, by multiplying the number of registered voters in the city by three. Thereafter, the Controller shall determine the population of the city pursuant to subdivision (c) of Section 11005.

(b) This section shall become operative July 1, 1991.

CHAPTER 368

An act to add Section 7079 to the Government Code, relating to enterprise zones.

[Approved by Governor July 14, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. The Legislature finds and declares that, since the enactment of the California Enterprise Zone Act in 1984, enterprise zones have become a vital tool to stimulate business growth and industrial development in economically depressed areas of the state, and to increase job opportunities for the economically disadvantaged. The enterprise zone program creates a productive, free market environment by reducing taxes, excessive regulations, and other government burdens on economic opportunity within the zones. These incentives allow private sector firms and entrepreneurs to create jobs and expand economic activity. Enterprise zones encourage private sector institutions and local government to mobilize for economic development.

The Legislature further finds and declares that, although federal legislation has yet to be enacted, over 32 states have embraced the enterprise zone concept, including California. Unlike California, which only authorized 10 zones, most states find that authorizing larger numbers of zones only enhances economic development. Several states have authorized hundreds of zones each.

The Legislature further finds and declares that there are many more economically blighted areas in California that could benefit from an enterprise zone designation but are prohibited from taking advantage of the program by the current limit of 10 designations. Fifty-nine municipalities applied for the 10 designations, and many more have expressed interest in expanding the number of zones since the 10 zone finalists were designated.

It is the intent of the Legislature that, to the maximum amount feasible, all citizens and municipalities in California be afforded the opportunity to expand their economic horizons, whether through the Enterprise Zone Program or other economic development tools. Further, it is the intent of the Legislature that every effort be made to determine if the current limitation of 10 enterprise zones is

sufficient to serve the economic needs of this state.

SEC. 2. Section 7079 is added to the Government Code, to read:

7079. The department shall conduct a study on the necessity and advisability of expanding the number of enterprise zones available for designation throughout the state. The report shall include recommendations as to whether the number of existing enterprise zones should be expanded, by how many, and under what applicable time schedules. The report shall be submitted to the Governor and to the Legislature no later than June 30, 1989.

CHAPTER 369

An act relating to the California State University.

[Approved by Governor July 14, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) That the provision of decent and affordable housing for students of the California State University who have minor children is a public purpose of great statewide importance.

(b) That the number of California State University students with minor children continues to rise dramatically, especially in urban areas.

(c) That the California State University does not have explicit statutory authority to include the needs of its students with minor children in the use of revenue bonds for the construction of housing and related facilities.

(d) That the use of revenue bonds and other authorized financing mechanisms for the construction of dormitories, housing facilities, and other auxiliary or supplementary facilities should, to the extent feasible, address the housing needs of California State University students with minor children.

SEC. 2. (a) The Trustees of the California State University shall conduct a study on the feasibility of constructing student housing that would meet the needs of students of the university who have minor children. That study shall include an analysis of alternative forms of financing that may be available from federal, state, or other sources, including an assessment of whether those alternatives would be sufficient to produce that family student housing at affordable rates that are competitive with the housing rates for single students. In addition, pursuant to the results of that analysis, the trustees shall determine the level of state resources necessary to support housing for students with families.

(b) The results of the study shall be reported to the education

policy and fiscal committees of the Legislature no later than July 1, 1989.

CHAPTER 370

An act to add Section 22907.2 to the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

[Approved by Governor July 14, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 22907.2 is added to the Education Code, to read:

22907.2. A member who is a state employee or a retirant who retired on or after December 31, 1981, and who was at retirement a state employee may elect to receive credit, of not to exceed four years, for time served of not less than one year, prior to entering this system, in the armed forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. Service credit shall not be granted if the service described above terminated with a discharge under dishonorable conditions. The service credit to be accorded pursuant to this section for that service shall be on the basis of one year of credit for each five years of credited service, but shall not exceed a total of four years of service credit regardless of the number of years of either that service or subsequent service. A member or a retirant electing to receive a credit for that service shall have been credited with at least 10 years of service on the date of election or the date of retirement.

An election by a member with respect to service credit under this section may be made only while the member is in state or university employment, and a retirant shall have retired immediately following service as a member who was at retirement a state employee. The retirement allowance of a retirant who elects to receive service credit pursuant to this section shall be increased only with respect to the allowance payable on and after the date of election.

A member or retirant who elects to become subject to this section shall pay all reasonable administrative costs and contributions, sufficient to cover the total employer and employee cost plus interest of the military service credit, at rates to be determined by the board. The amount shall be contributed in lump sum or by installments over the period and subject to those minimum payments as may be prescribed by regulations of the board. Payments for administrative costs shall be credited to the current appropriation for support of the board and available for expenditure by the board to fund positions deemed necessary by the board to implement this section.

The board has no duty to locate or notify any retirant or to provide the name or address of any retirant, agency, or entity for the purpose of notifying those persons.

CHAPTER 371

An act to amend Section 49533 of the Education Code, relating to education.

[Approved by Governor July 14, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. The Legislature finds and declares that in order for the Child Nutrition Advisory Council to be truly representative of the child nutrition programs, a representative from a child care food program should be designated to serve on that council.

SEC. 2. Section 49533 of the Education Code is amended to read:

49533. A Child Nutrition Advisory Council composed of 12 members, shall be appointed by January 1, 1975, to recommend plans and guidelines for school and child care meal service and nutrition education programs. The members of the council shall be appointed by the State Board of Education and shall include one member of the State Department of Education, one school administrator, one school board member, one school food service director, one school food service supervisor or manager, one classroom teacher, one curriculum coordinator, one nutrition education specialist, one lay person, one child care food program sponsor, one senior-class high school student, and a qualified consultant specializing in nutrition, education, child care, or health and welfare.

Initial appointments shall be made so that six of the members, including the student representative, serve for one year while the remainder serve for two years. Thereafter, members shall serve for a period of two years, except the student representative, who shall serve for one year. Council members shall serve without pay but shall be reimbursed for authorized travel costs according to established State Department of Education procedures.

CHAPTER 372

An act to add Section 309.75 to the Health and Safety Code, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1988 Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 309.75 is added to the Health and Safety Code, to read:

309.75. (a) The State Department of Health Services shall design and implement a screening program for lead exposure of children not older than seven years old in migrant labor camps where lead-based paint has been identified pursuant to Section 50710.5.

(b) The department may implement the screening program through the local health departments utilizing the department's protocols. Notwithstanding any other provision of law, the department may contract with a nonprofit organization to assist in administration of the program. The contract shall not be subject to competitive bidding requirements.

SEC. 2. The sum of two hundred thousand dollars ($200,000) is hereby reappropriated to the State Department of Health Services from the fund established under Chapter 112 of the Statutes of 1988 for purposes of Section 309.75 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:

To ensure that children residing in migrant labor camps where lead-based paint has been identified pursuant to Section 50710.5 of the Health and Safety Code are adequately protected from lead exposure during and after emergency abatement procedures, it is necessary for this act to take immediate effect.

CHAPTER 373

An act to amend Section 18054.7 of the Health and Safety Code, relating to occupational licenses, and making an appropriation therefor.

[Approved by Governor July 14, 1988. Filed with Secretary of State July 14, 1988.]

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

SECTION 1. Section 18054.7 of the Health and Safety Code is amended to read:

18054.7. (a) Every occupational license or decal issued to a manufacturer, distributor, dealer, salesperson, or transporter shall expire on the last day of the 24th month following the date of issuance of the temporary permit, pursuant to Section 18052.

(b) Every occupational license or decal renewed by a manufacturer, distributor, dealer, salesperson, or transporter shall be for a term of 24 months.

(c) Applications to renew an occupational license or decal held by a manufacturer, distributor, dealer, salesperson, or transporter shall be received by the department or postmarked during the month of expiration. An expired occupational license may be reinstated upon application for reinstatement to the department within 60 days of expiration. The application for reinstatement shall be accompanied with the payment of all renewal fees and a reinstatement fee equal to 50 percent of the renewal fee.

(d) Holders of an expired occupational license shall discontinue all activities of a licensee until a new license or temporary permit is obtained from the department, except that an applicant for renewal may continue to operate with an expired occupational license, provided all other requirements of rules, regulations, and laws governing their activities are met, until the application for renewal is approved or denied.

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 374

An act relating to local agencies.

[Approved by Governor July 14, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. The Legislature finds and declares that there is a need to automate the reporting process which requires the officer of each local agency who has charge of the financial records to annually file a report of all the financial transactions of the local agency with the Controller.

SEC. 2. The Controller shall conduct a feasibility study for special

districts to do the following:

(a) Determine the capability of special districts to submit their financial transactions report using some form of electronic media.

(1) Analyze present practices and procedures.

(2) Identify problems, needs, and objectives.

(b) Identify alternate solutions.

(c) The feasibility study will produce as an end product, a feasibility study report following Department of Finance guidelines. The report shall be completed and submitted to the Legislature by March 31, 1989.

SEC. 3. The sum of twenty thousand dollars ($20,000) is hereby appropriated from the General Fund to the Controller for the purposes of this act.

CHAPTER 375

An act to amend Section 5003.2 of the Public Utilities Code, relating to carriers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1988. Filed with Secretary of State July 15, 1988.]

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.

(b) 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 for the Transportation Rate Fund.

SEC. 2. The sum of ninety-four thousand dollars ($94,000) is hereby appropriated from the Transportation Rate Fund to the Public Utilities Commission for expenditure during the 1988–89 fiscal year for purposes of Section 5003.2 of the Public Utilities 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 extend the requirement, which expires July 1, 1988, that certain highway carriers for whom the Public Utilities Commission

does not establish rates contribute to the support of the Transportation Rate Fund, it is necessary that this act take effect immediately.

CHAPTER 376

An act relating to mental health, and making an appropriation therefor.

[Approved by Governor July 15, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. The State Department of Mental Health shall, in conjunction with the Conference of Local Mental Health Directors, the California Medical Association, and the California Psychiatric Association develop and disseminate to all county mental health departments a medical evaluation field manual that describes in complete detail how to implement new or more cost-effective medical evaluation programs. The field manual developed pursuant to this section shall draw on the procedures and results of the study conducted pursuant to Chapter 208 of the Statutes of 1982. The field manual shall be designed to be applicable in both urban and rural counties. The field manual shall describe appropriate medical evaluation procedures for each kind of mental health program setting.

SEC. 2. The sum of thirty-six thousand dollars ($36,000) is hereby appropriated from the General Fund to the State Department of Mental Health in order to implement this act.

CHAPTER 377

An act to amend Section 1002 of the Fish and Game Code, relating to fish and game, and making an appropriation therefor.

[Approved by Governor July 15, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Section 1002 of the Fish and Game Code is amended to read:

1002. (a) The department may issue permits, subject to restrictions and regulations which the commission determines are desirable, to take or possess, in any part of the state, for scientific, educational, or propagation purposes, mammals, birds and the nests

and eggs thereof, fish, amphibia, reptiles, or any other form of plant or animal life.

(b) The department may issue a permit, which is valid for 24 months from the date of issuance, to a resident of this state on the payment of a base fee of thirty dollars ($30), as adjusted under Section 713.

(c) Notwithstanding subdivision (b), the department may issue a permit without fee, which is valid for 12 months from the date of issuance, for either of the following purposes:

(1) To authorize only the banding of birds and the exhibition of live or dead wildlife specimens by public zoological gardens, scientific, or educational institutions.

(2) To a student who is regularly enrolled in a commercial fishing class in a school operating under the jurisdiction of the State Board of Education or in a commercial fishing class in a community college and to a faculty member of those schools or a community college when conducting a regularly enrolled class in commercial fishing. Any permit issued under this paragraph shall be valid only when the student is under the direct supervision of the instructor who is approved by the school or community college to teach the class and who has obtained a permit under subdivision (b) or this paragraph from the department. All fish taken shall be taken in accordance with state law except that Sections 7850 and 7880 to 7890, inclusive, do not apply to persons or equipment operating under this paragraph. All fish taken under a permit issued under this paragraph may be sold only to a person licensed to receive fish from commercial fishermen as provided in Section 8032 or 8033 or donated to a charitable institution. All funds received from the sale of the fish shall be used solely for the support of the commercial fishing classes.

(d) The department may issue a special student permit, which is valid for 12 months from the date of issuance, on the payment of a base fee of ten dollars ($10), as adjusted under Section 713, to any student in a school of collegiate level who is required by an instructor in wildlife research in the school to collect specimens used in laboratory work in the school under supervision and in connection with a course in wildlife research or in the conduct of wildlife investigations and studies on behalf of the public.

(e) The departament may issue a nonresident permit, which is valid for 24 months from the date of issuance, on application and payment of a base fee of one hundred dollars ($100) as adjusted under Section 713.

(f) It is not necessary for the possessor of the permit to have a sportfishing or hunting license to pursue the scientific collecting of any fish, reptile, aquatic animal or plant, bird, or mammal in this state.

(g) Nothing in this section authorizes any act which violates Section 597 of the Penal Code.

(h) A permit under this section does not authorize the taking of fish or mammals from the ocean waters of this state which are within

the boundaries of any city if the city has filed with the department an objection to the taking.

CHAPTER 378

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 July 15, 1988. Filed with Secretary of State July 15, 1988]

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, the department shall disburse up to 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.

(C) On July 1, 1988, or as soon as possible thereafter, the department shall disburse up to one million seven hundred fifty thousand dollars ($1,750,000), less any amount disbursed to councils of government pursuant to subparagraphs (C) and (D) of paragraph (3), to counties which have submitted draft hazardous waste management plans to the department. The amount disbursed to each county shall be equal to 35 percent of the amount allocated to the county under subparagraph (A) and shall be disbursed in accordance with this subparagraph.

Prior to approval of a county hazardous waste management plan by the department pursuant to subdivision (a) of Section 25135.7, each county which has received funds pursuant to this section shall provide the department with an expenditure report which has been certified by the governing body of the county, for funds received pursuant to this section.

The amount remaining after the department has disbursed grants

to counties pursuant to this subparagraph, and any amount remaining from the disbursements made pursuant to subparagraph (B), shall be disbursed in equal amounts to counties which received grants pursuant to clauses (i) and (ii) of subparagraph (A), and which request additional funding to complete their county hazardous waste management plans.

(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.

(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, 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.

(C) Except as provided in subparagraph (D), on July 1, 1988, or as soon as possible thereafter, the department shall disburse an amount equal to 35 percent of the amount allocated to each council of governments under subparagraph (A), to those councils of governments which have submitted a draft regional hazardous waste management plan to the department.

Prior to approval of a regional hazardous waste management plan by the department pursuant to subdivision (g) of Section 25135.3,

each council of governments which has received funds pursuant to this section shall provide the department with an expenditure report which has been certified by the governing body of the council of governments, for funds received pursuant to this section.

(D) On July 1, 1988, or as soon as possible thereafter, the department shall disburse one hundred twenty-two thousand dollars ($122,000) to the Southern California Association of Governments to complete the 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. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 adequate funding to counties to develop hazardous waste management plans, it is necessary that this act take effect immediately.

CHAPTER 379

An act to add and repeal Sections 12002.5, 12002.6, and 12002.8 of the Fish and Game Code, relating to fishing, and making an appropriation therefor.

[Approved by Governor July 15, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Section 12002.5 is added to the Fish and Game Code, to read:

12002.5. (a) Notwithstanding Sections 12000, 12001, and 12002, a certificate of boat registration may be revoked or suspended by the commission, when requested by the department, for a period not to exceed one year, upon conviction of the registrant, or the registrant's agent, servant, employee, or any other person acting under the registrant's direction or control, for a violation of Section 7121 or the regulations adopted pursuant thereto, if the violation in question involved a vessel licensed pursuant to Section 7920.

(b) Notwithstanding Sections 12000, 12001, and 12002, a certificate of boat registration of a vessel licensed pursuant to Section 7920 may be revoked or suspended by the commission, when requested by the department, for a period not to exceed one year, upon conviction of any other person for a violation of Section 7121, if the fish or amphibia involved in the violation were taken from the vessel and that person committed a prior violation of Section 7121 within three years on the vessel.

(c) The certificate shall not be revoked under this section for a violation which is unrelated to the vessel for which the certificate of registration is to be revoked. Any violation committed without the knowledge of the master, or an agent or employee of the registrant, is unrelated to the vessel.

(d) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 2. Section 12002.6 is added to the Fish and Game Code, to read:

12002.6. (a) Notwithstanding Sections 12000, 12001, and 12002, a certificate of boat registration may be revoked or suspended by the commission, when requested by the department, for a period not to exceed one year, upon the second conviction in three years of the registrant, or the registrant's agent, servant, employee, or any other

person acting under the registrant's direction or control, for a violation of any of the following provisions or regulations adopted pursuant thereto:

(1) Article 2 (commencing with Section 8150), Article 3 (commencing with Section 8180), Article 4 (commencing with Section 8210), Article 5 (commencing with Section 8250), Article 6 (commencing with Section 8275), Article 7 (commencing with Section 8300), Article 9 (commencing with Section 8370), Article 13 (commencing with Section 8495), and Article 15 (commencing with Section 8550) of Chapter 2 of Part 3 of Division 6.

(2) Article 1 (commencing with Section 8601), Article 2 (commencing with Section 8620), Article 4 (commencing with Section 8660), Article 5 (commencing with Section 8685), Article 6 (commencing with Section 8720), Article 7 (commencing with Section 8750), Article 8 (commencing with Section 8780), and Article 10 (commencing with Section 8830) of Chapter 3 of Part 3 of Division 6.

(3) Article 1 (commencing with Section 9000) of Chapter 4 of Part 3 of Division 6.

(b) The certificate shall not be revoked unless both the first and second convictions are related to the boat for which the certificate of registration is to be revoked, and are for violations which occurred when the person convicted was the registrant or the registrant's agent, servant, employee, or acting under the registrant's direction or control.

(c) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 3. Section 12002.8 is added to the Fish and Game Code, to read:

12002.8. (a) Notwithstanding Sections 12000, 12001, and 12002, the commercial fishing license of the master of a vessel may be revoked or suspended by the commission, when requested by the department, for a period not to exceed one year, upon the second conviction in three years of the master or the master's agent, servant, employee, or any other person acting under the master's direction or control, for a violation of any of the following provisions or regulations adopted pursuant thereto:

(1) Article 2 (commencing with Section 8150), Article 3 (commencing with Section 8180), Article 4 (commencing with Section 8210), Article 5 (commencing with Section 8250), Article 6 (commencing with Section 8275), Article 7 (commencing with Section 8300), Article 9 (commencing with Section 8370), Article 13 (commencing with Section 8495), and Article 15 (commencing with Section 8550) of Chapter 2 of Part 3 of Division 6.

(2) Article 1 (commencing with Section 8601), Article 2 (commencing with Section 8620), Article 4 (commencing with Section 8660), Article 5 (commencing with Section 8685), Article 6 (commencing with Section 8720), Article 7 (commencing with

Section 8750), Article 8 (commencing with Section 8780), and Article 10 (commencing with Section 8830) of Chapter 3 of Part 3 of Division 6.

(3) Article 1 (commencing with Section 9000) of Chapter 4 of Part 3 of Division 6.

(b) A master's license shall not be revoked unless both the first and second convictions are for a violation by the master or a violation occurring when the person convicted was acting as the master's agent, servant, employee, or acting under the master's direction or control.

(c) The master of a vessel is the person on board the vessel who is in charge of the vessel.

This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

CHAPTER 380

An act to add Chapter 14 (commencing with Section 23300) to Part 13 of the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

[Approved by Governor July 15, 1988 Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Chapter 14 (commencing with Section 23300) is added to Part 13 of the Education Code, to read:

CHAPTER 14. SUBROGATION

23300. Notwithstanding Sections 11042 and 11043 of the Government Code, if a disability allowance or family allowance is payable under this part due to the injury to or death of a member and the injury or death is the proximate consequence of the act of a third person or entity, other than the member's employer, the board may, upon adoption of a resolution, recover from that person or entity on behalf of the system, an amount equal to the actuarial equivalent of benefits paid by the system because of the injury to or death of the member less any amounts the system may be obligated to pay without regard to the actions of the third party. This chapter shall be deemed to create a right of subrogation only to amounts paid as disability allowances or family allowances.

23301. The board may act on its own or contract with the State Compensation Insurance Fund or Attorney General for recovery on behalf of the system of any amounts recoverable from third persons under this chapter, Chapter 5 (commencing with Section 3850) of

Part 1 of Division 4 of the Labor Code, Section 11662 of the Insurance Code, or otherwise.

23302. In the exercise of its rights under this part, the board or the agent under contract may commence or prosecute actions, file liens, intervene in court proceedings, join parties to the action and consolidate actions all in the same manner and to the same extent provided in Chapter 5 (commencing with Section 3850) of Part 1 of Division 4 of the Labor Code except that recovery shall not be made from benefits payable under this part because of the injury or death.

23303. Any amount recovered by way of subrogation by the board on behalf of the member, shall be applied first to the amount which the system paid or is obligated to pay including court costs, attorney fees, and expenses.

23304. The State Compensation Insurance Fund or Attorney General as agent for the board may compromise claims before or after commencement of suit or entry of judgment for an amount as may be approved by a person duly authorized by the board for that purpose.

23305. Actions brought by the board or its agent under contract pursuant to this chapter shall be commenced within three years after the liability of the system to pay benefits is fixed. Liability of the system is fixed at the time the board approves the payment of benefits under this part.

CHAPTER 381

An act to add Section 21194 to the Public Resources Code, relating to the California Environmental Protection Program, and making an appropriation therefor.

[Approved by Governor July 15, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Section 21194 is added to the Public Resources Code, to read:

21194. Notwithstanding any other provision of law, any funds appropriated from the California Environmental License Plate Fund for the construction of a visitor center at Buena Vista Lagoon may be used to reimburse the City of Oceanside for any funds that the city has advanced for that project construction.

CHAPTER 382

An act to amend Sections 22004.1, 22239, 22512, 22513, and 23912 of, and to amend and renumber Section 22132.7 of, the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

[Approved by Governor July 15, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Section 22004.1 of the Education Code is amended to read:

22004.1. The system shall inform a member, upon retirement, that future tax liabilities may occur as the result of the pending retirement allowance.

SEC. 2. Section 22132.7 of the Education Code is amended and renumbered to read:

22117.5. "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. 3. 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 full-time positions for, investment managers who are 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 and all other matters pertaining to corporate governance.

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. 4. Section 22512 of the Education Code is amended to read:

22512. Members who elect membership in the Public Employees' Retirement System and have achieved plan vesting according to Section 22157 of the Education Code shall retain the vested rights to survivor and disability benefits under this system until they qualify for the similar benefits in the Public Employees' Retirement System.

SEC. 5. Section 22513 of the Education Code is amended to read:

22513. Persons who have not achieved planned vesting shall qualify for eligibility for benefits under this system when total service under both systems equals the minimum required under Sections 23800 and 23804. These persons shall retain vested rights to survivor and disability benefits until they qualify for the similar benefits in the

Public Employees' Retirement System.

SEC. 6. Section 23912 of the Education Code is amended 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 postretirement benefit increases.

This section shall be applicable for determining the base date for applicable postretirement increases made on or after January 1, 1982.

This section shall not apply to service retirements with an effective date more than 30 days after termination of the disability allowance.

CHAPTER 383

An act to amend Sections 18075, 18075.5, 18076.5, 18080.1, 18080.4, 18080.5, 18085, 18092.7, and 18098 of, and to repeal Sections 18078, 18084, and 18098.5 of, the Health and Safety Code, relating to manufactured structures, and making an appropriation therefor.

[Approved by Governor July 15, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Section 18075 of the Health and Safety Code is amended to read:

18075. (a) Except as provided in Section 18075.7, all manufactured homes, mobilehomes, commercial coaches, truck campers, and floating homes shall be subject to the provisions of this code for the purposes of titling and registration.

(b) The department may adopt and amend, as necessary, regulations to implement, interpret, and make specific the provisions of this chapter. The department shall provide for an orderly and economical transfer of registrations and titles for manufactured homes, mobilehomes, commercial coaches, and floating homes previously issued by the Department of Motor Vehicles to those issued by the department. Any registration, title, or decal issued by the Department of Motor Vehicles shall be valid until renewed, replaced, transferred, suspended, or revoked.

(c) The department may, but shall not be required to, establish a schedule of fees to pay the costs of work related to administration and enforcement of this chapter, except where the fees are expressly stated herein.

SEC. 2. Section 18075.5 of the Health and Safety Code is amended to read:

18075.5. Manufactured homes, mobilehomes, commercial

coaches, and floating homes sold or used within this state shall be subject to annual registration with the department and payment of registration fees prescribed by Section 18114 except as follows:

(a) Manufactured homes, mobilehomes, and floating homes subject to local property taxation pursuant to Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code, and not installed on foundation systems pursuant to Section 18551, shall be subject to registration and payment of fees and penalties prescribed by Section 18114 at the time of original registration with the department, and upon subsequent sale, resale, or transfer of title. For purposes of this section, a transfer of title includes, but is not limited to, any change, addition, or deletion of one or more registered owners, legal owners, or junior lienholders.

(b) Manufactured homes, mobilehomes, and commercial coaches installed or to be installed on foundation systems pursuant to Section 18551 shall be exempt from registration so long as they remain affixed to the foundation system. In the event that the manufactured home, mobilehome, or commercial coach, is removed from a foundation system for any purpose other than dismantling or reinstallation on a foundation system, it shall be immediately subject to registration with the department.

(c) Except as otherwise provided in subdivisions (d) and (e), registration of a manufactured home, mobilehome, or commercial coach previously registered in another state is due 20 days after the date of entry into California and is delinquent if application is not made and any fees due are not paid within 40 days after that date of entry.

(d) Any member of the armed forces, whether a resident or nonresident, shall also be entitled to exemption from registration with respect to a manufactured home or mobilehome owned by the person upon which there is displayed a valid registration issued for the manufactured home or mobilehome by the owner's home state of residence or by a foreign jurisdiction where the owner was regularly assigned and stationed for duty by competent military orders at the time the registration was issued. Competent military orders shall not include military orders for leave, for temporary duty, nor for any other assignment of any nature requiring the owner's presence outside the foreign jurisdiction where the owner was regularly assigned and stationed for duty.

(e) Any person who enters California for the purpose of establishing or reestablishing residence or accepting gainful employment following his or her discharge from the armed forces of this country may occupy a manufactured home or mobilehome owned by that person at the time of his or her discharge and registered to him or her in a foreign jurisdiction where his or her military orders required his or her presence without registering the manufactured home or mobilehome in this state until the expiration of the registration period current at the time of his or her discharge and entrance into California.

(f) Any new and previously unregistered, unoccupied manufactured home, mobilehome, or commercial coach which is part of an inventory held for sale by a manufacturer or dealer in the course of business.

The department may adopt regulations for exempting additional classes of manufactured homes, mobilehomes, and commercial coaches from registration under a temporary or one-trip permit system which permits the lawful transportation and use of manufactured homes, mobilehomes, and commercial coaches not otherwise subject to registration.

(g) Floating homes, which are subject to local property taxation, as prescribed by Section 229 of the Revenue and Taxation Code, shall be subject to registration at the time of sale and upon any subsequent sale, resale, or transfer of title. Floating homes are subject to the fees prescribed by subdivision (b) of Section 18114 upon registration or reregistration.

SEC. 3. Section 18076.5 of the Health and Safety Code is amended to read:

18076.5. Commencing July 1, 1981, the department shall administer the annual licensing and taxation of all manufactured homes and mobilehomes not subject to local property taxation pursuant to Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code and not installed on a foundation system pursuant to Section 18551, and all commercial coaches.

SEC. 4. Section 18078 of the Health and Safety Code is repealed.

SEC. 5. Section 18080.1 of the Health and Safety Code is amended to read:

18080.1. The registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home may be held in the name of a company, an estate, a trusteeship, a conservatorship, a guardianship, or an individual owner's name, as follows:

(a) In the case of an individual owner, the manufactured home, mobilehome, commercial coach, truck camper, or floating home shall be registered in the true name of the individual owner only. Complimentary or professional titles may be added to the true name only if the individual is commonly addressed by that title.

(b) In the case of a trusteeship or guardianship, the manufactured home, mobilehome, commercial coach, truck camper, or floating home shall be registered in the name of the person or persons designated as the trustees or conservators or guardians, as evidenced by documentation of that status deemed adequate by the department. The name shall be followed by the word "trustee," "guardian," or "conservator," whichever is appropriate. Transfer of ownership or encumbrance of a manufactured home, mobilehome, commercial coach, truck camper, or floating home so registered shall require the signatures of all designated trustees, conservators, or guardians.

(c) In the case of a manufactured home, mobilehome, commercial coach, truck camper, or floating home registered in the name of a

company, the application for registration shall be countersigned by an officer or authorized agent of the company. Transfer of ownership or encumbrance of a manufactured home, mobilehome, commercial coach, truck camper, or floating home so registered shall require the signature of an officer or authorized agent of the company.

(d) In the case of a manufactured home, mobilehome, commercial coach, truck camper, or floating home registered to an estate, the application for registration shall be signed by the appointed executor or administrator of the estate as evidenced by documentation of that status deemed adequate by the department. Transfer of ownership or encumbrance of a manufactured home, mobilehome, commercial coach, truck camper, or floating home so registered shall require the signature of the appointed executor or administrator.

SEC. 6. Section 18080.4 of the Health and Safety Code is amended to read:

18080.4. (a) Every registered owner, upon receipt of a registration card, shall maintain the card or a copy thereof with the manufactured home, mobilehome, commercial coach, truck camper, or floating home for which it is issued.

This subdivision does not apply when a registration card is necessarily removed from the manufactured home, mobilehome, commercial coach, truck camper, or floating home for the purpose of application for renewal, amendment, or transfer of registration.

(b) Registration cards issued to owners of manufactured homes and mobile homes shall be in two parts. One part shall be retained in the vehicle as required by subdivision (a) and, if the manufactured home or mobilehome is located in a mobilehome park, the other part of the registration card shall be submitted to the operator of the mobilehome park. The two parts of the registration form shall contain identical registration information, except that the part to be filed with the mobilehome park operator shall bear the notation "Duplicate copy to be filed with the mobilehome park operator as required by law."

SEC. 7. Section 18080.5 of the Health and Safety Code is amended to read:

18080.5. (a) A numbered report of sale, lease, or rental form issued by the department shall be submitted each time the following transactions occur by or through a dealer:

(1) Whenever a manufactured home, mobilehome, or commercial coach previously registered pursuant to this part is sold, leased with an option to buy, or otherwise transferred.

(2) Whenever a manufactured home, mobilehome, or commercial coach not previously registered in this state is sold, rented, leased, leased with an option to buy, or otherwise transferred.

(b) The numbered report of sale, lease, or rental forms shall be used and distributed in accordance with the following terms and conditions:

(1) A copy of the form shall be delivered to the purchaser.

(2) All fees and penalties due for the transaction that were required to be reported with the report of sale, lease, or rental form shall be paid to the department within 10 calendar days from the date the transaction is completed, as specified by subdivision (e). Penalties due for noncompliance with this paragraph shall be paid by the dealer. The dealer shall not charge the consumer for those penalties.

(3) Notice of the registration or transfer of a manufactured home or mobilehome shall be reported pursuant to subdivision (d).

(4) The original report of sale, lease, or rental form, together with all required documents to report the transaction or make application to register or transfer a manufactured home, mobilehome, or commercial coach, shall be forwarded to the department. Any application shall be submitted within 10 calendar days from the date the transaction was required to be reported, as defined by subdivision (e).

(c) A manufactured home, mobilehome, or commercial coach displaying a copy of the report of sale, lease, or rental may be occupied without registration decals or registration card until the registration decals and registration card are received by the purchaser.

(d) In addition to the other requirements of this section, every dealer upon transferring by sale, lease, or otherwise any manufactured home or mobilehome shall, not later than the 10th calendar day thereafter, not counting the date of sale, give written notice of the transfer to the assessor of the county where the manufactured home or mobilehome is to be installed. The written notice shall be upon forms provided by the department containing any information that the department may require, after consultation with the assessors. Filing of a copy of the notice with the assessor in accordance with this section shall be in lieu of filing a change of ownership statement pursuant to Sections 480 and 482 of the Revenue and Taxation Code.

(e) For purposes of this section, a transaction by or through a dealer shall be deemed completed and consummated and any fees and the required report of sale, lease, or rental is due when any of the following occurs:

(1) The purchaser of any commercial coach has signed a purchase contract or security agreement or paid any purchase price, the lessee of a new commercial coach has signed a lease agreement or lease with an option to buy or paid any purchase price, or the lessee of a used commercial coach has either signed a lease with an option to buy or paid any purchase price, and the purchaser or lessee has taken physical possession or delivery of the commercial coach.

(2) For sales subject to Section 18035, when all the amounts other than escrow fees and amounts for uninstalled or undelivered accessories are disbursed from the escrow account.

(3) For sales subject to Section 18035.2, when the installation has been completed and a certificate of occupancy has been issued.

SEC. 8. Section 18084 of the Health and Safety Code is repealed.

SEC. 9. Section 18085 of the Health and Safety Code is amended to read:

18085. (a) Application for the original registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home required to be registered under this part shall be made to the department upon the appropriate forms approved by the department, and shall be accompanied by the filing fee prescribed by the department. If the application is for the original registration of a manufactured home, mobilehome, or commercial coach, or of a truck camper manufactured on or after January 1, 1986, the application shall include the original manufacturer's certificate of origin in the form prescribed by Sections 18093 and 18093.5. If the original certificate of origin is not in existence, a duplicate thereof shall be obtained from the manufacturer and submitted with the application for original registration. Any duplicate copy shall be conspicuously marked by the manufacturer as a duplicate copy.

(b) The application shall include, but not be limited to, all of the following:

(1) The true name and mailing address of the registered owner, the legal owner, if any, and junior lienholders, if any.

(2) The name of the county in which the registered owner resides.

(3) The situs address of the manufactured home, mobilehome, or commercial coach, or the residence address of a truck camper owner, or floating home owner to include the county of residence.

(4) A description of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, including all of the following:

(A) The manufacturer's name and identification number.

(B) The date of manufacture.

(C) The serial number or numbers.

(D) The federal label number or numbers affixed pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401 et seq.) or department insignia number or numbers affixed pursuant to Section 18026.

(E) The date first sold or leased to a purchaser or lessee for purposes other than resale.

(F) Any other information as may be reasonably required by the department to enable it to determine whether the manufactured home, mobilehome, commercial coach, truck camper, or floating home is lawfully entitled to registration.

(c) If the application is for a floating home or a truck camper for which no certificate of origin has been issued pursuant to Section 18093.5, other evidence of ownership may be accepted at the sole discretion of the department in lieu of the manufacturer's certificate of origin.

SEC. 10. Section 18092.7 of the Health and Safety Code is amended to read:

18092.7. (a) The department shall withhold the registration or

transfer of registration of any manufactured home, mobilehome, or floating home which is subject to local property taxation, other than a new manufactured home, mobilehome, or floating home for which application is being made for an original registration, until the applicant presents a tax clearance certificate or a conditional tax clearance certificate issued pursuant to Section 2189.8 or 5832 of the Revenue and Taxation Code by the tax collector of the county where the manufactured home, mobilehome, or floating home is located. Any conditional tax clearance certificate presented shall indicate that the tax liability has been satisfied pursuant to paragraph (3) of subdivision (m) of Section 18035.

(b) In lieu of the tax clearance certificate or conditional tax clearance certificate required by subdivision (a), the department may accept a certification signed by the escrow officer under penalty of perjury that the tax collector of the county where the manufactured home is located has failed to respond to the written demand for a conditional tax clearance certificate as prescribed by subdivision (*l*) of Section 18035.

SEC. 11. Section 18098 of the Health and Safety Code is amended to read:

18098. (a) Whenever any person, after making application for the registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home required to be registered under this part, or after obtaining registration or being recorded on the permanent title record of the manufactured home, mobilehome, commercial coach, truck camper, or floating home registration as registered owner, legal owner, or junior lienholder, moves or acquires a new permanent address, that person shall, within 10 days thereafter, notify the department of both the old and new address.

(b) No penalty shall arise from the failure of any person to notify the department pursuant to this section.

(c) Neither the department nor any person shall be subject to any civil liability with respect to any notification required by statute or regulation to be mailed to a registered owner at his or her address if sent as required by law to the address last reported to the department as required by subdivision (a).

(d) Any registered owner who notifies the department pursuant to subdivision (a) shall mark out the former address shown on the face of the registration card issued for the manufactured home, mobilehome, commercial coach, truck camper, or floating home and indelibly write or type the new address on the face of the card adjacent to the former address and shall initial this change.

SEC. 12. Section 18098.5 of the Health and Safety Code is repealed.

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.

CHAPTER 384

An act to add Article 15 (commencing with Section 2360) to Chapter 5 of Division 2 of the Business and Professions Code, relating to osteopathic physicians and surgeons, and making an appropriation therefor.

[Approved by Governor July 15, 1988. Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Article 15 (commencing with Section 2360) is added to Chapter 5 of Division 2 of the Business and Professions Code, to read:

Article 15. Osteopathic Physician and Surgeon Diversion Evaluation Committee

2360. It is the intent of the Legislature that the Board of Osteopathic Examiners seek ways and means to identify and rehabilitate osteopathic physicians and surgeons whose competency may be impaired due to abuse of dangerous drugs and alcohol, so that osteopathic physicians and surgeons so afflicted may be treated and returned to the practice of medicine in a manner which will not endanger the public health and safety. It is also the intent of the Legislature that the Board of Osteopathic Examiners shall implement this legislation by establishing a diversion program as a voluntary alternative approach to traditional disciplinary actions.

2361. As used in this article:

(a) "Board" means the Board of Osteopathic Examiners.

(b) "Diversion program" means a treatment program created by this article for osteopathic physicians and surgeons whose competency may be threatened or diminished due to abuse of drugs or alcohol.

(c) "Committee" means a diversion evaluation committee created by this article.

(d) "Participant" means a California licensed osteopathic physician and surgeon.

2362. One or more diversion evaluation committees are hereby created in the state to be established by the board. The board shall establish criteria and appoint the members of the committee pursuant thereto.

2363. Each member of the committee shall receive per diem and expenses as provided in Section 103.

2364. The board shall administer this article.

2365. The board shall establish criteria for the acceptance, denial, or termination of participants in the diversion program.

2366. Each committee shall have the following duties and responsibilities:

(a) To evaluate those licensees who request participation in the program according to the guidelines prescribed by the board.

(b) To review and designate those treatment facilities and services to which a participant in the program may be referred.

(c) To receive and review information concerning participants in the program.

(d) To consider whether each participant in the treatment program may safely continue or resume the practice of medicine.

(e) To prepare quarterly reports to be submitted to the board, which include, but are not limited to, information concerning the number of cases accepted, denied, or terminated with compliance or noncompliance and a cost analysis of the program.

(f) To promote the program to the public and within the profession, including providing all current licentiates with written information concerning the program.

(g) To perform such other related duties as the board may by regulation require.

2367. (a) Each licensee who requests participation in a treatment program shall agree to cooperate with the treatment program designed by the committee. The committee shall inform each participant in the program of the procedures followed, the rights and responsibilities of the participant, and the possible results of noncompliance with the program. Any failure to comply with the treatment program may result in termination of participation.

(b) Participation in a program under this article shall not be a defense to any disciplinary action which may be taken by the board. Further, no provision of this article shall preclude the board from commencing disciplinary action against a licensee who is terminated from a program established pursuant to this article.

2368. An administrative fee to be established by the board, may be charged for participation in the program; all costs of treatment shall be paid by the participant. These fees shall be deposited into the Contingent Fund of the Board of Osteopathic Examiners.

2369. (a) After a committee, in its discretion, has determined that a participant has been rehabilitated and the program is completed, the committee shall purge and destroy all records pertaining to the participation in a treatment program.

(b) All board and committee records and records of proceedings pertaining to the treatment of a participant in a program shall be confidential and are not subject to discovery or subpoena except in the case of discovery or subpoena in any criminal proceeding.

2370. The board shall provide for the representation of any persons making reports to the diversion evaluation committee or to the board under this article in any action for defamation for reports or information given to the committee or the board regarding a

licensee's participation in the diversion program.

CHAPTER 385

An act to amend Section 3513 of, and to add Article 6.5 (commencing with Section 3534) to Chapter 7.7 of Division 2 of, the Business and Professions Code, relating to physician's assistants, and making an appropriation therefor.

[Approved by Governor July 15, 1988 Filed with Secretary of State July 15, 1988.]

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

SECTION 1. Section 3513 of the Business and Professions Code is amended to read:

3513. (a) The committee shall examine and pass upon the qualification of, and shall issue certificates of approval for programs for the education and training of, physician's assistants which meet committee standards.

(b) In establishing criteria for the approval of training programs, the committee may require those programs to utilize equivalency and proficiency testing and other mechanisms whereby full credit is given to trainees for past health care education and experience.

(c) The committee shall adopt and publish standards to insure that such programs operate in a manner which does not endanger the health and welfare of patients who receive services within the scope of the program. The committee shall review the quality of the curriculum, faculty, and the facilities of those programs.

SEC. 2. Article 6.5 (commencing with Section 3534) is added to Chapter 7.7 of Division 2 of the Business and Professions Code, to read:

Article 6.5. Diversion of Impaired Physician Assistants

3534. (a) It is the intent of the Legislature that the examining committee shall seek ways and means to identify and rehabilitate physician assistants whose competency is impaired due to abuse of dangerous drugs or alcohol so that they may be treated and returned to the practice of medicine in a manner which will not endanger the public health and safety.

3534.1. The examining committee shall establish and administer a diversion program for the rehabilitation of physician's assistants whose competency is impaired due to the abuse of drugs or alcohol. The examining committee may contract with any other state agency or a private organization to perform its duties under this article. The examining committee may establish one or more diversion evaluation committees to assist it in carrying out its duties under this

article. As used in this article, "committee" means a diversion evaluation committee.

3534.2. (a) Any committee established by the examining committee shall have at least three members. In making appointments to a committee the examining committee shall consider the appointments of persons who are either recovering of substance abuse and have been free from abuse for at least three years immediately prior to their appointment or who are knowledgeable in the treatment and recovery of substance abuse. The examining committee also shall consider the appointment of a physician and surgeon who is board certified in psychiatry.

(b) Appointments to a committee shall be by the affirmative vote of a majority of members appointed to the examining committee. Each appointment shall be at the pleasure of the examining committee for a term not to exceed four years. In its discretion, the examining committee may stagger the terms of the initial members so appointed.

(c) A majority of the members of a committee shall constitute a quorum for the transaction of business. Any action requires an affirmative vote of a majority of those members present at a meeting constituting at least a quorum. Each committee shall elect from its membership a chairperson and a vice chairperson. Notwithstanding Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, relating to public meetings, a committee may convene in closed session to consider matters relating to any physician assistant applying for or participating in a diversion program, and a meeting which will be convened entirely in closed session need not comply with Section 11125 of the Government Code. A committee shall only convene in closed session to the extent it is necessary to protect the privacy of an applicant or participant. Each member of a committee shall receive a per diem and shall be reimbursed for expenses as provided in Section 103.

3534.3. Each committee has the following duties and responsibilities:

(a) The evaluation of physician's assistants who request participation in the program and to consider any recommendations from professional consultants on the admission of applicants to the diversion program.

(b) The review and designation of treatment facilities to which physician's assistants in the diversion program may be referred.

(c) The receipt and review of information concerning physician's assistants participating in the program.

(d) To call meetings as necessary to consider the requests of physician's assistants to participate in the diversion program, to consider reports regarding participants in the program, and to consider any other matters referred to it by the examining committee.

(e) The consideration of whether each participant in the

diversion program may with safety continue or resume the practice of medicine.

(f) To set forth in writing a treatment program for each participant in the diversion program with requirements for supervision and surveillance.

(g) To hold a general meeting at least twice a year, which shall be open and public, to evaluate the diversion program's progress, to prepare reports to be submitted to the examining committee, and to suggest proposals for changes in the diversion program.

(h) For the purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, any member of a committee shall be considered a public employee. No examining committee or committee member, contractor, or agent thereof, shall be liable for any civil damage because of acts or omissions which may occur while acting in good faith in a program established pursuant to this article.

3534.4. Criteria for acceptance into the diversion program shall include all of the following: (a) the applicant shall be licensed as a physician assistant by the examining committee and shall be a resident of California; (b) the applicant shall be found to abuse dangerous drugs or alcoholic beverages in a manner which may affect his or her ability to practice medicine safely or competently; (c) the applicant shall have voluntarily requested admission to the program or shall be accepted into the program in accordance with terms and conditions resulting from a disciplinary action; (d) the applicant shall agree to undertake any medical or psychiatric examination ordered to evaluate the applicant for participation in the program; (e) the applicant shall cooperate with the program by providing medical information, disclosure authorizations, and releases of liability as may be necessary for participation in the program; and (f) the applicant shall agree in writing to cooperate with all elements of the treatment program designed for him or her.

An applicant may be denied participation in the program if the examining committee, its delegatee, or a committee, as the case may be, determines that the applicant will not substantially benefit from participation in the program or that the applicant's participation in the program creates too great a risk to the public health, safety, or welfare.

3534.5. A participant may be terminated from the program for any of the following reasons: (a) the participant has successfully completed the treatment program; (b) the participant has failed to comply with the treatment program designated for him or her; (c) the participant fails to meet any of the criteria set forth in subdivision (d); or (d) it is determined that the participant has not substantially benefited from participation in the program or that his or her continued participation in the program creates too great a risk to the public health, safety, or welfare. Whenever an applicant is denied participation in the program or a participant is terminated from the program for any reason other than the successful completion of the program, and it is determined that the continued practice of

medicine by that individual creates too great a risk to the public health and safety, that fact shall be reported to the executive officer of the examining committee and all documents and information pertaining to and supporting that conclusion shall be provided to the executive officer. The matter may be referred for investigation and disciplinary action by the examining committee. Each physician assistant who requests participation in a diversion program shall agree to cooperate with the recovery program designed for him or her. Any failure to comply with that program may result in termination of participation in the program.

The examination committee shall inform each participant in the program of the procedures followed in the program, of the rights and responsibilities of a physician assistant in the program, and the possible results of noncompliance with the program.

3534.6. In addition to the criteria and causes set forth in Section 3534.4, the examining committee may set forth in its regulations additional criteria for admission to the program or causes for termination from the program.

3534.7. All examining committee and committee records and records of proceedings and participation of a physician assistant in a program shall be confidential and are not subject to discovery or subpoena.

3534.8. A fee may be charged for participation in the program.

3534.9. If the examining committee contracts with any other entity to carry out this section, the executive officer of the examining committee, or his or her delegatee, shall review the activities and performance of the contractor on a biennial basis. As part of this review, the examining committee shall review files of participants in the program. However, the names of participants who entered the program voluntarily shall remain confidential, except when the review reveals misdiagnosis, case mismanagement, or noncompliance by the participant.

3534.10. Participation in a diversion program shall not be a defense to any disciplinary action which may be taken by the examining committee. This section does not preclude the examining committee from commencing disciplinary action against a physician assistant who is terminated unsuccessfully from the program under this section. That disciplinary action may not include as evidence any confidential information.

CHAPTER 386

An act to amend Section 2873.6 of the Business and Professions Code, to amend Sections 830.5, 6031.4, and 7402 of the Penal Code, to amend Section 207.1 of the Welfare and Institutions Code, to amend Section 6 of Chapter 1519 of the Statutes of 1986, and to amend Sections 4 and 5 of Chapter 43 of the Statutes of 1988, relating to correctional facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 6, 1988. Filed with Secretary of State August 8, 1988.]

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

SECTION 1. Section 2873.6 of the Business and Professions Code is amended to read:

2873.6. (a) Any person who on the effective date of this section is employed as a medical technical assistant or as a senior medical technical assistant by the Department of Corrections or the Department of the Youth Authority, who served on active duty in the medical corps of any of the armed forces of the United States or who served in the United States Public Health Service, in which no less than an aggregate of 12 months was spent in rendering patient care, who completed the basic course of instruction in nursing required by the United States Public Health Service, or by his or her particular branch of the armed forces, and who was honorably discharged therefrom, shall be granted an employment restricted license upon proof that he or she possesses the necessary qualifications of this section as set forth in his or her service and discharge records. An employment restricted license issued pursuant to this subdivision shall authorize the holder thereof to practice vocational nursing only within a facility of the Department of Corrections or the Department of the Youth Authority and shall be valid only for the period of employment. In order to obtain a nonrestricted license as a vocational nurse, a medical technical assistant shall apply and take the examination as required and normally administered by the Board of Vocational Nurse and Psychiatric Technician Examiners.

(b) On and after the effective date of this section, no person shall be appointed as a medical technical assistant by the Department of Corrections or the Department of the Youth Authority unless the person complies with one of the following:

(1) Is a licensed vocational nurse or a registered nurse.

(2) Has served on active duty in the medical corps of any of the armed forces of the United States or who served in the United States Public Health Service, in which no less than an aggregate of 12 months was spent in rendering patient care, who completed the basic course of instruction in nursing required by the United States

Public Health Service, or by his or her particular branch of the armed forces, and who has been honorably discharged therefrom. The Department of Corrections and the Department of the Youth Authority are authorized only to hire persons who are eligible for licensure, and as a condition of employment shall require that those persons obtain a license as a vocational nurse within six months of employment. He or she shall be supervised by a registered nurse or physician and surgeon and shall not administer medications until licensed.

(c) Notwithstanding subdivision (a), any person who was granted a restricted vocational nurse's license pursuant to that subdivision and who was employed in the psychiatric unit of the California Medical Facility at the time of the unit's transfer from the Department of Corrections to the State Department of Mental Health on July 1, 1988, shall continue to hold his or her license.

SEC. 1.5. Section 830.5 of the Penal Code is amended to read:

830.5. The following persons are peace officers whose authority extends to any place in the state while engaged in the performance of the duties of their respective employment and for the purpose of carrying out the primary function of their employment or as required under Sections 8597, 8598, and 8617 of the Government Code. Except as specified in this section, these peace officers may carry firearms only if authorized and under such terms and conditions as are specified by their employing agency:

(a) A parole officer of the Department of Corrections or the Department of the Youth Authority, probation officer, or deputy probation officer, or a board coordinating parole agent employed by the Youthful Offender Parole Board. Except as otherwise provided in this subdivision, the authority of such parole or probation officer shall extend only (1) to conditions of parole or of probation by any person in this state on parole or probation; (2) to the escape of any inmate or ward from a state or local institution; (3) to the transportation of such persons; and (4) to violations of any penal provisions of law which are discovered in the course of and arise in connection with his or her employment. A parole officer of the Department of Corrections or the Department of the Youth Authority is authorized to carry firearms but only as determined by the director on a case-by-case or unit-by-unit basis and only under such terms and conditions as are specified by the director. A board coordinating parole agent employed by the Youthful Offender Parole Board shall not carry firearms.

(b) A correctional officer employed by the Department of Corrections or any employee of the Department of the Youth Authority having custody of wards or any employee of the Department of Corrections designated by the Director of Corrections or any medical technical assistant series employee designated by the Director of Corrections or designated by the Director of Corrections and employed by the State Department of Mental Health to work in the California Medical Facility or

employee of the Board of Prison Terms designated by the Secretary of the Youth and Adult Correctional Agency or employee of the Department of the Youth Authority designated by the Director of the Youth Authority or any superintendent, supervisor, or employee having custodial responsibilities in an institution operated by a probation department, or any transportation officer of a probation department.

(c) The following persons may carry a firearm while not on duty: a parole officer of the Department of Corrections or the Department of the Youth Authority, a correctional officer employed by the Department of Corrections or any employee of the Department of the Youth Authority having custody of wards or any employee of the Department of Corrections designated by the Director of Corrections. Nothing in this section shall be interpreted to require licensure pursuant to Section 12025. The director of the agency may deny or revoke for good cause a person's right to carry a firearm under this subdivision. That person shall, upon request, receive a hearing to review, as provided for in the negotiated grievance procedure between the exclusive employee representative and the Department of Corrections or the Department of the Youth Authority, the director's decision.

(d) Persons permitted to carry firearms pursuant to this section, either on or off duty, shall meet the training requirements of Section 832 and shall qualify with the firearm at least quarterly. It is the responsibility of the individual officer to maintain his or her eligibility to carry firearms off-duty.

SEC. 2. Section 6031.4 of the Penal Code is amended to read:

6031.4. (a) For the purpose of this title, "local detention facility" means any city, county, city and county, or regional facility used for the confinement for more than 24 hours of adults, or of both adults and minors, but does not include that portion of a facility for the confinement of both adults and minors which is devoted only to the confinement of minors.

(b) In addition to those provided for in subdivision (a), for the purposes of this title, "local detention facility" also includes any city, county, city and county, or regional facility, constructed on or after January 1, 1978, used for the confinement, regardless of the length of confinement, of adults or of both adults and minors, but does not include that portion of a facility for the confinement of both adults and minors which is devoted only to the confinement of minors.

(c) "Local detention facility" also includes any adult detention facility that holds local prisoners under contract on behalf of cities, counties, or cities and counties. Nothing in this subdivision shall be construed as affecting the establishment of private detention facilities.

(d) For purposes of this title, a local detention facility does not include those rooms that are used for holding persons for interviews, interrogations, or investigations, and are either separate from a jail or located in the administrative area of a law enforcement facility.

SEC. 3. Section 7402 of the Penal Code is amended to read:

7402. There is in the State Treasury the 1988 Prison Construction Fund, which fund is hereby created. The proceeds of the sale of bonds authorized by this act shall be deposited in the fund, and may be transferred upon request of the Department of Corrections and upon approval of the Director of Finance, to the New Prison Construction Fund established by Section 7102, the 1984 Prison Construction Fund established by Section 7202, or the 1986 Prison Construction Fund established by Section 7302, or any combination thereof. If the moneys are so transferred, "fund" means the New Prison Construction Fund, 1984 Prison Construction Fund, or 1986 Prison Construction Fund, or any combination thereof, as is appropriate. At least 30 days prior to requesting a transfer as authorized by this section, the Department of Corrections shall notify the chairpersons of the fiscal committees in each house of the Legislature, and the Chairperson and the Vice Chairperson of the Joint Legislative Budget Committee.

SEC. 4. Section 207.1 of the Welfare and Institutions Code is amended to read:

207.1. (a) On or after January 1, 1987, no court, judge, referee, peace officer, or employee of a detention facility shall knowingly detain any minor in a jail or lockup, except as provided in subdivision (b) or (d).

(b) On or after January 1, 1987, a minor alleged to have committed an offense described in subdivision (b) of Section 707 whose case is transferred to a court of criminal jurisdiction pursuant to Section 707.1 after a finding is made that he or she is not a fit and proper subject to be dealt with under the juvenile court law, may be detained in a jail or other secure facility for the confinement of adults, if all of the following conditions are met:

(1) The juvenile court judge makes a finding at the conclusion of the fitness hearing that the minor's further detention in the juvenile hall would endanger the safety of the public or would be detrimental to the other minors in the juvenile hall.

(2) Contact between the minor and adults in the facility is restricted in accordance with Section 208.

(3) The minor is adequately supervised.

(4) The adult facility has been approved by the Youth Authority as an appropriate place for the detention of minors so transferred.

(c) A minor found not a fit and proper subject to be dealt with under the juvenile court law shall, upon the conclusion of the fitness hearing, be entitled to release on bail or on his or her own recognizance upon the same circumstances, terms, and conditions as an adult alleged to have committed the same offense.

(d) A minor 14 years of age or older who is taken into temporary custody by a peace officer on the basis of being a person described by Section 602, and who, in the reasonable belief of the peace officer, presents a serious security risk of harm to self or others, may be securely detained in a law enforcement facility that contains a lockup

for adults if all of the following conditions are met:

(1) The minor is held in temporary custody for the purpose of investigating the case, facilitating release of the minor to a parent or guardian, or arranging transfer of the minor to an appropriate juvenile facility.

(2) The minor is detained in the law enforcement facility for a period that does not exceed six hours.

(3) The minor is informed at the time he or she is securely detained of the purpose of the secure detention, of the length of time the secure detention is expected to last, and of the maximum six-hour time the secure detention is authorized to last.

(4) Contact between the minor and adults confined in the facility is restricted in accordance with Section 208.

(5) The minor is adequately supervised.

(6) A log or other written record is maintained by the law enforcement agency showing the offense which is the basis for the secure detention of the minor in the facility, the reasons and circumstances forming the basis for the decision to place the minor in secure detention, and the length of time the minor was securely detained.

Any other minor taken into temporary custody by a peace officer on the basis that the minor is a person described by Section 602 may be taken to a law enforcement facility that contains a lockup for adults and may be held in temporary custody in the facility for the purposes of investigating the case, facilitating the release of the minor to a parent or guardian, or arranging for the transfer of the minor to an appropriate juvenile facility. However, while in the law enforcement facility, the minor may not be securely detained and shall be supervised in a manner so as to ensure that there will be no contact with adults in custody in the facility. If the minor is held in temporary, nonsecure custody within such a facility, the peace officer shall exercise one of the dispositional options authorized by Sections 626 and 626.5 without unnecessary delay and, in every case, within six hours.

As used in this subdivision, "law enforcement facility" includes a police station or a sheriff's station but does not include a jail, as defined in subdivision (h).

(e) The Youth Authority shall assist law enforcement agencies, probation departments, and courts with the implementation of this section by doing all of the following:

(1) The Youth Authority shall advise each law enforcement agency, probation department, and court affected by this section as to its existence and effect.

(2) The Youth Authority shall inquire of the official in charge of each jail or lockup that reported the confinement of a minor in calendar year 1984 or 1985 as to whether the jail or lockup may be used for the future confinement of any minor pursuant to subdivision (b), and if the Youth Authority is informed that the jail or lockup may be so used, it shall inspect the jail or lockup and determine whether

it is an appropriate place for the secure detention of minors in conformity with the requirements of law.

(3) The Youth Authority shall make available and shall, upon request, provide technical assistance to each governmental agency that reported the confinement of a minor in a jail or lockup in calendar year 1984 or 1985. The purpose of this technical assistance is to develop alternatives to the use of jails or lockups for the confinement of minors. These alternatives may include secure or nonsecure facilities located apart from an existing jail or lockup; improved transportation or access to juvenile halls or other juvenile facilities; and other programmatic alternatives recommended by the Youth Authority. The technical assistance shall take such form as the Youth Authority deems appropriate for effective compliance with this section.

(f) The Youth Authority may exempt a county that does not have a juvenile hall, or may exempt an offshore law enforcement facility, from compliance with this section for a reasonable period of time, until July 1, 1988, for the purpose of allowing the county or the facility to develop alternatives to the use of jails and lockups for the confinement of minors, if all of the following conditions are met:

(1) The county or the facility submits a written request to the Youth Authority for an extension of time to comply with this section.

(2) The Youth Authority agrees to make available, and the county or the facility agrees to accept, technical assistance to develop alternatives to the use of jails and lockups for the confinement of minors during the period of the extension.

(3) The county or the facility requesting the extension submits to the Youth Authority a written plan for full compliance with this section by September 1, 1987.

As used in this subdivision and in subdivision (g), "offshore law enforcement facility" and "facility" means a sheriff's station containing a lockup for adults that is located on an island located at least 22 miles from the California coastline.

(g) The Youth Authority may exempt a county or a facility described in subdivision (f) from compliance with this section for an additional period of time, but not beyond July 1, 1989, for the purpose of allowing the county or the facility to develop alternatives to the use of jails and lockups for the confinement of minors, if all of the following conditions are met:

(1) Prior to the expiration of the exemption granted by the Youth Authority pursuant to subdivision (f), the county or the facility submits a written application to the Youth Authority for an additional exemption of one year or less, on the basis that the county or the facility has been unable to develop sufficient alternatives to the use of jails and lockups for the confinement of minors. In its application, the county or the facility shall summarize the efforts made to date to develop those alternatives and the reasons why an additional extension of time is sought.

(2) The Youth Authority, upon examination of all the relevant

circumstances, determines and certifies that the county or the facility has made a significant effort to develop alternatives to the use of jails or lockups for the confinement of minors but has not succeeded in developing these alternatives to a sufficient extent.

(3) The Youth Authority agrees to make available and the county or the facility agrees to accept continuing technical assistance to develop sufficient alternatives to the use of jails and lockups for the confinement of minors during the additional period of exemption.

(h) (1) As used in this chapter, "jail" means any building which contains a locked facility administered by a law enforcement or governmental agency, the purpose of which is to detain adults charged with violations of criminal law pending trial or to hold convicted adult criminal offenders sentenced for less than one year.

(2) As used in this chapter, "lockup" means any locked room or secure enclosure under the control of a sheriff or other peace officer which is primarily for the temporary confinement of adults upon arrest.

(i) Nothing in this section shall be deemed to prevent a peace officer or employee of an adult detention facility or jail from escorting a minor into the detention facility or jail for the purpose of administering an evaluation, test, or chemical test pursuant to Section 23157 of the Vehicle Code if all of the following conditions are met:

(1) The minor is taken into custody by a peace officer on the basis of being a person described by Section 602 and there is no equipment for the administration of the evaluation, test, or chemical test located at a juvenile facility within a reasonable distance of the point where the minor was taken into custody.

(2) The minor is not locked in a cell or room within the adult detention facility or jail, is under the continuous, personal supervision of a peace officer or employee of the detention facility or jail, and is not permitted to come in contact or remain in contact with in-custody adults.

(3) The evaluation, test, or chemical test pursuant to Section 23157 of the Vehicle Code is performed as expeditiously as possible, so that the minor is not unnecessarily delayed within the adult detention facility or jail. Upon completion of the evaluation, test, or chemical test, the minor shall be removed from the detention facility or jail as soon as reasonably possible. No minor shall be held in custody in an adult detention facility or jail under the authority of this paragraph for a period in excess of two hours.

SEC. 5. Section 6 of Chapter 1519 of the Statutes of 1986 is amended to read:

Sec. 6. No state moneys shall be encumbered in contracts with a county, nor released to a county, for construction or renovation of a local jail facility pursuant to this act until the following conditions have been fulfilled by the county:

(a) Architectural drawings shall be approved by the board for compliance with minimum jail standards and by the State Fire

Marshal for compliance with fire safety requirements. If the board concludes that a county's proposed construction or renovation contains serious design deficiencies which, while they would not require a refusal to enter into the contract, would seriously impair the facility's functioning, it shall notify the sheriff and the board of supervisors of that county of the deficiencies and shall delay entering into a contract with the county for at least 30 days after mailing the letter. This letter shall be a public record.

(b) The county shall have filed a final notice of determination on its environmental impact report with the board.

(c) The county shall have submitted a preliminary staffing plan for the proposed facility, along with an analysis of other operating costs anticipated for the facility, to the board for review and comment. Prior to submission of the staffing plan and operating costs analysis to the board, the county board of supervisors shall have reviewed and approved the submittal in or following public hearings. The sheriff shall also have reviewed and commented on the preliminary staffing plan and the operating costs analysis. The board shall comment in writing to the sheriff and board of supervisors. This letter shall be a public record.

(d) The county shall submit a needs assessment documenting the need for and purpose of the proposed project. The needs assessment shall meet all requirements listed in applicable existing County Jail Capital Expenditure Fund regulations as they may be amended.

(e) The county shall document the existence of, or plans for, separate housing for juveniles, unless otherwise authorized by law, for persons detained or arrested because of intoxication, and for mentally ill defendants or convicted prisoners, which will prevent mixing of these categories of prisoners with other adult jail prisoners. The county shall also document county policies and procedures for screening, identifying, and classifying inebriates and mentally ill prisoners.

If the county has no existing provisions for detoxification housing for public inebriates and for housing of mentally ill prisoners and juveniles, it shall make provisions for that housing as part of its proposed project.

(f) The county shall also document that it uses alternatives to incarceration to the greatest practicable extent. The following procedure shall be implemented by the board:

(1) The board shall collect annually from all counties information on county incarceration rates (average daily jail populations as a proportion of the total county population or total arrests or both); pretrial misdemeanant ratios (the percentage which unsentenced prisoners charged only with misdemeanors constitute of the total average daily unsentenced jail population); and sentenced alternatives ratios (for example, average daily populations in work-in-lieu of jail programs and county parole as a percentage of the total average daily sentenced misdemeanant prisoner population). All counties that have received or will receive state funds for jail

construction shall supply the board the information necessary to comply with this section.

(2) The board shall supply the information required by this subdivision, as well as any other information requested by the committees.

(g) The county shall submit a formal project proposal to the board within one year of passage of this act. The project proposal shall describe the construction or renovation project to be undertaken and shall include an estimated budget for the project. The proposal shall also identify how county funding obligations, both for construction and operation of the facility, will be met. The project proposal shall be consistent with the needs and priorities identified in the needs assessment by the county.

Failure to submit a project proposal shall be deemed a declaration by the county that it does not intend to request its allocation under subdivisions (a) and (b) of Section 5, and the amounts allocated in those sections to the county shall be available for reallocation by the board. The board may waive this requirement for submission of a proposal within one year if it determines there are unavoidable delays in the county's preparation of a project proposal.

If a county determines that it is in its best interest to defer its allocation under subdivision (b) of Section 5, and it notifies the board within one year of the effective date of this section of that decision, then the county shall have second priority under subdivision (e) of Section 5.

(h) To be eligible for funding under this act, the county shall begin construction or renovation work within four years of the passage of this act. If a county fails to meet this requirement, any allocations to the county under this act shall be deemed void and any moneys allocated to the county shall revert to the board for reallocation. The board may waive this requirement if it determines that there are unavoidable delays in the initiation of construction activities.

SEC. 6. Section 4 of Chapter 43 of the Statutes of 1988 is amended to read:

Sec. 4. Section 2 of Chapter 43 of the Statutes of 1988, including amendments to Section 7402 of the Penal Code enacted by Senate Bill 406 of the 1987–88 Regular Session, shall take effect upon the adoption by the voters of the New Prison Construction Bond Act of 1988, as set forth in Section 2 of Chapter 43 of the Statutes of 1988, as amended.

SEC. 7. Section 5 of Chapter 43 of the Statutes of 1988 is amended to read:

Sec. 5. (a) Notwithstanding Section 3525 of the Elections Code, or any other provision of law, Section 2 of Chapter 43 of the Statutes of 1988, incorporating the amendments to Section 7402 of the Penal Code enacted by Senate Bill 406 of the 1987–88 Regular Session, shall be submitted to the voters at the November 8, 1988, General Election.

(b) The Secretary of State shall ensure the placement of Section 2 of Chapter 43 of the Statutes of 1988, as amended, on the November 8, 1988, statewide ballot in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

SEC. 8. It is the intent of the Legislature that the changes effected by this act shall serve only to define peace officers, the extent of their jurisdiction, and the nature and scope of their authority, powers, and duties, and that there shall be no change in the status of individuals for purposes of retirement, workers' compensation or similar injury or death benefits, or other employee benefits.

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 that the provisions of this act concerning correctional facilities, take effect as soon as possible, and in order to ensure that the amendments by this act to the New Prison Construction Bond Act of 1988 appear on the November 8, 1988, statewide ballot, it is necessary that this act take effect immediately.

CHAPTER 387

An act to amend Sections 510 and 903 of, and to add Section 415 to, the Pajaro Valley Water Management Agency Act (Chapter 257 of the Statutes of 1984), relating to the Pajaro Valley Water Management Agency, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 6, 1988. Filed with Secretary of State August 8, 1988.]

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

SECTION 1. Section 415 is added to the Pajaro Valley Water Management Agency Act (Chapter 257 of the Statutes of 1984), to read:

Sec. 415. Notwithstanding any other provision of law, whenever any agency measure pertaining exclusively to the Pajaro Valley Water Management Agency qualifies for a place on the ballot, the county counsels of Monterey County, San Benito County, and Santa Cruz County shall jointly prepare an impartial analysis of the measure showing the effect of the measure on 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.

SEC. 2. Section 510 of the Pajaro Valley Water Management

Agency Act (Chapter 257 of the Statutes of 1984) is amended to read:

Sec. 510. The agency may do any of the following:

(a) Enter into contracts and employ and retain personal services. The board may cause construction or other work to be performed or carried out by contracts or by the agency under its own supervision.

(b) Contract for and perform contracts with public entities for the performance of administration of the agency and perform or contract for the performance of tests, studies, and investigations as necessary and proper to carry out the objects and purposes of the agency.

(c) All contracts for the construction of any unit of work estimated to cost over ten thousand dollars ($10,000) shall be let to the lowest responsible bidder in accordance with Chapter 2 (commencing with Section 20100) of Part 3 of Division 2 of the Public Contract Code. If the cost of the project will not exceed ten thousand dollars ($10,000) the agency may have the work done by force account. The agency may purchase in the open market, without advertising for bids thereof, materials and supplies and professional services for use in any work either under contract or by force account.

(d) Create, establish, and maintain such offices and positions as the board may determine are necessary and convenient for the transaction of the business of the agency.

SEC. 3. Section 903 of the Pajaro Valley Water Management Agency Act (Chapter 257 of the Statutes of 1984) is amended to read:

Sec. 903. (a) Before fixing the charges, the board shall, after notice and hearing, find and determine the need for the charges for the purpose of paying the costs of these activities, and the amount of the charges for the purpose of paying the costs of these activities, and the amount of the charges to be imposed. The charges shall not exceed twenty dollars ($20) per acre per year for each acre of land, or twenty dollars ($20) per year for each parcel of land less than one acre. In addition, the charge may include an amount not to exceed ten dollars ($10) per dwelling unit per parcel per year. However, the agency may vary the minimum charges collected on the basis of benefit accruing to the land as a result of the actions of the agency, but shall distribute the charges on a fair and equitable basis.

(b) Notwithstanding the maximum allowable charge provided for in subdivision (a), the amount collected in the 1988–89 fiscal year by means of the charge shall not exceed three hundred thirty thousand dollars ($330,000).

(c) For the 1989–90 fiscal year and each fiscal year thereafter, the agency may increase the actual charge imposed in the prior fiscal year to reflect increases in the costs of the service for which the charge is imposed, except that the amount collected in any fiscal year shall not exceed five hundred thousand dollars ($500,000). Any increase in the charge proposed pursuant to this subdivision shall be subject to the procedural requirements of Section 904.

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. This act is an urgency statute necessary for the immediate preservation of the public peace, 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 Pajaro Valley Water Management Agency may have increased flexibility in the administration of its affairs, including the financing of its water management services and activities, at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 388

An act to amend Section 57379 of the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 6, 1988. Filed with Secretary of State August 8, 1988.]

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

SECTION 1. Section 57379 of the Government Code is amended to read:

57379. If the first general municipal election following an incorporation election will occur less than one year after the incorporation election, or occurred on or after November 1, 1987, and less than one year after the incorporation election, of the five elected members of the city council, the three receiving the lowest number of votes shall hold office until the second general municipal election following the incorporation election and until their successors are elected and qualified, and the two receiving the highest number of votes shall hold office until the third general municipal election following the incorporation election and until their successors are elected and qualified.

The first general municipal election following the incorporation election shall not be held unless either a proposition is to be voted upon or offices other than city council member offices are to be filled.

In the event that, pursuant to Section 56852.5, the first election for city council members was held after the election on the incorporation proposal, the term "incorporation election" in this section shall refer to the first election for city council members.

SEC. 2. Notwithstanding Sections 3525, 3572, and 10218 of the Elections Code, or any other provision of law, the measure set forth in Assembly Constitutional Amendment 54 of the 1987–88 Regular

Session, as chaptered by the Secretary of State, shall be submitted to the people of the State of California for their ratification at the general election, to be held November 8, 1988. This measure shall be submitted to the voters in substantial accordance with provisions of the Government Code and Elections Code governing submission of statewide measures to the voters at a statewide election only if the Secretary of State determines that the publication of a supplemental ballot pamphlet is not required for Assembly Constitutional Amendment 54.

If, however, other measures, in addition to Assembly Constitutional Amendment 54, are required to be submitted to the voters at the November 8, 1988, general election so as to necessitate the publication of a supplemental ballot pamphlet, the Secretary of State shall include Assembly Constitutional Amendment 54 in that supplemental ballot pamphlet.

This section shall remain in effect only until January 1, 1989, and as of that date is repealed.

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

In order that the provisions of this act relating to municipal elections take effect at the earliest possible time and in order to ensure that Assembly Constitutional Amendment 54 of the 1987–88 Regular Session be placed on the November 1988, general election ballot under specified circumstances, it is necessary that this act take effect immediately.

CHAPTER 389

An act to add Section 12413.2 to the Insurance Code, relating to escrow.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988.]

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

SECTION 1. Section 12413.2 is added to the Insurance Code, to read:

12413.2. Any item or draft received by a title insurance company, controlled escrow company, or underwritten title company in connection with any escrow shall be deposited in, or submitted for collection to, a financial institution as defined in Section 12413 no later than the close of the next business day following receipt.

For purposes of this section, "item" means any check, including a cashier's check, negotiable order of withdrawal, share draft, traveler's check, or money order.

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 390

An act to amend Sections 20818, and 22792 of, and to add Sections 20021.1 and 20466 to, the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988.]

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

SECTION 1. Section 20021.1 is added to the Government Code, to read:

20021.1. "Local firefighter" means any officer or employee of a contracting agency performing a fire training function for a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active firefighting, fire prevention, fire training, or fire investigation service even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active firefighting, fire prevention, fire training, or fire investigation service, but not excepting persons employed and qualifying as firefighters or equal or higher rank, irrespective of the duties to which they are assigned.

This section shall not apply to the employees of any contracting agency nor to any contracting agency unless and until the contracting agency elects to be subject to this section by amendment to its contract with the board made pursuant to Section 20461.5 or by express provision in its contract.

SEC. 2. Section 20466 is added to the Government Code, to read:

20466. Notwithstanding any other provision of law, including, but not limited to, the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1), no contract or contract amendment shall be made to provide any retirement benefits for some, but not all members of the following membership classifications: local miscellaneous members, local policemen, local firemen, county peace officer, or local safety officers.

No contract or contract amendments shall provide diffferent retirement benefits for any subgroup, including, but not limited to,

bargaining units or unrepresented groups, within those membership classifications.

This section does not preclude changing membership classification from one membership classification to another membership classification or exclusion of groups of members by contract.

For purposes of this section, the term "benefit" shall not be limited to the benefits set forth in Section 20036.

SEC. 3. Section 20818 of the Government Code is amended to read:

20818. Notwithstanding any other provisions of this part, when the governing body of a contracting agency determines that because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency would be served, a local member shall be eligible to receive additional service credit if the following conditions exist:

(a) The member is employed in a job classification, department, or other organizational unit designated by the governing body of the contracting agency and retires within any period designated in and subsequent to the effective date of the contract amendment provided the period is not less than 90 days nor more than 180 days.

(b) The governing body transmits to the retirement fund an amount determined by the board which is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and the amount he would have received without such service credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the employer and the board.

(c) The governing body shall certify that it is electing to exercise the provisions of this section, because of impending mandatory transfers, demotions, and layoffs that constitute at least one percent of the job classification, department or organizational unit as designated by the governing board, resulting from the curtailment of, or change in the manner of performing, its services.

(d) The governing body shall certify that it is its intention at the time that this section is made operative that if any early retirements are granted after receipt of service credit pursuant to this section, that any vacancies thus created or at least one vacancy in any position in any department or other organizational unit shall remain permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

The amount of service credit shall not be more than two years regardless of credited service and shall not exceed the number of years intervening between the date of his retirement and the date he would be required to be retired because of age.

A governing body which elects to make the payment prescribed by subdivision (b) shall make such payment with respect to all eligible employees who retire during the specified period.

This section shall not be applicable to any member otherwise eligible if such member receives any unemployment insurance

payments during the specified period.

Any member who qualifies under this section, upon subsequent reentry to the system shall forfeit the service credit acquired under this section.

This section shall not apply to any member who is not employed by the contracting agency during the period designated in subdivision (a) and who has less than five years of service credit.

This section shall not apply to any contracting agency unless and until the agency elects to be subject to the provision of this section by amendment to its contract made in the manner prescribed for approval of contracts, except an election among the employees is not required, or, in the case of contracts made after the effective date of this section, by express provision in such contract making the contracting agency subject to the provisions of this section.

Notwithstanding Section 20740, an election to become subject to this section shall not exclude an agency from the definition of "employer" for purposes of Section 20740.

This section shall remain in effect until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is chaptered before that date deletes or extends that date.

SEC. 4. Section 22792 of the Government Code is amended to read:

22792. The board may, without compliance with any provisions of law relating to competitive bidding, enter into contracts with carriers offering health benefit plans or with entities offering services relating to the administration of health benefits plans. Every contract for health benefit plans shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. Every contract with entities providing administrative services with respect to the operation of the board's self-funded plan shall be on such terms as the board in its discretion deems necessary or desirable.

The board may fix the beginning and ending dates of contracts with carriers of health benefits plans and with entities offering services in connection with the administration of health benefits plans in a manner it deems consistent with administration of this part. Irrespective of any agreed-upon termination date, the board may extend a contract for a reasonable period of time, subject to existing terms and conditions or any new terms and conditions which are agreed upon. In no event shall the term of any contract exceed three years.

SEC. 5. It is the intent of the Legislature in enacting Section 2 of this act to prevent any employer or employee group of any type or any other party from relying on the unpublished appellate case of Redondo Beach Supervisory and Management Association v. Board of Administration, Public Employee's Retirement System (2d Civ. No. B015585). The intent of Section 2 of this act is to prevent all future application of that decision, or reliance on the reasoning therein, on any basis or for any reason whatsoever, except in written

memoranda of understanding entered into by an employer and representatives of employees or by minute order, resolution, or ordinance adopted by a legislative body, on or before August 1, 1988, or the effective date of this section, whichever is later.

It is not the intent of the Legislature in enacting Section 2 of this act to preclude the election of flexible benefits as provided by Section 1156 of the Government Code.

A negotiated arrangement or an action of a legislative body shall become inoperative if the Board of Administration of the Public Employees' Retirement System determines that a finding has been made by the Internal Revenue Service that the arrangement or action is not in compliance with regulations adopted pursuant to the federal Internal Revenue Code.

It is further not the intent of the Legislature in enacting Section 2 of this act to preclude the reduction of retirement benefits pursuant to Section 20461.6 of the Government Code.

The Public Employees' Retirement System and Kings County have substantially completed the contract amendment process to amend the contract of Kings County with the Public Employees' Retirement System pursuant to Section 21252.04 of the Government Code to provide certain benefits to "county peace officers" as defined in Section 20021.5 of the Government Code prior to the enactment of this act. It is not the intent of the Legislature in enacting Section 2 of this act to prevent the completion of this pending contract amendment, even if the amendment process is not completed until after the enactment of this act. However, it is the intent of the Legislature in enacting Section 2 of this act to prevent any future contract amendment pursuant to Section 21252.04 of the Government Code.

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 is an urgency statute necessary for the immediate preservation of the public peace, 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 quickly and efficiently effect the administrative transition to a self-funded health benefit program and to maximize the related savings and to eliminate confusion arising from recent cases regarding differential benefits within membership categories, at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 391

An act to add Sections 6490.3, 6490.4, 14005.4, and 14205.5 to the Elections Code, and to repeal and add Section 71603.5 of the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988.]

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

SECTION 1. This act shall be known and may be cited as the Brendon Maguire Act.

SEC. 2. Section 6490.3 is added to the Elections Code, to read:

6490.3. Notwithstanding any other provision of law, except for an election for a judicial office, an election shall not be conducted and no votes cast for the office shall be counted, and if counted the votes shall be null and void, if an incumbent is a candidate for a nonpartisan statewide, countywide, or citywide office, or for a nonpartisan office which is elected by division, area, or district, which he or she currently holds at an election at which only one other candidate, excluding any write-in candidates, has qualified to have his or her name placed on the ballot for that office, and either the challenger or the incumbent dies after the hour of 12:01 a.m. of the 68th day before the election.

(b) A special election shall be called and held when the death of the challenger or the incumbent occurs within the period set in subdivision (a). The special election shall be called by the appropriate governing body within 14 days after the death of the incumbent or challenger. The special election shall be held no later than 88 days after the proclamation or resolution calling the election. Candidates at the special election shall be nominated in accordance with Chapter 5 (commencing with Section 6400) of Division 6, except that forms for securing signatures in lieu of a filing fee need not be made available until 15 days before the first day for circulating nomination papers, in-lieu-filing-fee petitions shall be filed at least seven days prior to the closing of the nomination period, nomination papers shall be delivered for filing to the county clerk not less than 68 days and not more than 87 days before the special election, any candidate's statement shall be filed with the clerk no later than the 68th day before the special election, and the Secretary of State shall conduct the randomized alphabet drawing under procedures similar to Sections 10217 and 10217.5 on the 67th day before the special election. Any candidate who paid a filing fee in connection with the previously scheduled election shall not be required to pay any additional filing fee but shall be required to file new nomination papers.

(c) The Secretary of State or clerk shall take appropriate action to

ensure that voters do not erroneously vote in a canceled election.

SEC. 3. Section 6490.4 is added to the Elections Code, to read:

6490.4. (a) Filing of nomination papers for a nonpartisan office, except for a judicial office, shall be reopened when an incumbent who is a candidate for a nonpartisan statewide, countywide, or citywide office, or for a nonpartisan office which is elected by division, area, or district which he or she currently holds at an election at which only one other candidate, excluding any write-in candidates, has qualified to have his or her name placed on the ballot for that office and either the challenger or the incumbent dies after the 88th day but before the 68th day before the election.

(b) Any person qualified to be a candidate for the office for which either the deceased challenger or the deceased incumbent was a candidate may circulate and deliver nomination papers commencing the day after the death of either the challenger or the incumbent. Candidates shall be nominated in accordance with Chapter 5 (commencing with Section 6400) of Division 6, except that in-lieu-filing-fee petitions shall not be made available and nomination papers shall be returned to the county clerk no later than 5 p.m. on the 68th day before the election.

SEC. 4. Section 14005.4 is added to the Elections Code, to read:

14005.4. In addition to the materials required by Sections 14005 and 14005.3, the clerk shall provide signs, or materials for making signs, advising voters that an election has been canceled pursuant to Section 6490.3 due to the death of the candidate-incumbent and that a special election will be held to fill the vacancy.

SEC. 5. Section 14205.5 is added to the Elections Code, to read:

14205.5. The precinct officer shall post the signs required by Section 14005.4 in plain view within each voting booth or compartment whenever an election has been canceled pursuant to Section 6490.3.

SEC. 6. Section 71603.5 of the Government Code is repealed.

SEC. 7. Section 71603.5 is added to the Government Code, to read:

71603.5. Notwithstanding any other provision of this article, the Board of Supervisors of Lassen County by ordinance or resolution may designate the county sheriff as ex officio constable of the justice court judicial districts in the county. The sheriff and deputy sheriffs shall serve each justice court affected by the designation without additional compensation.

SEC. 8. (a) Notwithstanding Section 71080 of the Government Code or any other provision of that code, the action taken in Siskiyou County to become effective concurrently with the end of the terms of the justice court judge or judges of the Shasta Valley Judicial District, the Dunsmuir-Mt. Shasta Judicial District, and the McCloud Judicial District, to create by consolidation, annexation, or otherwise, a new justice court judicial district in Siskiyou County known as the Southeastern Judicial District is hereby ratified and validated. The elections to fill the judge positions in these courts held in June 1988

and set for November 1988 are hereby declared null and void.

The Board of Supervisors of Siskiyou County shall call for a special election for the office of justice court judge for the new Southeastern Justice Court and any otherwise qualified person may be a candidate therefor. The special election shall be held prior to the vacancy actually occurring in the new justice court. The Board of Supervisors of Siskiyou County shall consolidate the special election with the general election (as defined in Section 20 of the Elections Code) immediately following the action. The person receiving the highest number of votes cast shall be elected for a full six-year term as prescribed by law.

(b) Notwithstanding Section 71091 of the Government Code and any other provision of that code, where action is taken to become effective concurrently with the end of the term of the constables, to create by consolidation, annexation, or otherwise a new justice court judicial district in Siskiyou County, the Board of Supervisors of Siskiyou County shall call for a special election for the office of constable for the new justice court and any otherwise qualified person may be a candidate therefor. The special election shall be held prior to the vacancy actually occurring and the Board of Supervisors of Siskiyou County shall consolidate the special election with the general election (as defined in Section 20 of the Elections Code) immediately following the action. The person receiving the highest number of votes cast shall be elected for a full four-year term as prescribed by law.

SEC. 9. The Legislature declares that this act mandates a new program or higher level of service on local government. 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. 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 (1) to enhance the democratic rights of voters in upcoming school, special district, and municipal elections by ensuring that a special election will be held when an incumbent of a nonpartisan office who has only one opposing candidate dies very close to the election and (2) to minimize the costs of carrying out justice court reorganization in Lassen and Siskiyou Counties, it is necessary that this act take effect immediately.

CHAPTER 392

An act to amend Section 2805 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988]

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

SECTION 1. Section 2805 of the Vehicle Code is amended to read:

2805. (a) For the purpose of locating stolen vehicles, a member of the California Highway Patrol, or a member of a city police department or county sheriff's office whose primary responsibility is to conduct vehicle theft investigations, may inspect any vehicle of a type required to be registered under this code, or any identifiable vehicle component thereof, on a highway or in any public garage, repair shop, terminal, parking lot, new or used car lot, automobile dismantler's lot, vehicle shredding facility, vehicle leasing or rental lot, vehicle equipment rental yard, vehicle salvage pool, or other similar establishment, or any agricultural or construction work location where work is being actively performed, and may inspect the title or registration of vehicles, in order to establish the rightful ownership or possession of the vehicle or identifiable vehicle component.

As used in this subdivision, "identifiable vehicle component" means any component which can be distinguished from other similar components by a serial number or other unique distinguishing number, sign, or symbol.

(b) A member of the California Highway Patrol, or a member of a city police department or county sheriff's office whose primary responsibility is to conduct vehicle theft investigations, may also inspect, for the purposes specified in subdivision (a), implements of husbandry, special construction equipment, forklifts, and special mobile equipment in the places described in subdivision (a) or when such a vehicle is incidentally operated or transported upon a highway.

(c) Whenever possible, inspections conducted pursuant to subdivision (a) or (b) shall be conducted at a time and in a manner so as to minimize any interference with, or delay of, business operations.

CHAPTER 393

An act to amend Sections 14204, 14232, 14260, and 14280 of, and to add Section 14234 to, and to repeal Section 14251 of, the Business and Professions Code, to amend Sections 488.375, 488.405, 697.580, and 2103 of the Code of Civil Procedure, to amend Sections 9407 and 9409 of the Commercial Code, and to amend Section 7226 of the Government Code, relating to filings.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988.]

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

SECTION 1. Section 14204 of the Business and Professions Code is amended to read:

14204. "Person" means any individual, firm, partnership, corporation, union, association, entity, or other organization.

SEC. 2. Section 14232 of the Business and Professions Code is amended to read:

14232. The application shall be accompanied by a specimen or facsimile of such mark in triplicate.

SEC. 3. Section 14234 is added to the Business and Professions Code, to read:

14234. If the mark or any part thereof is not in the English language, the application must be accompanied by a translation.

SEC. 4. Section 14251 of the Business and Professions Code is repealed.

SEC. 5. Section 14260 of the Business and Professions Code is amended to read:

14260. Any mark and its registration pursuant to this chapter shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark. Assignment information shall be by instruments in writing duly executed and acknowledged and may be filed with the Secretary of State upon the payment of a fee of twenty-five dollars ($25), payable to the Secretary of State who, upon filing of the assignment, shall issue in the name of the assignee a new certificate for the remainder of the term of the registration or of the last renewal thereof. An assignment of any registration under this chapter shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is filed with the Secretary of State within three months after the date thereof or prior to the subsequent purchase.

SEC. 6. Section 14280 of the Business and Professions Code is amended to read:

14280. The Secretary of State shall cancel from the register:

(a) Any registration concerning which the Secretary of State shall receive a voluntary request for cancellation from the registrant or

the assignee of record.

(b) All registrations granted under this chapter and not renewed in accordance with the provisions of Article 5 (commencing with Section 14250) of this chapter.

(c) Any registration or renewal if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. The Secretary of State shall give written notice of the applicability of this section to the registrant. Thereafter, 30 days shall be allowed from the date of the notification letter for payment by cashier's check or the equivalent.

(d) Within six months of the date of registration, any registration issued through ministerial error in violation of the requirements of subdivision (f) of Section 14220.

SEC. 7. Section 488.375 of the Code of Civil Procedure is amended to read:

488.375. (a) Except as provided by Section 488.385, to attach equipment of a going business in the possession or under the control of the defendant, the levying officer shall file with the office of the Secretary of State a notice of attachment, in the form prescribed by the Secretary of State, which shall contain all of the following:

(1) The name and mailing address of the plaintiff.

(2) The name and last known mailing address of the defendant.

(3) The title of the court where the action is pending and the cause and number of the action.

(4) A description of the specific property attached.

(5) A statement that the plaintiff has acquired an attachment lien on the specified property of the defendant.

(b) Upon presentation of a notice of attachment under this section for filing, and tender of the filing fee to the office of the Secretary of State, the notice of attachment shall be filed, marked, and indexed in the same manner as a financing statement. The fee for filing in the office of the Secretary of State is the same as the fee for filing a financing statement in the standard form.

(c) Upon the request of any person, the Secretary of State shall issue a certificate showing whether there is on file in that office on the date and hour stated therein any notice of attachment filed against the equipment of a particular person named in the request. If a notice of attachment is on file, the certificate shall state the date and hour of filing of each such notice and any notice affecting any such notice of attachment and the name and address of the plaintiff. Upon request, the Secretary of State shall furnish a copy of any notice of attachment or notice affecting a notice of attachment. The certificate shall be issued as part of a combined certificate pursuant to Section 9409 of the Commercial Code, and the fee for the certificate and copies shall be in accordance with that section.

(d) The fee for filing, indexing, and furnishing filing data for a notice of extension of attachment is the same as the fee for a continuation statement under Section 9403 of the Commercial Code. The fee for filing, indexing, and furnishing filing data for a notice of

release of attachment is the same as the fee for a statement of release under Section 9405 of the Commercial Code.

(e) If property subject to an attachment lien under this section becomes a fixture (as defined in Section 9313 of the Commercial Code), the attachment lien under this section is extinguished.

SEC. 8. Section 488.405 of the Code of Civil Procedure is amended to read:

488.405. (a) This section provides an alternative method of attaching farm products or inventory of a going business in the possession or under the control of the defendant, but this section does not apply to property described in Section 488.325. This section applies if the plaintiff instructs the levying officer to attach the farm products or inventory under this section.

(b) To attach under this section farm products or inventory of a going business in the possession or under the control of the defendant, the levying officer shall file a notice of attachment with the Secretary of State.

(c) Except as provided in subdivisions (d) and (e), the filing of the notice of attachment gives the plaintiff an attachment lien on all of the following:

(1) The farm products or inventory described in the notice.

(2) Identifiable cash proceeds (as that term is used in Section 9306 of the Commercial Code).

(3) If permitted by the writ of attachment or court order, after-acquired property.

(d) The attachment lien created by the filing of the notice of attachment under this section does not extend to either of the following:

(1) A vehicle or vessel required to be registered with the Department of Motor Vehicles or a mobilehome or commercial coach required to be registered pursuant to the Health and Safety Code.

(2) The inventory of a retail merchant held for sale except to the extent that the inventory of the retail merchant consists of durable goods having a unit retail value of at least five hundred dollars ($500). For the purposes of this paragraph, "retail merchant" does not include (A) a person whose sales for resale exceeded 75 percent in dollar volume of the person's total sales of all goods during the 12 months preceding the filing of the notice of attachment or (B) a cooperative association organized pursuant to Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code (agricultural cooperative associations) or Part 3 (commencing with Section 13200) of Division 3 of Title 1 of the Corporations Code (Fish Marketing Act).

(e) If property subject to an attachment lien under this section becomes a fixture (as defined in Section 9313 of the Commercial Code), the attachment lien under this section is extinguished.

(f) The notice of attachment shall be in the form prescribed by the Secretary of State and shall contain all of the following:

(1) The name and mailing address of the plaintiff.

(2) The name and last known mailing address of the defendant.

(3) The title of the court where the action is pending and the cause and number of the action.

(4) A description of the farm products and inventory attached.

(5) A statement that the plaintiff has acquired an attachment lien on the described property and on identifiable cash proceeds (as that term is used in Section 9306 of the Commercial Code) and, if permitted by the writ of attachment or court order, on after-acquired property.

(g) Upon presentation of a notice of attachment under this section for filing and tender of the filing fee to the office of the Secretary of State, the notice of attachment shall be filed, marked, and indexed in the same manner as a financing statement. The fee for filing in the office of the Secretary of State is the same as the fee for filing a financing statement in the standard form.

(h) Upon the request of any person, the Secretary of State shall issue a certificate showing whether there is on file in that office on the date and hour stated therein any notice of attachment filed against the farm products or inventory of a particular person named in the request. If a notice of attachment is on file, the certificate shall state the date and hour of filing of each such notice of attachment and any notice affecting any such notice of attachment and the name and address of the plaintiff. Upon request, the Secretary of State shall furnish a copy of any notice of attachment or notice affecting a notice of attachment. The certificate shall be issued as part of a combined certificate pursuant to Section 9409 of the Commercial Code, and the fee for the certificate and copies shall be in accordance with that section.

(i) The fee for filing, indexing, and furnishing filing data for a notice of extension of attachment is the same as the fee for a continuation statement under Section 9403 of the Commercial Code. The fee for filing, indexing, and furnishing filing data for a notice of release of attachment is the same as the fee for a statement of release under Section 9405 of the Commercial Code.

SEC. 9. Section 697.580 of the Code of Civil Procedure is amended to read:

697.580. (a) Upon the request of any person, the Secretary of State shall issue a certificate showing whether there is on file in that office on the date and hour stated therein any notice of judgment lien on personal property filed against the property of a particular person named in the request. If a notice of judgment lien is on file, the certificate shall state the date and hour of filing of each such notice and any notice affecting any such notice of judgment lien and the name and address of the judgment creditor.

(b) Upon request, the Secretary of State shall furnish a copy of any notice of judgment lien or notice affecting a notice of judgment lien. The certificate shall be issued as part of a combined certificate pursuant to Section 9409 of the Commercial Code, and the fee for the

certificate and copies shall be in accordance with that section.

SEC. 10. Section 2103 of the Code of Civil Procedure is amended to read:

2103. (a) If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in subdivision (b) is presented to a filing officer who is:

(1) The Secretary of State, he or she shall cause the notice to be marked, held, and indexed in accordance with the provisions of subdivision (4) of Section 9403 of the Commercial Code as if the notice were a financing statement within the meaning of that code; or

(2) A county recorder, he or she shall accept for filing, file for record in the manner set forth in Section 27320 of the Government Code, and index the document by the name of the person against whose interest the lien applies in the general index.

(b) If a certificate of release, nonattachment, discharge, or subordination of any lien is presented to the Secretary of State for filing he or she shall:

(1) Cause a certificate of release or nonattachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the Commercial Code, but the notice of lien to which the certificate relates may not be removed from the files; and

(2) Cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of the Commercial Code.

(c) If a refiled notice of federal lien referred to in subdivision (a) or any of the certificates or notices referred to in subdivision (b) is presented for filing to a county recorder, he or she shall accept for filing, file for record in the manner set forth in Section 27320 of the Government Code, and index the document by the name of the person against whose interest the lien applies in the general index.

(d) Upon request of any person, the filing officer shall issue his or her certificate showing whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed after January 1, 1968, under this title or former Chapter 14 (commencing with Section 7200) of Division 7 of Title 1 of the Government Code, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien. If the filing officer is a county recorder, the fee for a certificate for each name searched shall be set by the filing officer in an amount that covers actual costs, but that, in no event, exceeds fifteen dollars ($15), and the fee for copies shall be in accordance with Section 27366 of the Government Code. If the filing officer is the Secretary of State, the certificate shall be issued as part of a combined certificate pursuant to Section 9409 of the Commercial Code, and the fee for the certificate and copies shall be in accordance with that

section.

SEC. 11. Section 9407 of the Commercial Code is amended to read:

9407. (1) If the person filing any financing statement, amendment, termination statement, statement of assignment, continuation statement, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon request note upon the copy of a financing statement the file number and upon the copy of any of such statements the date and time of the filing of the original and deliver or send the copy to such person.

(2) Upon request of any person, the filing officer shall issue his or her certificate showing whether there is on file on the date and time stated therein, any presently effective financing statement naming a particular debtor and any statement of assignment thereof and if there is, giving the date and time of filing of each such statement and the names and addresses of each secured party therein. The certificate shall not include any statement as to the possibility of insolvency proceedings which might have the effect of preventing the lapse of effectiveness of a filed financing statement pursuant to Section 9403 whether actual insolvency proceedings are known or unknown to the filing officer. Upon request, the filing officer shall furnish a copy of any filed financing statement or related filings. If the filing officer is a county recorder, the fee for a certificate for each name searched shall be set by the filing officer in an amount that covers actual costs, but that, in no event, exceeds fifteen dollars ($15), and the fee for copies shall be in accordance with Section 27366 of the Government Code. If the filing officer is the Secretary of State, the certificate shall be issued as part of a combined certificate pursuant to Section 9409 of the Commercial Code, and the fee for the certificate and copies shall be in accordance with that section.

(3) Fees to be charged by the Secretary of State for daily or less frequent summaries or compilations of filings, which he or she may furnish, shall be sufficient to pay at least the actual cost of such service. Fees shall be determined by the Secretary of State with the approval of the Department of Finance. Such summaries or compilations may be in the form of microfilm copies or such other form as may be provided for the required information.

SEC. 12. Section 9409 of the Commercial Code is amended to read:

9409. (a) Upon request of any person, the Secretary of State shall issue a combined certificate showing the information as to financing statements as specified in Section 9407, the information as to state tax liens as specified in Section 7226 of the Government Code, the information as to attachment liens as specified in Sections 488.375 and 488.405 of the Code of Civil Procedure, the information as to judgment liens as specified in Section 697.580 of the Code of Civil Procedure, and the information as to federal liens as specified in Section 2103 of the Code of Civil Procedure.

(b) The fee for the certificate shall be twelve dollars ($12).

(c) Copies of the financing statements and lien notices listed in the certificate and copies of any related filings shall be provided by the Secretary of State together with the certificate at no additional fee.

(d) Copies of financing statements, lien notices, and related filings requested separately from a certificate shall be provided by the Secretary of State at a fee established by the Secretary of State not in excess of the fee that could have been charged for the certificate and copies together if the latter had been, or could have been, requested.

(e) The fees established by subdivisions (b), (c), and (d) shall become operative only after the Uniform Commercial Code Program Optical Disk System has been installed and is functioning. Until that time, the fee for the certificate shall be eleven dollars ($11), and the fee for copies shall be one dollar ($1) for the first page and fifty cents ($0.50) for each page thereafter.

SEC. 13. Section 7226 of the Government Code is amended to read:

7226. (a) Upon request of any person, the Secretary of State shall issue his or her certificate showing whether there is on file, on the date and hour stated therein, any certificate or notice of state tax lien naming a particular person, and if a certificate or notice is on file, giving the date and hour of filing of each certificate or notice.

(b) Upon request, the Secretary of State shall furnish a copy of any certificate or notice filed pursuant to this chapter. The certificate shall be issued as part of a combined certificate pursuant to Section 9409 of the Commercial Code, and the fee for the certificate and copies shall be in accordance with that section.

CHAPTER 394

An act to amend Section 2674 of, and to add Section 2689 to, the Public Resources Code, relating to landslide hazards.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988]

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

SECTION 1. Section 2674 of the Public Resources Code is amended to read:

2674. This chapter shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is chaptered on or before January 1, 1995, deletes or extends that date.

SEC. 2. Section 2689 is added to the Public Resources Code, to read:

2689. The Legislative Analyst shall, as part of the 1994–95 budget process, review the implementation of this chapter by the Division of Mines and Geology and the use of landslide hazard maps prepared pursuant to Section 2686 in land use planning by lead agencies. The Legislative Analyst shall submit his or her evaluation thereof which includes, among other things, the number of square miles of landslide-prone areas mapped throughout the state, the number of square miles of landslide-prone areas still left to be mapped throughout the state, an estimate of the cost and time to map these remaining areas, and the number of counties and cities that have incorporated landslide hazard information into their general plans or explicitly include landslide hazard considerations in their building codes or formal land use decisionmaking process, to the appropriate budget committees of the Legislature, including any recommendations for statutory changes.

CHAPTER 395

An act to add Section 117.24 to the Code of Civil Procedure, and to amend Section 12810.5 of, and to add Sections 16370.5 and 16370.7 to, the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988.]

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

SECTION 1. Section 117.24 is added to the Code of Civil Procedure, to read:

117.24. (a) If the judgment of a small claims court, in the amount of five hundred dollars ($500) or less against the driver of a motor vehicle arising from a motor vehicle accident occurring on a California highway remains unsatisfied for more than 90 days after the judgment becomes final, the judgment creditor may file with the Department of Motor Vehicles a notice stating that a small claims judgment against the driver arising from an automobile accident occurring on a California highway has not been satisfied. At the time judgment is entered, the judge shall make a determination as to whether the judgment results from a motor vehicle accident occurring on a California highway caused by the judgment debtor's operation of a motor vehicle. The parties shall receive a notice of the judge's determination as provided by the Judicial Council.

(b) To file the notice, the creditor shall submit the notice to the Department of Motor Vehicles and pay a fee set by the department. The fee shall be used by the department to finance the costs of administering this section and shall not exceed the department's actual costs The judgment creditor shall certify under penalty of

perjury that the small claims judgment has not been satisfied prior to filing the notice. No notice shall be filed against any driver unless the creditor presents the judgment of the court with the judge's determination that the claim is the result of an automobile accident occurring on a California highway caused by the judgment debtor's operation of a motor vehicle. At the time the notice is filed, the department shall give the creditor a copy of the notice, which shall indicate the filing fee paid by the creditor and provide a space to be signed by the judgment creditor acknowledging payment of the judgment by the judgment debtor, to be returned to the judgment debtor once the judgment is satisfied.

(c) Upon receipt of a notice, the Department of Motor Vehicles shall attempt to notify the judgment debtor by telephone, if possible, otherwise by certified mail, that his or her privilege to operate a motor vehicle will be suspended for a period of 90 days, beginning 10 days following receipt of notice by the department from the judgment creditor, unless satisfactory proof, as set forth in subdivision (d), is provided to the department before that date.

(d) The Department of Motor Vehicles shall terminate the suspension, or the suspension proceedings, upon any of the following:

(1) Receipt of proof that the outstanding small claims judgment filed against the judgment debtor has been satisfied, either (A) by a copy of the notice required by this section signed by the judgment creditor acknowledging satisfaction of judgment, or (B) by a statement signed by the judgment debtor under penalty of perjury declaring that the judgment has been satisfied.

(2) Receipt of proof that a court-ordered payment schedule is being complied with.

(3) Proof that the judgment debtor had insurance covering the accident sufficient to satisfy the judgment.

(4) A deposit with the department of a sum equal to the amount of the unsatisfied judgment, when the judgment debtor presents proof, satisfactory to the department, of inability to locate the judgment creditor.

(5) At the end of 90 days.

(e) When the suspension has been terminated under one of the above conditions, the action is final and may not be reinstituted. Whenever the suspension is terminated, Section 14904 of the Vehicle Code shall apply. Money deposited with the Department of Motor Vehicles pursuant to this section shall be handled in the same manner as money deposited pursuant to subdivision (d) of Section 16377 of the Vehicle Code.

(f) No public agency is liable for any injury caused by the suspension, termination of suspension, or the failure to suspend any person's privilege to operate a motor vehicle as authorized by this section.

SEC. 2. Section 12810.5 of the Vehicle Code is amended to read:

12810.5. (a) Any person, including persons holding certificates pursuant to Section 2512, 12517, 12519, 12519.5, 12521, 12523, 12523.5,

12524, 12804.1, or 12804.3 whose driving record shows a violation point count of four or more points in 12 months, six or more points in 24 months, or eight or more points in 36 months shall be prima facie presumed to be a negligent operator of a motor vehicle. In applying this subdivision to a driver, the department shall give due consideration to the amount of use or mileage traveled in the operation of a motor vehicle.

(b) Any class 1 or class 2 licensed driver, except persons holding certificates pursuant to Section 2512, 12517, 12519, 12519.5, 12521, 12523, 12523.5, 12524, 12804.1, or 12804.3, whose driving record shows a violation point count of six or more points in 12 months, eight or more points in 24 months, or 10 or more points in 36 months shall be prima facie presumed to be a negligent operator of a motor vehicle.

(c) The department, on and after July 1, 1989, may require a negligent operator whose driving privilege is suspended or revoked pursuant to this section to submit proof of ability to respond in damages as defined in Section 16430. The proof of ability to respond in damages shall be filed on or before the date of reinstatement following the suspension or revocation. The proof of ability to respond in damages shall be maintained with the department for three years following that date of reinstatement.

SEC. 3. Section 16370.5 is added to the Vehicle Code, to read:

16370.5. The department shall suspend the privilege of any person to operate a motor vehicle as specified in Section 117.24 of the Code of Civil Procedure. Except as provided in this section, an action brought under Section 117.24 of the Code of Civil Procedure shall not be governed by Chapter 2 (commencing with Section 16250) of Division 7.

SEC. 4. Section 16370.7 is added to the Vehicle Code, to read:

16370.7. Documents filed with the department pursuant to Section 16370 shall be accompanied by a fee of not to exceed twenty dollars ($20) to pay for processing the documents and issuing the suspension order.

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 Motor Vehicles may collect filing fees in conjunction with civil service filings as soon as possible, to expedite the enforcement to certain small claim court judgments, and to allow the department as much time as possible to prepare to impose the requirement that negligent operators with suspended or revoked licenses prove their ability to respond in damages, it is necessary that this act take effect immediately.

CHAPTER 396

An act to amend Section 1680 of the Business and Professions Code, relating to dentistry.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988.]

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

SECTION 1. Section 1680 of the Business and Professions Code is amended to read:

1680. Unprofessional conduct by a person licensed under this chapter is defined as, but is not limited to, the violation of any one of the following:

(a) The obtaining of any fee by fraud or misrepresentation.

(b) The employment directly or indirectly of any student or suspended or unlicensed dentist to practice dentistry as defined in this chapter.

(c) The aiding or abetting of any unlicensed person to practice dentistry.

(d) The aiding or abetting of a licensed person to practice dentistry unlawfully.

(e) The committing of any act or acts of gross immorality substantially related to the practice of dentistry.

(f) The use of any false, assumed or fictitious name, either as an individual, firm, corporation or otherwise, or any name other than the name under which he or she is licensed to practice, in advertising or in any other manner indicating that he or she is practicing or will practice dentistry, except that name as is specified in a valid permit issued pursuant to Section 1701.5.

(g) The practice of accepting or receiving any commission or the rebating in any form or manner of fees for professional services, radiograms, prescriptions or other services or articles supplied to patients.

(h) The making use by the licentiate or any agent of the licentiate of any advertising statements of a character tending to deceive or mislead the public.

(i) The advertising of either professional superiority or the advertising of performance of professional services in a superior manner. This subdivision shall not prohibit advertising permitted by subdivision (h) of Section 651.

(j) The employing or the making use of solicitors.

(k) The advertising in violation of Section 651.

(*l*) The advertising to guarantee any dental service, or to perform any dental operation painlessly. This subdivision shall not prohibit advertising permitted by Section 651.

(m) The violation of any of the provisions of law regulating the procurement, dispensing, or administration of dangerous drugs, as

defined in Article 8 (commencing with Section 4211) of Chapter 9, or controlled substances, as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code.

(n) The violation of any of the provisions of this division.

(o) The permitting of any person to operate dental radiographic equipment who has not met the requirements of Section 1656.

(p) The clearly excessive prescribing or administering of drugs or treatment, or the clearly excessive use of diagnostic procedures, or the clearly excessive use of diagnostic or treatment facilities, as determined by the customary practice and standards of the dental profession.

Any person who violates this subdivision is guilty of a misdemeanor and shall be punished by a fine of not less than one hundred dollars ($100) or more than six hundred dollars ($600) or by imprisonment for a term of not less than 60 days or more than 180 days or by both such fine and imprisonment.

(q) The use of threats or harassment against any patient or licentiate for providing evidence in any possible or actual disciplinary action, or other legal action; or the discharge of an employee primarily based on the employee's attempt to comply with the provisions of this chapter or to aid in the compliance.

(r) Suspension or revocation of a license issued by another state or territory on grounds which would be the basis of discipline in this state.

(s) The alteration of a patient's record with intent to deceive.

(t) Unsanitary or unsafe office conditions, as determined by the customary practice and standards of the dental profession.

(u) The abandonment of the patient by the licentiate, without written notice to the patient that treatment is to be discontinued and before the patient has ample opportunity to secure the services of another dentist and provided the health of the patient is not jeopardized.

(v) The willful misrepresentation of facts relating to a disciplinary action to the patients of a disciplined licentiate.

(w) Use of fraud in the procurement of any license issued pursuant to this chapter.

(x) Any action or conduct which would have warranted the denial of the license.

(y) The aiding or abetting of a licensed dentist or dental auxiliary to practice dentistry in a negligent or incompetent manner.

(z) The failure to report to the board in writing within seven days either: (1) the death of his or her patient during the performance of any dental procedure; or, (2) the discovery of the death of a patient whose death is causally related to a dental procedure performed by him or her.

(aa) Participating in or operating any group advertising and referral services which is in violation of Section 650.2.

(bb) The failure to use a fail-safe machine with an appropriate exhaust system in the administration of nitrous oxide. The board shall

by regulation define what constitutes a fail-safe machine.

(cc) Engaging in the practice of dentistry with an expired license.

CHAPTER 397

An act to amend Sections 20201, 20202, and 34700 of the Water Code, relating to water districts.

[Approved by Governor August 11, 1988. Filed with Secretary of State August 11, 1988.]

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

SECTION 1. Section 20201 of the Water Code is amended to read:

20201. Notwithstanding any other provision of law, the governing board of any water district may, by ordinance adopted pursuant to this chapter, provide compensation to members of the governing board, unless any compensation is prohibited by its principal act, in an amount not to exceed one hundred dollars ($100) per day for each day's attendance at meetings of the board, or for each day's service rendered as a member of the board by request of the board, and may, by ordinance adopted pursuant to this chapter, in accordance with Section 20202, increase the compensation received by members of the governing board above the amount of one hundred dollars ($100) per day.

It is the intent of the Legislature that any future increase in compensation received by members of the governing board of a water district be authorized by an ordinance adopted pursuant to this chapter and not by an act of the Legislature.

SEC. 2. Section 20202 of the Water Code is amended to read:

20202. In any ordinance adopted pursuant to this chapter to increase the amount of compensation which may be received by members of the governing board of a water district above the amount of one hundred dollars ($100) per day, the increase may not exceed an amount equal to 5 percent, for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted.

No ordinance adopted pursuant to this chapter shall authorize compensation for more than a total of six days in any calendar month.

SEC. 3. Section 34700 of the Water Code is amended to read:

34700. Each director shall be a holder of title to land within the district or the legal representative of the holder of title to land. If a corporation holds title to land, the president of the corporation or persons selected by resolution of its board of directors filed with the district may serve as directors.